

## President's Message: The Continuing PICPA Story

By Eric P. Wallace, CPA, PICPA president

Advocacy, effort, and selflessness for the betterment of the profession and the public good are all part of the continuing story of PICPA and its members. This story will continue to be written during my term as president. It is both a charge and an honor to see to this mission.

PICPA initiatives address national and state issues, including broad topics such as financial literacy, need for new talent, and private company financial reporting, as well as more focused concerns, such as the simplification of the earned income tax collection system and CPA licensing mobility. The CPA profession must also be ready for new challenges, embrace them, and put forth our best efforts to bring forward positive solutions.

One new challenge that our profession must embrace is increasing the number of minority CPAs. Only about 12 percent of our profession are reported as minorities. Not that long ago, when "diversity" and "CPAs" were used in the same sentence, one was referring to a dearth of women in the profession. Proactive efforts corrected this. Now, women make up the majority of those taking college-level accounting courses and the CPA Exam. In the very near future, women will make up the majority of CPA firm ownership. A similar effort is needed to increase the number of minority CPAs. We are beginning to see some progress: 26 percent of accounting undergraduates are minorities, as are 20 percent of those seeking a master's degree. To continue this progress, we must make outreach efforts earlier than high school graduation and among undeclared college majors. We must reach much younger audiences.

During my year as president, we will step up our diversity efforts by seeking the collective assistance, advice, guidance, and insight of members from PICPA, AICPA, the National Association of Black Accountants, the Association of Latino Professionals in Finance

and Accounting, and the National Asian American Society of Accountants, as well as other state and national organizations and not-for-profits. Our goal is not to reinvent the wheel by creating PICPA-specific programs, but to enhance the work already being done by those organizations with well-established programs.

Financial literacy is one area where the profession has taken the lead and has made significant inroads. PICPA was the first state society to sponsor *Mad About Money*, a live financial literacy presentation developed and performed by The National Theater for Children. Based on the positive feedback we received, we believe this will be a program that other states will pursue. The *Mad About Money* program also assists in another important objective: heightening the CPA presence in high schools and encouraging students to consider accounting as a career option. This program provided entry into 20 new schools this year, some of which are inner city schools. This puts us one step forward in our outreach to minorities this year.

Many of you may not be aware that PICPA was involved in the formation of the Private Company Financial Reporting (PCFR) Committee. Starting with the 2002 white paper on separate accounting due process for private entities, to our 2005 participation in the PCFR Task Force, to the 2006 formation of the PCFR after-agreement of AICPA and FASB, PICPA has been a part of the GAAP debate. This issue has not gone away, nor will it. Earlier this year, AICPA approved International Financial Reporting Standards as acceptable for U.S. GAAP. The big unanswered question is what is going to happen regarding private entities. Stay tuned as we insist that PCFR not be subjected to foreign interests.

Closer to home, Pennsylvania recently amended the CPA Law through Senate Bill

838. Among other much-needed updates, the law embraces substantial equivalency between the states, which is critical to our profession. Through these revisions, CPAs now have enhanced mobility and portability of their license across state lines. More firms and clients are conducting business across state lines, either physically or via the Internet. The ability of a CPA licensed in Pennsylvania to practice in other states without registration or fees is very important. Likewise, passage of a 150-hour education requirement to achieve this substantial equivalency between states was necessary to ensure CPAs licensed in Pennsylvania are not perceived to be of lesser quality than those in other states that already agreed to substantial equivalency requirements. Passage of this statute prevented Pennsylvania from becoming a "two-tier license" state, which would have been devastating to our graduates, since graduating from non-150-hour accounting programs most certainly would have limited their job opportunities. We have cleared this detriment to the growth and well-being of our profession, and the profession is poised to thrive in Pennsylvania and beyond.

I pledge that, as PICPA president, I will represent our entire profession, whether one works in industry, education, or public accounting, and will steward the progress of all our important initiatives.

I want to express my sincerest thanks to those who have enabled me to serve PICPA's membership as our 96th president. This includes my wife Barbara and my family, who continue to hold down the fort during my travels and efforts. Additionally, I am grateful to my Carbis Walker LLP partners, my assistant Jill Matos, and to PICPA staff. Finally, I would like to express my gratitude to current and past PICPA leadership for their part in PICPA's continuing story, particularly past presidents Denise Devine, Andy Weidman, Bob Krebs, Susan Howe, and Bill Lazor. ■