INFLUENCED BY MILLENNIALS, FIRM CULTURE LOOSENS UP

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Meet
Rumbi Bwerinofa-Petrozzello

A CPA in the Vanguard Of a Rapidly Changing Profession

USE SOCIAL MEDIA TO BUILD YOUR BRAND

LEADERSHIP STYLES DONE RIGHT AND WRONG

Check Out Our Fall Events!

3 INVALUABLE NETWORKING TIPS

FALL 2018
THE NYSSCPA'S PROFESSIONAL DEVELOPMENT GUIDE
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## FAE Conferences

### Your Fall Conference Planning Worksheet

**Attend In-Person in NYC or Online**

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### About FAE Conferences

The Foundation for Accounting Education (FAE) hosts more than 30 conferences annually, designed by CPAs for CPAs and related professionals. When you participate in a FAE Conference, you connect with an impressive array of talented professionals in your specialty area.

Register at [nysscpa.org/events](http://nysscpa.org/events) or call 800-537-3635.
A young CPA navigating a rapidly changing profession, I have found the NYSSCPA to be a wonderful source of support and opportunity. Seven years ago, I became active in the Mid Hudson Chapter, and three years ago, I had the honor of being invited to join the Society’s Young Leadership Circle. Now, as chair of the Society’s statewide NextGen Committee, I have an influential voice on issues of interest to early-career CPAs at this time of transition, driven primarily by the impact of technology.

This issue of NextGen offers several different perspectives on how the profession is changing, as a new generation exerts its influence: From fields of practice to office culture, the traditional ways of working as a CPA are giving way to new pathways.

Take the subject of the cover story—Rumbi Bwerinofa-Petrozzello. She epitomizes several ways in which the profession is changing. Having previously worked as an accountant and a controller, she now runs her own business, specializing in forensic accounting—once a niche specialty, but now an in-demand service. And having worked in traditional office settings, she now has no formal office, working either from home or at her clients’ offices.

In addition, NextGen asked CPAs of different generations to describe how office culture has changed. While many accounting firm offices have relaxed rules about office hours and dress codes, what’s more significant is the loosening of the hierarchical structure of firms. There has been a noticeable change in how partners and staff interact. There’s now a lot more collaboration, as well as debate and discussion, among CPAs at different levels of experience. Millennials want to have a voice at the table and offer their insights into the management of their firms.

One important way for young professionals to have a say within the profession is by joining an NYSSCPA committee. And for those concerned with the future of the profession, the NextGen Committee of their chapter is an ideal one to join. These committees work with chapter leadership to plan events and initiatives of interest to young members. And chapter NextGen Committee chairs serve on the statewide NextGen Committee, which works with the Society’s Board of Directors to help establish statewide programs that cater to young professional members. Serving on a NextGen Committee is a great way to get your voice heard in the Society, and to start having a positive impact on the profession. If you are interested in joining your chapter’s NextGen Committee, please contact the committee’s chair.

I also encourage all of you to attend Society events and Foundation for Accounting Education (FAE) courses. Networking events can help you advance in your career, and FAE courses can boost your skills. Please look at the calendar of events on page 4, as well as FAE’s course listings at nysscpa.org/FAE. And stay tuned for info about our NextGen Conference, coming in the spring.

Magda V. Reyes, CPA, MBA
Chair, NYSSCPA NextGen Committee
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Networking comes more easily for some than others, but it’s a skill that almost everyone can improve upon. Below are three ways to maximize its potential.

By Chris Gaetano

1 Take the direct approach

While it may seem uncouth, when reaching out to a networking contact to ask for a favor, a Quartz at Work article suggests, well, just asking for the favor. Too many people try to go about things in a roundabout way, suggesting and hinting at what they want from the other person—and rarely getting the results they want. The reason why this doesn’t work is because—and this might sound shocking—people are not mind readers. Being vague is just a way to ask for something without seeming like you’re asking for something, which really doesn’t get anyone anywhere. Rather than say, “So, I just applied to a job at your company!” and hope they get the hint, say what you really mean: “Could you please put in a good word for me?” If that feels too uncomfortable, it might be a sign that you need a new contact. If you don’t want to seem presumptuous (for instance, if you only met this person once at a networking function), try to find a suitable way of framing it that acknowledges that the person may not feel inclined to help. Overall, though, remember to be specific about what you want from this person.

2 Learn the best ways to contact a stranger

While you might feel uncomfortable reaching out to people you don’t know, there are ways in which you might be able to make it work, according to an article in Fast Company. The author provides some templates, but overall, if you’re going to be sending an email to a stranger, just keep these guidelines in mind:

• Keep it to fewer than four paragraphs, and be specific as to what caught your interest and what you would like to discuss with the person. Focus on what you might have in common, such as colleges or professional associations.
• Do your homework: Make sure you know the person’s actual work or position, and explain why you want to talk to him or her.
• End with a question. Ask to meet in person or, at the very least, schedule a phone call.

3 Introverts: Focus on a few good connections

Let’s face it: Networking events, while potentially great for your career, can also be rather awkward affairs, particularly if you’re the shy type. Hunter Walk, a venture capitalist who previously worked at Google, knows this very well and recommended some tips for how a more introverted kind of person can make the most out of networking, according to Inc. magazine. In general, he recommends focusing on the quality rather than the quantity of connections: It’s better to have a smaller number of more in-depth conversations than a large number of shallow ones. Also, try to hang on even if things start feeling awkward; if you feel the instinct to flee the room, try waiting a half hour longer before following through on that. But don’t be afraid to take a break every once in a while. If you need some alone time to recharge, feel free, so long as it doesn’t mean leaving the event entirely.
FALL EVENTS
Here are some upcoming events of interest to new and aspiring CPAs. For more information and to register, visit nysscpa.org/fae.

October

17
Nassau Chapter NextGen Accountants Kickball Event
Wednesday, Oct. 17, 5–8 p.m.
Christopher Morley Park at Field #2, 500 Searington Road, Roslyn
Cost: $20
Course code: 45030903

18
Fall Rooftop Reception
Thursday, Oct. 18, 5:30–7:30 p.m.
Rare View Chelsea,
inside the Hilton Hotel
152 W. 26th St., New York
Cost: $10 members; $25 nonmembers
Course code: 48150906

23
Toastmasters Model Meeting
Tuesday, Oct. 23, 6:30–8:30 p.m.
NYSSCPA offices,
14 Wall St., New York
Cost: Free to NYSSCPA members; $10 for nonmembers
Course code: 48150903
Future meetings of the NYSSCPA's Toastmasters Club: Nov. 13, Nov. 27, Dec. 11, 6:15-7:30 p.m

November

14
Nassau Chapter Student CPA Fest
Wednesday, Nov. 14, 2:30–8:30 p.m.
Chateau Briand, 440 Old Country Road,
Carle Place
Cost: $10
Course code: 45030904

Joint Buffalo Chapter & Tax Executives Institute Dinner Meeting
Wednesday, Nov. 14, 5:30–8 p.m.
Italian Village, 6354 Transit Road, Depew
Cost: $25
Course code: 45010904

December

23
CANNABIS CONFERENCE
Tuesday, Dec. 11, 8:30 a.m.–5 p.m.
730 Third Ave., New York
Cost: $385 member; $485 nonmember
Course code: 25809911

January 2019

18
Women’s Leadership Forum
Friday, Jan. 18, 2019, times TBA
Midtown Loft & Terrace, 267 5th Ave., New York
Cost: $225 early bird; $250 regular
Course code: TBA
How to Use Social Media to Build Your Brand

By Sean Stein Smith

It’s no secret that younger professionals are comfortable using technology and social media tools. As a millennial CPA myself, I—and I know I am not the only one—am always looking for a new way to stand out from the competition. So it’s always good to remember that Instagram, Twitter and Snapchat are not only vehicles for chatting with friends and posting selfies—they’re actually powerful networking tools. In fact, building your brand on social media is also about sharing content and posting selfies, but in a more strategic way. For instance, if you’re at a conference for work, ask to take a pic with one of the speakers who impressed you. Chances are, your network will be impressed when they see those “ussies” once you post them. Social media can help you build your professional reputation, or you can use it to support your efforts in developing a niche or service area in which you have expertise. For example, if you have an interest in developing a specialization in a certain industry, social media can help you do that simply by sharing interesting and relevant content about that topic. Let’s take a look at how you can harness the power of social media to build your brand.

1. MAKE A PLAN. Just as you would not want to launch a new product or service line for clients without making a plan, don’t wander aimlessly into the social media wilderness. As many of us, including this author, know very well, it is quite easy to spend a lot of time on social media without any return on investment. Figure out what you want to do on social media, write it down, and keep it in mind as you start to experiment.

2. FIND YOUR PLATFORM. Each one is different, and there are many of them. Twitter is a good place to share relevant content from other people on a particular topic, but as a professional, you almost cannot not have a LinkedIn profile. It is the logical place to start building your professional reputation, even if you’re still in school.

3. MAXIMIZE LINKEDIN. You’ve set up your LinkedIn profile. Now maximize it. Follow organizations that you are interested in or that you want to work for, and join groups relevant to your stated goals. And make sure your profile photo is a professional one.

4. FOLLOW INFLUENCERS AND SHARE THEIR CONTENT. Don’t reinvent the wheel! If there is someone you admire professionally, look them up and connect with them. See what they are doing and what they share, tweak it for your business—and do it better than the competition.

5. VERIFY YOUR CONTACTS. Just as you would always do some homework and research on people and organizations before doing business with them, you should know who you are engaging with on social media. Accounting organizations, potential clients, current clients and colleagues are out there on the various social media platforms, but it is up to you to make sure you are speaking with the real thing. Especially with the seemingly endless stories of hacking and identity theft, verifying who you are dealing with is of paramount importance.

6. BE CIVIL. The social media landscape is littered with the wreckage of individuals and businesses who have made missteps and mistakes while on social media. You don’t want to join the long list of social media gaffes, so a piece of advice I always give is, “Act the same way online that you would in person.” This may seem like common sense, but you might be surprised at how often such advice is ignored.

7. BE SOCIAL. Even though the concept of social media should be relatively self-explanatory, it is surprising just how many people and organizations simply upload or post content, and then stop. The true power and potential of social media requires that you engage with and interact with other people and organizations on whichever platform you use.

Sean Stein Smith is an assistant professor of business and economics at Lehman College, part of the City University of New York. He can be reached at sean.steinsmith@lehman.cuny.edu.
It's not always clear what management consultants mean by "leader." Do they mean someone who will take charge and drag the organization, kicking and screaming, to success? Do they mean someone who can find consensus and act on it? Do they mean someone who will stand beside you in the trenches and show you the path to victory? Or might they even mean someone who will stand back and trust you to do your job?

The answer to all these questions—yes. Yes, leader can mean all those types of people and more. There are as many types of leader as there are types of people, and none of them can be all things to all people at all times. This doesn’t mean that leadership's not a skill that can be learned, though. Beyond finding the style you’re comfortable with, you must learn to wield it effectively: It's possible for both a great leader and an abysmal one to share the same style. The difference is that one learned how to use it effectively and the other did not.

So what does it look like when someone is using a particular style well, and what does it look like when someone else is using it poorly? We interviewed business leadership coaches about four different leadership styles and asked them to weigh in. In practice, many leaders employ a combination of leadership styles, depending on the circumstances.

When it's done right:
The Philosopher King

People skillful in the top-down command style are more than just leaders; they are inspirations. Subordinates don’t do what they’re told by such people because they have to, but because it makes them feel as if they’re part of something bigger than themselves, making them better than they were before. This type of leader “builds culture, builds loyalty—that's the kind of leader [about whom] people say, ‘I'd take a bullet for him,’” said Jane Cranston, head of Executive Coach NY. “The loyalty thing is a big deal. They retain employees; people will put their careers in their hands. [Employees] say, ‘I trust this woman—if I follow her, I will succeed as well.’ It’s bigger than managing; it’s leading.”

Top-down leaders are also good in crisis situations that require quick decisions and a united front. Leaders skilled in this style stay calm and collected, and through this grace under pressure, they can provide the clarity and sense of purpose the staff needs so as not to panic. “If the organization is in crisis, then it might very well be useful to bring a more dictatorial approach to causing a turnaround. In a crisis, I don’t necessarily have the time to get a democratic perspective from everyone that wants to put in their five cents,” said Herma M. Schmitz, a principal of Scudder & Schmitz Executive Coaching Group.

When it's done wrong:
The Tyrant

Not everyone who prefers this style is good at wielding it, though. When top-down is done poorly, such leaders devolve into petty tyrants always on the lookout for threats to the fiefdom they’ve managed to carve out for themselves. Whatever order they impose, it is based primarily on fear.

“I think a tyrant makes people feel fearful—fear in an
organization is ultimately always going to affect the bottom line in a negative way. You may initially have an increase, but it never will be long-standing, and, as a businessperson, I’m always looking at the long term,” said Kim Ann Curtin, founder and CEO of The Wall Street Coach.

“The dark side looks like micromanagement, arrogance, telling people things they already know. … And, certainly, it’s also very distancing: There’s no dialogue, no back and forth, so it doesn’t really bring other people in. It’s all power and no warmth,” said Alisa Cohn, an executive coach who maintains her own independent consultancy.

How to get the most out of it:
Paradoxically, if people want to make the best use of the top-down leadership style, they need to see all the ways it’s not just about them. This requires them to have the humility to be able to understand and accept that other people just might know more than they do and have ideas worth listening to. It’s also important to have clear, open and honest communication, as top-down leaders need a lot of trust in order to be effective.

“Many times, top executives, if the organization is in crisis, think the staff should not know. … [But I would advocate] being completely transparent and being in communication that [you] are in a crisis,” said Schmitz.

“When it’s done right … [the top-down leader] has the realization that they are maybe expert at being king but not expert at the tasks their subjects do, giving them autonomy,” said Cohn.

She added that it’s also the style best deployed when dealing with junior-level people, as experienced experts will likely not appreciate being dictated to, especially if they don’t think you have the same level of knowledge that they do. With this in mind, she added that if you are going to just tell people what to do, it helps to actually know what you’re doing.

Bottom-up facilitative style
Leaders seek to fully harness the team’s power by incorporating input and coming to a consensus

When it’s done right: The Facilitator

People effective in a more bottom-up facilitative style lead engaged teams through creating a sense of buy-in and community. They understand that they don’t know everything there is to know, and so rather than issue directives from on high, they actively solicit ideas and input. Through this process, they find the path that makes the best use of everyone’s skills.

This is a less detail-oriented style, as the leader’s role is more to provide a vision that the team can work toward.

“Facilitators have vision. They paint a path and they help people achieve it, but not necessarily the way they would have done it. It’s not one path, but there is a vision, an end, and they help pull the best traits of every person [to get there],” said Cranston.

When it’s done wrong: The Ditherer

When this leadership style is poorly executed, though, everything starts feeling very confused. While input and advice are essential parts of the style, they cannot dominate. When they do, the team loses focus, and no one really knows what he or she should be doing. People may still work, but they’re not entirely sure where that work fits into the big picture, or even if it does fit at all.

“A lack of direction, a lack of decisiveness … often leads to a lack of follow-through, a lack of a sense of who’s in charge here and how decisions get made,” said Cohn.

This isn’t just bad for the company but bad for the team itself. Curtin noted that leaders like this turn to their team, not necessarily to get good advice, but to diffuse responsibility and avoid making tough decisions, often because they don’t want to make anyone mad or get blamed by a wrong decision. But their inaction, paradoxically, can make their team quite mad at them.

“The ditherer is representative of the kind of person who is afraid to make a mistake, who is afraid to show their fierce resolve, because they want people to like them, they want people to be impressed by them,” said Curtin.

How to get the most out of it:
Being able to effectively marshal the resources of your team requires that you first understand what those resources are. Cranston said that using this style requires that you know your team’s capabilities very well, so that you can effectively evaluate and apply their input.

“You have to know what your team is and is not capable of; how much independence or how much management they really need,” she said.

While using a bottom-up style well sometimes requires you to step back, Cohn said that, at other times, it requires you to step up. People need to have a clear idea of what is expected of them and to whom they—and you—are accountable.

A big part of this process is clearly articulating expectations and goals through an open dialogue with everyone involved, according to Curtin.

“A lack of decisiveness … often leads to a lack of follow-through, a lack of a sense of who’s in charge here and how decisions get made.” —Alisa Cohn

People need to know what exactly they’re meant to be working toward and what success should look like.

“Be clear [as to] what that looks like,” she said, giving an example of what an effective facilitator says: “‘My mandate … is: I have to facilitate this in six months or a year. I am going to need this from you all. … Where do you guys think your talents lie, your strengths lie, to [make that happen]? Because my success means your success.’”
Leadership functions can quickly lead to burnout. “If you take an organization like JPMorgan Chase with 250,000 employees, if [the CEO were to take this approach], he is going to be worn out in a week,” she said, adding that this kind of direct intervention is more akin to a manager than a leader. “I’m not going to go down in the trenches and lead a particular project unless it is one that lives on a very high level.”

How to get the most out of it: Cohn said that leaders using this style need to learn to delegate, which they tend to have trouble with, even at their best. While team members may appreciate the help, they need to learn how to figure things out for themselves and make their own mistakes, which is vital for professional development.

It’s also important to stress the contributions the rest of the team made, so no one gets the impression that it’s a one-person show. “Say, ‘Thanks so much, but the way I was able to do it is Joe did this for me and Susan did that for me’ …, looping people in and including them,” said Curtin.

A poor application of the lead-by-example style—the Know-It-All—can generate not inspiration, but resentment. Poor applications of this style generate not inspiration, but resentment. Being down in the trenches with the team and showing them how it’s done can easily be perceived as the leader saying the workers are incompetent and can’t do it themselves. This, in turn, can really disrupt the team dynamic. “The thing is, if you’re busy leading by example, it might also mean [you’re] not delegating enough and not letting [your] team do the thing they’re asked to do without [your] watchful eye involved,” said Cohn.

Schmitz added that even if these leaders are capable of doing the job, it may not be appropriate for them to do so, particularly if they are at a very high level. Working side by side with a team while also carrying out all their expected leadership functions can quickly lead to burnout.

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Hands-off style
Leaders take a light touch with team members, trusting that they will figure things out for themselves.

When it’s done right:
The Liberator
These are the leaders who know that the best thing they can do for their team is get out of the way. They know they don’t need to micromanage every last task and, so, can afford to give their team the independence and autonomy they need to develop as professionals.

“You don’t need to be on them every five minutes, and, in fact, you will kill their creativity if you are. So you have to be, as a person, as a leader, able to tolerate that your people may know more than you do on a technical level, that they are the experts, you are the generalist, and you have to do everything possible to make the environment good for them to be the best they can be,” said Cranston.

Hands-off leaders are not completely absent, though. Cohn said that they know exactly when not to intervene. Such a leader will say, “If you’ve got a problem, let me know,” she said. “A remover of obstacles—there when you need him, and not there when you don’t.”

When it’s done wrong:
The Ghost
There’s hands off, and then there’s just plain absent. Just as being overbearingly micromanaged can be demoralizing for a team, so can complete abandonment. There’s no way to set directions, get guidance or clarify an unclear order. In situations like this, it seems as though the only times the team interacts with the leader is to get yelled at for not doing things right. This can often be the case when the leader assumes that the team knows things they actually don’t.

“The dark side really is that you’ve entrusted tasks or projects and situations to people who may not necessarily be equipped to do [them] and may not have the discipline or follow-through on a large project, or they get stuck and don’t know they’re stuck or won’t ask for help or are just fully incompetent,” said Cohn.

There’s also the matter of what the leader knows, observed Cranston. When taking a hands-off philosophy to the extreme, leaders often miss problems that could have been nipped in the bud much earlier, but because they’re not communicating with their team, they only find out about them when they’ve grown to monster proportions.

How to get the most out of it:
Schmitz said that wielding a hands-off style effectively means knowing when to step up and when to step back, much of which depends on what’s happening within the organization itself. This style, she said, is best for when things are going smoothly, not when things are in crisis.

“When [team members] have demonstrated over years that they know how to produce results, [that] their revenue and shareholder value is in momentum, then it is absolutely necessary to provide leadership with a hands-off approach because that will empower people to excel in momentum. If I manage an organization from the same parameters [appropriate for] one that is barely in stability, I will drive the organization back because it will disempower the people,” she said.

“With a hands-off [style], you need to raise from the get-go what [you] want from [your team],” said Curtin. This means regularly checking in to make sure the building’s not burning down, even if just by email.

And keep in mind:
Each style of leadership has its pros and cons, so the most effective leaders will use a combination of styles to fit the situation. Whether it’s crisis or creativity, status quo or rock the boat—each has its place.
Rumbi Bwerinofa-Petrozzello is emblematic of the CPA of the future

By Chris Gaetano
Photography, Ebby Agu

T he stereotypical CPA as envisioned by the media—the milquetoast dork with few social graces, passionate about numbers and little else—has rarely been an accurate portrayal. And few CPAs defy that image more than Rumbi Bwerinofa-Petrozzello.

Bwerinofa-Petrozzello does not work at a public accounting firm. In fact, she does not work in an office at all. Her firm, Rock Forensics, LLC, a forensic accounting consultancy, is entirely virtual, going wherever she goes—and that can be all over.

In addition to her day job, Bwerinofa-Petrozzello runs marathons and travels the world. Sometimes she travels the world in order to run marathons. She maintains a vibrant social media presence on multiple platforms (you can find her on Twitter @TheFStudent—where you will discover that she will “judge you if you could care less”), as well as an active
Beverly Petrozzello enjoys practicing the cello at Brooklyn Music School.
social life in New York City. She regularly takes courses to expand her skill set, and has recently started taking cello lessons. When people meet Bwerinofa-Petrozzello, they sometimes say they’re surprised she’s a CPA at all, that she is not your typical accountant. A few years ago, she may have agreed with them, but that was before she really got to know her fellow CPAs.

“I think when you generally see how CPAs are portrayed in movies, or in some conversations, you never would think it would possibly be an interesting person,” Bwerinofa-Petrozzello said. “And, at times, even at the beginning of my becoming a CPA, I felt I was different. I do these other things, like have a social life and run and take lessons. But then I met other CPAs doing really incredible things. Some of them act or are musicians or jump out of airplanes! I realized that there’s no stereotypical CPA.”

Still, while not a complete anomaly within the accounting world, Bwerinofa-Petrozzello nonetheless stands in the vanguard of a rapidly changing profession, enthusiastically embracing a future that others approach more cautiously.

The NYSSCPA recognized her pioneering spirit by inviting her to join its Young Leadership Circle (YLC) shortly after she became a member. This is a program that identifies rising stars within the profession and gives them opportunities to learn from and interact with Society officers. Since then, she has become even more active in the NYSSCPA. She recently served as president of the Queens/Brooklyn Chapter. Now she chairs the Society’s Diversity and Inclusion Committee and speaks about diversity and inclusion on behalf of the Society at outside events.

WORKING WITHOUT AN OFFICE

While working from a virtual office began as a pragmatic choice, as time went on, Bwerinofa-Petrozzello came to see that there were real advantages to skipping a typical office altogether. She usually works from her home on the Rockaway Peninsula in New York City.

“I actually spoke with a couple of other people in forensics and valuation services about how they were set up, and, you know, the conversations were often about them going to clients, not necessarily needing to have a brick-and-mortar presence,” she said. Going without an office “took a little pressure off. And then I realized it really was not necessary.”

She noted that today, you can connect with clients anywhere using any number of methods such as Skype or Google hangouts, which has helped Bwerinofa-Petrozzello deal with a problem commonly experienced by sole practitioners: isolation from other professionals. She has used social media to develop a robust network of colleagues, which has yielded new opportunities, both professionally and personally.

“I think it’s really exciting; sometimes I interact with people on social media and then go to an event and meet them, or I know someone else is going and I can connect with them, and it becomes a great way to [network],” she said.

She was honest, though, about one of the big drawbacks of the virtual firm: It requires a lot of self-discipline.

“In some ways, it’s very hard. Especially now that I live at the beach. I live at the beach!” she said. One particularly beautiful day, she tried bringing her laptop to her terrace to try and get some work done. This did not work. After a short while, she went back downstairs to work at her desk.

But she added that, really, any professional anywhere needs to have a lot of self-discipline: “Sometimes, you just have to [say to yourself], ‘I’m not going to think about … how nice it is outside. I’m just going to get some work done.’”

Bwerinofa-Petrozzello’s practice area—forensic accounting—has been experiencing rapid growth over the past few years. Business research and analysis firm IBIS-World noted in a 2017 report that forensic
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accounting services make up a $4 billion industry, with an estimated annual growth rate of 7.2 percent. Driven by technological advancements and increased fraud activity, forensic accounting has gone from a relatively obscure niche specialty to an in-demand service with wide-ranging applications in litigation, law enforcement, business valuation and more.

“You have a lot of cybercrime, financial crime, money laundering; you have [people] finding that operating financial crimes is less dangerous than others they could be involved with, and that increases the need for people who have an understanding of accounting in a forensic sense,” she said.

AN ATYPICAL PATHWAY TO CPA

Bwerinofa-Petrozzello did not set out to become a forensic accountant—or any accountant, really—when she was in college. After earning math and economics degrees at Mount Holyoke College, she went to work as a research analyst at an investment bank. Her boss recommended that she consider accounting, saying it would be a practical skill to have in life, so she then went to work at Deloitte in Zimbabwe (where she grew up) as an auditor. While at Deloitte, she went back to school and got a degree in accounting. She said she “found accounting to be more tangible than some of the other topics I’d studied,” which relied on more theoretical models. It was the catalyst for a whole new life path she hadn’t considered before. After leaving Deloitte, she went to work at a series of investment advisory firms back in the United States, rising to the position of controller.

Her supervisor at one of the firms recommended that she become a CPA. She studied for and took the exam, while continuing to work, getting her license in 2011. “It wasn’t fun, but it had to be done, I suppose.”

While working as a Deloitte auditor, Bwerinofa-Petrozzello became interested in forensic accounting. She worked special assignments that involved investigating allegations of wrongdoing at a company. She found that she was more excited about this than any of her audits, and that it fit well with her natural inclinations: “I’m huge into solving mysteries.” She likes being able to look at unique problems and come to a solution over time. “Coming out of it, I feel like I have done something good, which is also very important to me,” she said. “When I wake up in the morning, I think I’m going to do something good today that I like to do.”

As sole proprietor of Rock Forensics, which she founded in 2015, Bwerinofa-Petrozzello finds that a lot of her work revolves around financial restatements, fraud investigations and family matrimonial issues that need forensic work.

She became involved in the NYSSCPA through volunteering at a Hurricane San-
On the go: Bwerinofa-Petrozzello running a marathon, surfing in Hawaii, Double Dutch jump-roping and participating in a karaoke competition.

Advocacy for Diversity and Inclusion

Bwerinofa-Petrozzello is also a vigorous proponent of the many efforts within the industry to increase diversity and representation in the accounting profession. As the chair of the NYSSCPA’s Diversity and Inclusion Committee, which launched last year, she actively explores different ways in which traditionally underrepresented populations can gain access to the many opportunities that an accounting career can bring. In this respect, she has been particularly interested in the NYSSCPA’s Career Opportunities in the Accounting Profession (COAP) program, which, for the past 30 years, has worked to introduce young men and women of color to the profession.

“Meeting students through the COAP program, learning more about them, telling them more about your life and [having] these interesting interactions with young people who probably haven’t heard much about the benefits of being a CPA—when you have these conversations, it becomes an option for their future, and I think that’s where it becomes important for me,” Bwerinofa-Petrozzello said.

She’s encouraged by the progress that she’s been seeing from programs like COAP. When she attends events and sees the next generation of accounting professionals, it’s a more diverse group of people than it used to be. Bwerinofa-Petrozzello remains frustrated, however, by the pace at which progress is being made. Studies have shown that diverse businesses tend to make more money—even beyond the social justice impact of a more equitable and inclusive profession, there’s an important bottom-line aspect, too. When asked where she thought the current crop of programs have fallen short, she gave a laugh and said she wished she knew, but she doesn’t. “This is why the Diversity and Inclusion Committee looks at everything and anything to see what works. Does sponsorship work? Does leaning in work? If not, why not?”

Sometimes, she said, it comes down more to who is in whose professional network, noting that some of the most important deals are made not in the boardroom, but on the golf course. This raises the question of how those spaces can be less exclusive and more welcoming, so that more people can benefit from this network effect.

It’s important to “work with women and men of color and LGBTQ members, so they feel comfortable in those spaces, so they don’t feel like they … can’t enter those spaces because they’re uncomfortable in them,” she said.

Bwerinofa-Petrozzello observed that many of the solutions around diversity and inclusion that present themselves will likely involve a lot of difficult and uncomfortable conversations, which aren’t always skillfully navigated.

“It’s a challenge across the board to have these conversations. Sometimes, a conversation can be a little uncomfortable, and who likes that?” she said. “Sometimes, I watch those conversations, and one person is saying something, and the other person is saying something, and they’re not necessarily understanding what the other side is saying—words are being said
in the air and then get heard in a different way, which makes the conversation even more uncomfortable.”

The great challenge, according to Bwerinofa-Petrozzello, is this: How do people come to an understanding? CPAs rely on being able to understand their clients. The same attitude needs to be applied to achieving an understanding within the profession about what’s important to everyone. Often, the barrier to this goal comes from misunderstandings of what diversity and inclusion actually mean.

“People … will often talk of ‘special treatment,’ which I think plays into not fully understanding what diversity and inclusion is about, and that [is] making [the workplace] more equal,” she said.

She noted that professional organizations such as the NYSSCPA can be a great support to men and women of color and to LGBTQ members by helping them build professional contacts and by providing opportunities for leadership. But, at the same time, for these organizations to be truly effective, they must have an active commitment to diversity and inclusion: An organization must make itself useful for all of its members, not just make token efforts to ward off criticism.

“It has to be a priority for them. So that’s the first step. [It can’t be] an afterthought,” Bwerinofa-Petrozzello said. “That’s like saying we have this program, but nothing is happening.”

“When I think about the State Society and its programming, often I think about how to make it useful to all of our members—that includes younger members and student members and new CPAs—and … what we can do for every stage in [their careers], because that’s what keeps people engaged.”
The choice to become a CPA is a significant one. Weighed against the time, expense and hard work involved in taking the CPA exam are the many benefits of the profession: becoming qualified for high-level accounting, auditing and tax-preparation positions; improved salary prospects; and the prestige and public service aspects of the profession.

But some accountants have recently found remunerative work—say, as consultants and tech specialists—without becoming CPAs. This development has prompted many leaders of the profession in recent years to worry about the stability of the CPA pipeline—the population of candidates who are in the process of taking the CPA exam—and whether the supply of CPAs will continue to meet the demand.

In the past few years, as prominent CPA organizations began decrying a shrinkage in the CPA pipeline, their concern focused on the fact that there are some roles that only CPAs can fill. And with 75 percent of CPAs expected to retire in the next 15 years, according to the American Institute of Certified Public Accountants (AICPA), they wondered: Will the next generation of accountants be able to fill that gap?

For example, in the Illinois CPA Society’s (ICPAS) 2016 report, “Pipeline Disruption: The Search for Solutions to the Weakening Supply of CPAs,” ICPAS President and CEO Todd Shapiro said, “Yes, there are more accounting majors than ever before, but 49 percent of those accounting majors will never sit for the CPA exam, and one-third of those who do sit for the exam will never complete it. As a result, only one-third of accounting majors ever pass the exam.”

And in 2015, AICPA President and CEO Barry C. Melancon said, “[W]e’ve continued to see a slight widening of the gap between the number of students who are graduating with accounting degrees and the number of candidates sitting for the CPA exam, although the growth of the gap has slowed.”

The most recent statistics reveal that passing rates for the exam saw a spike in 2016, as did the number of candidates sitting for it. A subsequent drop in the number sitting for the exam last year suggests that students were rushing to take the old exam before a new version was released in April 2017. Still, the number of candidates has been rising over the past five years, and AICPA leaders believe the pipeline is in good shape.

A deeper dive into recent statistics

In the past two decades, accounting continued to be a popular major, even throughout the financial crisis of 2008 and the recession that followed. After a small downturn in the late 1990s, the total number of students enrolling in undergraduate accounting programs has been steadily increasing: from 127,960 in the 1999–2000 academic year to 216,482 in 2015–2016. These were the findings of “2017 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits,” the latest in a series of biannual reports issued by the AICPA on enrollment, hiring and CPA exam trends that dates back to 1971.

According to that report, issued in October 2017, as accounting student enrollments reached an all-time high in 2015–2016, the number of new CPA exam candidates increased by 13 percent between 2015 and 2016, and the number of CPA exam candidates who passed their fourth and final section of the exam increased by 7 percent in the same period. Although CPA firm hiring slowed in 2016,
DIVERSITY INITIATIVES SUCH AS COAP SEEK TO STRENGTHEN THE CPA PIPELINE

The AICPA and many state societies have developed several outreach initiatives to welcome a more diverse population into the profession. The AICPA lists its diversity initiatives at aicpa.org/diversity.

The NYSSCPA has, for more than 30 years, run its Career Opportunity in the Accounting Profession (COAP) programs for high school students of color. COAP is a unique learning experience developed to expose promising high school juniors from underrepresented minorities to accounting and business careers.

As part of these three-to-five-day immersion COAP programs, students take field trips to accounting firms; attend talks presented by CPAs in industry, education and government; and learn basic accounting concepts, along with overviews of cost accounting, forensic accounting and technology in business and accounting.

This past June, students attended COAP programs at five locations: Adelphi University, at the Garden City campus; the State University of New York (SUNY) at New Paltz; the Rochester Institute of Technology; SUNY Oswego; and Westchester Community College. For more information, go to nysscpa.org/coap.

The report found future hiring expectations to be positive.

This past August, the National Association of State Boards of Accountancy (NASBA) reported that in 2017, 95,654 candidates sat for the CPA exam—down from the previous year’s 102,323. Yet, according to NASBA’s 2017 Candidate Performance on the Uniform CPA Examination, the number of candidates has also been rising steadily, from 92,830 in 2012 to 95,654 last year. Thus, the overall trend appears to be positive.

**Reasons for the past downturn**

So, if majoring in accounting remains popular, what was causing the decline in the number of new CPAs in past years? After all, it certainly pays to go the extra mile to become a CPA. As the ICPAS observed in its “Pipeline Disruption” report, “Literally, a CPA could earn $1M more over their career than non-CPAs.” Moreover, CPA firms have enjoyed a robust growth in revenue in recent years, as documented in The Rosenberg Survey, an annual report on firm revenue and profitability.

One explanation has been that students are seeking lucrative consulting work, which does not require the CPA credential. AICPA Vice President of Examinations Michael A. Decker said that “the growth in public accounting firms is more on the consulting side than on the audit side, so there are lots of accounting graduates going into consulting,” which does not necessarily require the CPA license.

He added, “They’re requiring it on the audit side, and in some cases, the tax side, which is supporting the current pipeline, but not necessarily growing the current pipeline. So, the growth in consulting is not growing the [number of CPAs], because they’re not hiring CPAs. They’re hiring data analysts, and statisticians, and lawyers, and economists. And in some cases, they’re hiring industry experts in whatever area they’re consulting in.”

This development has caused some accounting students to question whether they even need to take the CPA exam, said Priscilla “Penny” Z. Wightman, a member of the New York State Board for Public Accountancy and a longtime accounting professor at Hartwick College.

“That the better students are really attracted to the notion of consulting and advising,” Wightman said. “So, working hands-on with companies, and the variety of experience they would get in that consulting environment, rather than being in a niche like auditing or taxation, has a huge amount of appeal.”

Another possible obstacle to becoming a CPA has been the requirement that candidates take 150 hours of accounting courses for which they’ve received college credit. This amount increased from 120 hours in 2009.

“150 hours has been around long enough now that the folks who want to be CPAs have accepted that notion,” said Wightman. “But I’m still on the fence as to whether or not we’ve done a good service to the public by adding those extra hours. I’m fearful about the numbers—have they been frightened away [from becoming CPAs], or has the market diversified enough that they’re going away for other reasons?”

An additional potential reason for the decline in CPAs was that CPA firms were not doing enough to encourage their staff members to take the exam. The ICPAS reported in “Pipeline Disruption” that only 12 percent of Chicago’s 25 largest public accounting firms offered employees financial assistance for CPA exam prep courses or the cost of the exam, and another 12 percent offered only financial assistance for a prep course. In addition, only two out of the 25 offered financial assistance for taking the exam more than once, even though the average candidate needs at least two attempts to pass some sections.

Yet another possible explanation for the recent decline in the number of CPA candidates may have been the CPA exam itself. As of April 2017, the exam requires 16 hours of testing—up from 14—over the four parts, which must be completed within 18 months, along with countless hours of studying. According to the AICPA, only 27 percent of candidates pass all four parts on the first attempt. The average number of attempts it takes to pass all four sections is 6.5.

Sean Mullen, vice president of sales for Surgent CPA Review, said in a 2017 interview that the CPA exam may be “in crisis.” He noted that, with the sheer volume of exam content increasing regularly, and many students already working as associates at accounting firms, there’s a generational component to the issue.

“I think millennials look at the quality of life and work-life balance way more than the baby boomers did,” Mullen said. “So, they’ll get their résumé stamped working at an accounting firm, but getting their CPA license doesn’t mean as much. So, they’ll go work at Macy’s, or Johnson & Johnson, or Comcast.”
Impact of new CPA exam

In her introduction to the AICPA’s “2017 Trends” report, Yvonne Hinson, AICPA senior director of Academic & Student Engagement, attributed the increase in the number of new CPA candidates between 2015 and 2016 to three factors. One factor was the launch of the new exam in 2017.

James Suh, director of Continuous Improvement & Analytics at NASBA, told NextGen that there have been two “notable spikes” in the pipeline in recent years, occurring as students rushed to take the exam just before new versions were released in 2011 and 2017.

AICPA spokesman James Schiavone echoed Suh’s sentiment in a 2017 interview. “The new exam is a big driver in increasing the number of exam candidates,” Schiavone said. “Basically, whenever there’s a change, it’s announced far in advance, so candidates are aware, and as such, people [decide], ‘I’m going to try as hard as I can to finish before the exam changes.’”

NASBA’s 2017 numbers seem to back up this assertion. But Hinson also listed two other factors: “the efforts of state societies and the AICPA to encourage exam takers, and the efforts of the firms to encourage individuals to take the exam.”

Efforts to improve the pipeline

In recent years, as the AICPA and state societies have studied and issued reports about the shortfall in the CPA pipeline, they have also engaged in outreach to student members to encourage them especially with STEM coming along,” she said, referring to science, technology, engineering and mathematics curricula, and their increased emphasis in the field of accounting via tools like artificial intelligence.

Hinson pointed to the AICPA’s Start Here, Go Places website for high school students, which includes the Accounting Pilot and Bridge Project, developed to help train high school teachers to develop college-level accounting curricula for their students; ThisWayToCPA.com, for college students and CPA exam candidates; the #Real-CPA campaign, geared toward diversity and inclusion in the accounting profession; and campus visits to meet with prospective CPA candidates.

NYSSCPA Past President J. Michael Kirkland said, “Becoming a CPA offers a world of op-

“When viewed holistically, projected firm demand is still in alignment with the supply of accounting graduates in the U.S. In addition, there are many opportunities for accounting graduates in business and industry.”

—Yvonne Hinson, AICPA senior director, Academic & Student Engagement
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Looking at an alternative pathway
One possibility under serious consideration among the leaders of professional CPA organizations is an alternative pathway to the CPA license. Speaking at the AICPA’s annual Engage event in Las Vegas this past spring, President and CEO Barry C. Melancon said that as the skills demanded by the industry change, becoming a CPA may involve alternate paths that reflect the increasingly tech-savvy nature of the profession, while shifting away from simply being experts in accounting standards and the tax code. Melancon said that “maybe future candidates will take different parts of the exam based on the pathway they took to becoming a CPA,” and where they wish to focus their careers.

Schiavone added that, since studying for and taking the exam is a very time-consuming process, “firms will find a way to acknowledge that their employees are also spending that time studying for the exam.”

In the AICPA’s “2017 Trends” report, Hinson wrote, “As technology advances, we expect that the largest firms may not need to hire as many new accounting graduates as entry-level employees.” She concluded, “When viewed holistically, projected firm demand is still in alignment with the supply of accounting graduates in the U.S.,” noting that “there are many opportunities for accounting graduates in business and industry.”
Firm culture loosens up, reflecting influence of younger generation

By Chris Gaetano

While the baby boomer generation continues to dominate CPA firm leadership, firm culture is increasingly being shaped by younger professionals who want a workplace that is less hierarchical, more diverse, more informal and more focused on work-life balance.

Some of these changes may seem jarring to members of the generation who remember filling out spreadsheets by hand, yet the boomers themselves led a similar culture shift years ago, when they increasingly began taking on leadership roles that, before, had been the province of the WWII generation. While this culture shift sometimes took the form of specific policies, such as casual Fridays, much of it was more about how the firm thought about and treated its staff. Frank L. Kurre, who recently retired as national managing partner at Grant Thornton LLP, noted that the leaders before him emphasized hierarchy and formality to a much greater degree than his own generation.

“I’ve been in this business 34 years, and, back then, it was more, ‘Keep your head down and speak when you were spoken to,’” Kurre said.

Joel A. Cooperman, chief executive officer at Citrin Cooperman, also used “head down” when describing the mentality of CPA firms at the time he was a young practitioner. He noted, for example, that firm culture didn’t tolerate as many questions, especially from subordinates.

“In my earlier days, the best way to put it is, you were told what to do; there was no conversation, no debate, no discussion. You want to work here? Then that’s what you do. And that’s what you did,” he said.

One manifestation of this conventional attitude, according to Neil A. Gibgot, managing partner at Gibgot Willenbacher & Co., was an insistence on strict uniformity. Recalling the start of his career in the late ’60s, he said that absolutely nothing could be different—from dress to personal grooming—with anyone straying from the path expected to correct himself right away. He said that men—and CPAs were mostly men—wore a suit and tie every day.

“If your hair was long, your boss said, ‘Get a haircut!’ And guys back then would run out of the office and get a haircut!” he said.

Another manifestation of this buttoned-down approach was that there was no leeway on work hours: “If you came in a minute after 9, someone would say, ‘You’re late.’ If you left five minutes early, a partner would look at his watch and ask, ‘Is my watch slow?’” said Gibgot.

Mark L. Meinberg, partner-in-charge of EisnerAmper LLP’s Long Island office, said that this straight-laced atmosphere started to loosen up around the ’80s, when his own generation began filling firm leadership positions in force, and the industry began shifting to more of a people-oriented business. The change began with the simple assumption that the people who work for the firm matter, and that if a firm wants to do well, it needs to take care of them. Part of this process involved breaking down barriers that, according to Meinberg, don’t need to be barriers.
The IRS will commence audits of partnerships beginning with the 2018 tax year under Internal Revenue Code (IRC) §§6221 through 6241¹ and the proposed regulations issued June 14, 2017². This significantly impacts entities not historically viewed as “taxpayers” for federal income tax purposes, including many limited liability companies (LLCs) and limited liability partnerships. With the rapidly expanding use of partnerships, LLCs and tiered partnership structures, the scope of the audit rules is expansive. While the federal partnership audits are not expected to begin until after the 2018 tax returns are filed, it is worthwhile to consider both the federal and state tax implications during 2018.

The federal objectives are simplification of the audit process and authority to assess and collect tax on partnerships themselves instead of on the various partners. This is expected to lead to more aggressive efforts by the IRS, since collection of tax from a single partnership is easier than from multiple partners.

While the federal rules are complex and the steps toward implementation are currently evolving, significant uncertainties arise for state and local income tax purposes. Few states have issued explicit guidance on how the audit program, its elections and procedures, and resulting audit assessments will be addressed. However, we can anticipate some of the issues to be considered.

States may update their conformity to the IRC to incorporate these federal rules. However, this leaves many questions about how the states will apply the rules and the extent of their authority to collect the taxes following an IRS assessment.

Once a partnership audit is completed, states are expected to receive notice of the IRS Final Partnership Adjustments (FPA) through existing information sharing agreements. They may proceed to assess tax on the partnership based on the federal adjustments and consistent with the federal reporting and elections made by the partnership and its partners, similar to corporate reporting of a Revenue Agent Report (RAR). Alternatively, they may require the partnership to issue amended Forms K-1 for the audit years to report changes to its partners. The distinction will lead to a myriad of other state tax considerations, including how the tax is collected, how the statutes of limitations run, and whether the partners will be eligible for credits for taxes paid in their resident states.

At the federal level, the partnership itself will be liable for any assessment, absent an election to push out the adjustment to its partners. States will be forced to determine whether a partnership is a “taxpayer” on which tax can be assessed. Analogous issues exist regarding mandatory withholding requirements or composite returns, which currently allow or require partnerships to remit tax. However, these systems normally are limited to non-resident partners and have various exceptions, so it remains uncertain whether withholding or composite returns can be a mechanism by which a partnership will pay any assessed tax.

Further complicating matters is the potential conflict between the statute of limitations (SOL) for the partnership and for its partners. If the SOL remains open for the partnership as a result of the IRS audit, does that mean it is also open for the partners? If the states require the individual partners to pay the tax, must their statutes of limitation be open as well?

At the federal level, there is a single taxing jurisdiction to consider. However, for state purposes, an audited partnership may be conducting business in different states in the assessment year than in the years under audit. If the partnership is not subject to tax in a state in the assessment year, how is the tax to be remitted for the audit years? Further, there may be changes in the partnership’s apportionment percentage resulting from statutory changes, or from a shift in the partnership’s activities. This can lead to a different state tax liability if the assessment is reporting in the tax year of the FPA versus amending returns for the audit years or reporting the changes to the partners on amended Forms K-1.

The impact of any tax assessment will eventually reach the individual partners in both their resident state and the states in which the partnership operates. Most states allow a resident credit for taxes paid to other states, including pass-through income from multi-state partnerships. In the context of an audit assessment paid by a partnership, will the states treat each partner's portion of this assessment as a tax paid by the partner, subject to the resident credit? For federal purposes, an election to push out the audit adjustments to the partners may be made. States will need to determine if a similar adjustment will be allowed at the state level, possibly absent the federal election.

Specific attention should be paid to whether the partnership may elect out of these audit procedures (generally 100 or fewer partners), which partner is selected as the Tax Matters Partner, how audit adjustments will be shared under the partnership agreement and whether an election will be made to push out adjustments to the partners.

² REG-136118-15.
“Everyone starting at 9 a.m.—that was a barrier. Whether because they were traveling, or their natural body clock, it didn’t work, and as long as you didn’t have to have everyone … at the same place or time, [you could be flexible],” he said.

Gibgot also noted that dress codes started to gradually relax, a little bit at a time, over the years: “When I first came in, there were no sport coats; you wore a suit and a tie. And, of course, you were [eventually] allowed a sport coat. And then casual Fridays. And now, the point is, at my office, if you’re not going to a client, you wear what you want to wear, for the most part. That’s changed with the times.”

Beyond dress codes and time off, though, Kurre noted that having a more people-oriented culture meant that there was much more emphasis on not just growing the business but actively working to develop the skills and abilities of the staff within it.

“Now I think we’ve got more of a culture of ‘Let’s make sure we’re mentoring and developing our people.’ … It’s radically transformed the firm,” he said.

**A move toward diversity and inclusion**

Another significant difference in the office is who’s in it. The accounting profession has embraced diversity, and more women and people of color are entering it. Cooperman noted that when he first started his firm in 1979, women did not have many leadership roles in the industry. Today, he said, about 20 percent of the partners at his own firm are women—a figure that, he said, will probably grow close to 50 percent within the next decade or so.

Gibgot said that women became more prevalent in the industry around 20 years ago, reflecting one of the most important ways the profession has changed. When he became a partner at Joseph Schachter & Co. in 1979, there were still very few women in the profession. While the firm hired women whenever the applicants were qualified, female CPAs were the minority. When he and a partner started his own firm—which he still runs—in 1983, their first hires were a man and a woman. The next hire, a year later, was another woman. Since then, his firm has hired many women, not as part of a specific effort to increase diversity but simply because they were qualified job applicants whom he wanted at the firm.

“We always look for the most qualified people. It never mattered whether they were male or female. More women were entering the profession, and for most of the 35 years our firm has existed, we have had more female employees than male,” he said.

Like any employer, Gibgot was interested in both attracting and keeping talented staff members. To this end, he implemented flextime policies to encourage staff to stay.

“Our female staff got married and had children. We never wanted to lose any of them, so we accommodated them as much as possible regarding their schedules. Some wanted to only work for three or four days a week, and those days varied, if need be. Some wanted to work from home at times, and that was fine. When the children got older, these employees came back full time, but we always let the employee determine when that occurred,” he said.

Gibgot didn’t recall any particular push-back on these issues: His colleagues embraced change and didn’t fight it.

Jamie L. Atkinson, a staff accountant at Davidson Fox & Company, has noticed these kinds of changes, too. While there are still more men than women at the partner level (three to two), the firm, overall, has become increasingly female. At her own managerial level, there are three women and one man, and the firm itself is, at this point, predominantly female; this includes longer-tenured female staff.

Firms have not been quite as successful, however, at achieving diversity in terms of ethnicity. According to the AICPA, in 2016, Asian-Pacific Islanders accounted for 16 percent of new hires; Hispanics, 7 percent; African-Americans, 4 percent; and Native Americans, less than 1 percent. Still, many firms are in the midst of serious initiatives to recruit from underrepresented groups, including LGBTQ people.

Jonathan James, a staff accountant at Prager Metis CPAs, LLC, values a diverse working environment. He said he “absolutely” took diversity into account when he was deciding where he wanted to work after college, and found it encouraging to see his own firm making a commitment to further it.

“I’m from New York, and the firm being in the middle of the city, I figured that the workers there would be a reflection of the city itself, and I’ve seen it,” said James. “I see diverse and multilingual individuals here of different age groups, and everyone here has the same mission, even though they all come from different walks of life and are at different stages. It has been an amazing thing to see that coming.”

**Greater focus on flexibility**

Today’s changing firm culture seems very much an acceleration of the increased flexibility and people-oriented thinking that boomers saw when they were younger.

Seth H. Marin, a 38-year-old partner at Friedman LLP, said that one of the biggest differences between younger firm leaders and older partners is the level of importance they place on being in the office all the time. As a father with young children, he highly values the flexibility of being able to work where and when he needs to—he is more concerned that the work gets done than whether someone did it at home or the office.

“The biggest thing is just flexibility, that cliché of work-life balance,” he said. “In differentiating [myself] from older partners, one of the biggest things is the ability to work from home, both for myself and allowing the staff the opportunity to do so. Some of the more experienced leaders have a perception that if you’re not in the office, you’re not as productive.”

Marin noted, though, that there has been great progress in this area. Over the past few years, his firm has implemented a summer Fridays policy, which has been very well received. It has also implemented more formalized flextime arrangements that, he said, are generally approved, so long as people are getting their work done.

He said that the busy season is still an ordeal, since it is mostly client-driven, but even then, there are signs of firms trying to address at least some of the dread that this time of year engenders.

“One of the things we started to do … was to remove the mandate for Saturdays, making it a little more flexible so you can [choose] to work from home,” Marin
said, “And we also made it a little more results-driven, more team-oriented, so if someone has an assignment and wants to work longer during the week because they have something over the weekend, that’s accepted.”

His firm has also implemented a dress-for-your-day policy, whereby if people aren’t seeing clients, they’re allowed to dress down, even to the point of wearing jeans.

Shawn D. Anderson, a 38-year-old partner at Baker Tilly Virchow Krause, LLP, talked about many of the same things. He cited a growing focus on flexibility—even using the same “result-oriented” description. And there’s a difference in how people interact with each other at firms, he said. When he first started, about 15 years ago, he would have never thought to talk directly to one of the partners. As a younger partner, though, he makes it a specific point to be approachable and regularly talk to staff members.

“I have this mindset of, ‘Don’t be afraid to talk to me just because I’m a partner,’” he said. “I’m constantly talking to people. I know their names, their families, if they have children. It’s not, ‘I’m a partner and you’re staff.’ This is collaborative. Let’s team together and do this. There’s obviously expected levels of respect—we’re leaders of the firm—but it’s really a team effort. Let’s get this done.”

Marin said that another thing younger people tend to value more is continuous feedback. Rather than wait for a yearly review to find out how they’re doing, he cited a shift toward more continuous feedback and dialogue so that people can have a more immediate understanding of how their performance is being received. This can come through both informal chats and formal policies, such as a bonus program he implemented at his own firm, whereby managers can recognize someone immediately following a significant accomplishment through gift cards ranging from $50 to $250.

“It’s there to be an immediate recognition that someone went truly above and beyond what would be expected of their level, and it has been used through all our offices throughout the firm,” he said. “If someone did something amazing in, say, August, but our compensation [adjustments aren’t] until July of next year, they would tend to feel frustrated that they weren’t recognized for something they did. This gives us an opportunity to go right up after and thank them personally.”

Kurre noted that he was very cognizant of people’s need for more real-time feedback when he became managing partner. Once he was promoted, he put in place advisory councils at every level so that firm leaders could get continuous feedback from their staff. Beyond official policies, he added that partners today are less distant than before, with more of an inclination to take on a mentor role and look for teachable moments that can lift up their staff.

**Changes in the office environment**

The office is starting to look different, too. Kurre said that the Grant Thornton offices took a lot of inspiration from startups by installing amenities like foosball tables, popcorn machines and arcade games. Rather than looking like a stereotypical accounting firm, Kurre said that the space resembles more of a Google or Yahoo! office.

“Every day is stressful enough. It’s OK if you want to take a break in the middle of the day for a bit and play some foosball. It’s made a big difference,” he said.

Many of these changes are driven by the need to attract young professionals at a time when competition for talent is very fierce. Cooperman noted that, when he was younger, the supply/demand equation favored the firms, which meant that new accountants did what they were told and didn’t ask questions. Now, he said, that equation has flipped, which means that firms must be prepared to bend, if they don’t want to lose talent to other firms.

“We need to stay competitive. As an example, we have a jeans policy and a dress-down policy,” said Cooperman. “When you’re out there trying to hire in a marketplace where it’s really geared now toward demand, you need to be competitive if you want to attract anyone.”

As someone who heavily advocated for these kinds of changes, Kurre said they’ve yielded good results. Turnover at Grant Thornton, for example, dropped from 31 percent six years ago to 13 percent last year, which is about half that of a Big Four firm. This, in turn, has increased client satisfaction because they tend to dislike turnover during engagements.

Meinberg, who was similarly positive, pointed out that the world itself is rapidly changing. If accounting firms can’t change with it, they won’t be able to survive.

“Existing leadership today is recognizing that they have a fiduciary responsibility to find the way, the path, the road to continue to grow the firm, and sometimes, you need to take a detour, but those that don’t consider change, clearly they will be left behind,” he said.

This is part of a larger cultural shift that Atkinson noticed recently. Over the past few years, she said, older-generation leaders at her firm have been retiring, and younger professionals have been stepping up to fill the void. This shift has come with not just demographic changes but also with office culture changes.

Atkinson observed that the younger partners seem to be carrying themselves differently than the older ones. It hasn’t been that long since they themselves were doing the same work that their subordinates are doing today, and so they can relate a little better, discussing problems with these younger colleagues. Partners are more prone to getting their hands dirty and doing a job themselves she said. This attitude has been especially welcome at a time when, due to several people being on maternity leave, there have been fewer staffers.

“It’s nice to have younger partners saying, ‘Well, I don’t have anyone to give this to; I’ll print it myself,’” she said. “They recognize, ‘I can do this and I can get it done.’”

Atkinson sees her firm as a forerunner to the broader changes happening in the profession. “The new younger partners have made some good changes,” she said, “so I feel our firm is … ahead of some of the other firms. We have that flexibility of time and additional perks … the easier relationship with the younger partners, that comfort level across all levels of staff to be able to just open-door chat and figure out what’s going on.”

James echoed that same sentiment: “I just feel like the younger partners who may be in their late 30s or early 40s might have an easier time communicating with a guy like me.”
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