To curb fraud, IRS will request more info on biz clients in 2018

By CHRIS GAETANO
Trusted Professional Staff

The IRS has announced that, in 2018, it will be asking tax preparers for more information about their business clients as part of an effort to curb identity theft and fraud. In a news release dated July 25, the agency was not specific about exactly what the new information would be, listing, instead, examples of the kind of information tax professionals “may be asked to provide when filing their business, trust or estate client returns.” In a fact sheet also dated July 25, the IRS said that tax preparation software for business-related returns “will ask the following questions”:
- The name and Social Security number of the company individual authorized to sign the business return. Is the person signing the return authorized to do so?
- Payment history: Were estimated tax payments made? If yes, when were they made, how were they made and how much was paid?
- Parent company information: Is there a parent company? If yes, who?
- Additional information based on deductions claimed.
- Filing history: Has the business filed Form(s) 940, 941 or other business-related tax forms?

In the news release, the IRS also warned preparers to beware of any potential business clients claiming that they do not currently have an Employer Identification Number.

As of press time, an IRS spokesperson had not responded to a query asking whether it will be a requirement for companies to answer these additional questions, or whether it will be optional.

James P. Bressingham, the chair of the NYSSCPA’s Relations with the Internal Revenue Service Committee, said that his committee has been in communication with the IRS about “New York City—Challenges and Opportunities.” From left to right: Rumbidzai N. Bwerinofa-Petrozzello, chair of the NYSSCPA’s Diversity and Inclusion Committee; NYSSCPA President Harold L. Deiters III; Scott M. Stringer; NYSSCPA Executive Director Joanne S. Barry; and Accountants Club of America President Robert S. Fligel.

CPAs expect audits to come with bigger price tags under new PCAOB rule

By CHRIS GAETANO
Trusted Professional Staff

More time, more risk and more expense—this is what auditors expect will be the effect of a recent Public Company Accounting Oversight Board (PCAOB) measure expanding the standard auditor’s report. Under the rule, formally approved by the board on June 1, the standard auditor’s report will include, among other things, the communication of “critical audit matters (CAM),” or information that the PCAOB believes investors and other users would find relevant.

A CAM for this standard, AS (Auditing Standard) 3101, The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, is defined as an issue that is communicated or required to be communicated to the audit committee, and relates to both accounts or disclosures that are material to the financial statements and involved especially challenging, subjective or complex auditor judgment. When auditors disclose a CAM in their reports, they must identify the CAM and describe the principal considerations that led them to determine that the matter was a CAM, describe how it was addressed in the audit, and refer to the relevant financial statement accounts or disclosures.

“The PCAOB is expecting auditors to provide a lot more color and clarity around those issues of audit significance, whether because they’re complex or material or both,” said Michael A. Cohen, a partner with Friedman LLP who works in the firm’s SEC Services Group. These additional considerations mean that the audit report itself will take longer to compile, which also means that it will become more expensive to produce, as firms will need more time to perform the documentation requirements as well as review the work. Firms will likely pass these costs on to the client, increasing fees for public clients. Depending on the size of the audit, he said, this increase could be “anywhere from 5 to 15 percent of what the quoted fee currently is,” at least in the middle market.

Another factor driving the additional time needed to draft the audit report, CPAs said, is litigation exposure. In both of the NYSSCPAs comment letters on the then-proposed standard—one issued in 2013 and the other in 2016—there were concerns expressed that the new rules would increase...
Promoting diversity in the profession

One of my top priorities as president of the NYSSCPA is to bolster our efforts to diversify the accounting profession. According to the AICPA’s 2015 “CPA Firm Gender Survey,” while women represent half of the profession, they are significantly underrepresented in leadership roles: Fewer than a quarter of partnerships are held by women. And while minorities comprise about half the U.S. population, they still represent less than 25 percent of accounting positions, according to a Howard University study. Further, African-Americans and Hispanics hold just 4 percent of partnerships, and Asians/Pacific Islanders hold just 5 percent.

Diversity is a crucial goal, not solely as a moral imperative, but also because it’s important for the bottom line. As reported in the Financial Times in April, a 2015 study by management consulting firm McKinsey & Company found that large public companies in the top quartile for gender diversity—and those in the top quartile for racial and ethnic diversity—were 15 percent more likely to be top performers than those in the bottom quartile. The companies with the highest diversity and inclusion are where the future is going and companies that are not diversifying are going out of business. We know that diversity and inclusion is where the future is going and where accounting has to be.”

The NYSSCPA has been investing in the future of a diverse profession for 30 years. Since 1987, nearly 4,000 high schoolers throughout New York state have experienced the life of a CPA through our Career Opportunities in the Accounting Profession (COAP) program, a five-day college reading program that introduces students to the accounting profession. During the course of that week, they learn about the profession; meet and visit the firms of program graduates who are now successful CPAs themselves; and are taught skills that will aid their success, regardless of the career they choose, including business etiquette, dressing for success, and other aspects of working as a professional.

This year, we’re increasing our commitment to diversity and inclusion. The Society recently launched a Diversity and Inclusion Committee, with an action plan that includes “seeing that the NYSSCPA and the profession are positioned to attract and advance aspiring professionals regardless of their race, gender, sexual orientation, religion, disability status or any other aspect of diversity, and who believe that a diverse and inclusive profession is one that better reflects our society and is a better place to work.”

Among the committee’s activities are developing recruiting programs and initiatives; developing mentoring initiatives and best practices resources for members seeking to enhance diversity in their firms and businesses; and as acting as a resource for NYSSCPA members of diversity, so that they can connect with one another and take advantage of development opportunities. The committee meets monthly.

Already active and hosting events is the committee’s Women’s Initiative, which just launched an NYSSCPA Toastmasters International chapter and a DIY (Do-It-Yourself) Monthly Workshop series, open to all members, which provides a forum for learning new skills with other professionals. The next event, “How to Play Poker,” on Oct. 17 at the NYSSCPA’s Manhattan offices, is a great way to meet members of the committee, network and have some fun. “How to Be a RakeMaster for You and Your Firm” and “How to Start a Women’s Initiative at Your Firm” are two additional events for which you’ll want to save the date.

NYSSCPA President-elect Jan Herringer and I will be promoting our Society’s diversity and inclusion initiatives during our Town Hall visits with the chapters this fall. Jan is also a member of our Diversity and Inclusion Committee and our Women’s Initiative. I look forward to working with her and other Society leaders in taking concrete steps to make the accounting profession more reflective of society as a whole.

Express your interest by Nov. 1

If you or a colleague you know is interested in serving on the AICPA Council, please email the following information to me, Jan Herringer, the Society’s president-elect and chair of the Board’s Selections Subcommittee, at presidentelect@nysscpa.org, by 12 p.m. (EST), Nov. 1, 2017:

- A résumé that meets the above eligibility requirements;
- An answer to the question: What is it that you would bring to the council?

You can find the NYSSCPA Board’s standing rules that govern the AICPA Council nomination process online at http://www.nysscpa.org/docs/default-source/about-us/nysscpa-board-of-directors-standing-rules.pdf. If you have questions or need additional information, please contact General Counsel Joanna Thelmo at jthelmo@nysscpa.org or me at presidentelect@nysscpa.org.

- AICPA COUNCIL NOMINATIONS

By Jan Herringer, NYSSCPA President-elect

In January 2018, the NYSSCPA Board of Directors will submit the names of three individuals to the AICPA’s Nominations Committee, which nominates members for election to the AICPA Council. Those nominees, once duly elected, will each serve three-year terms, beginning Oct. 1, 2018, on the 265-person governing council. In addition, one person will be designated by the Society to serve a one-year term as its representative to the council, also beginning Oct. 2018.

While day-to-day governance of the AICPA is handled by the AICPA’s 23-person board of directors, the AICPA Council is the final sounding board for AICPA initiatives. The council meets twice a year in various locations around the country. Each council meeting lasts for two-and-a-half days. In addition, it holds one-day regional meetings in the spring of each year, one typically being in New York City. In addition to attending these AICPA Council meetings, being an AICPA Council member involves about one day of preparation time for each meeting, and anywhere from a half day to a day per month to keep abreast of professional issues, participate in electronic conferences and meetings, and attend one or more dinners with the NYSSCPA Board of Directors to discuss the profession’s important issues and the council’s activities. It is fun, professionally fulfilling work that can be very satisfying.

Eligibility requirements:

Pursuant to the NYSSCPA Board’s Standing Rules, one of the NYSSCPA-nominated council positions is reserved each year for the Society’s president-elect. Otherwise, to be considered by the NYSSCPA Board of Directors, a candidate must—

- be a member of the NYSSCPA;
- be a member of the AICPA;
- submit to the Board Selections Subcommittee a résumé and a written statement of what he or she intends to bring to council;
- currently live or work in New York, New Jersey or Connecticut;
- have been active in the NYSSCPA, either at the chapter level or with a statewide committee or both; and
- not be a current member of the NYSSCPA Board of Directors, unless the candidate is in his or her final year of Board service.

Express your interest by Nov. 1

If you or a colleague you know is interested in serving on the AICPA Council, please email the following information to me, Jan Herringer, the Society’s president-elect and chair of the Board’s Selections Subcommittee, at presidentelect@nysscpa.org, by 12 p.m. (EST), Nov. 1, 2017:

- A résumé that meets the above eligibility requirements;
- An answer to the question: What is it that you would bring to the council?
The CAMs disclosure requirement would overhang every communication between a company’s audit committee and the audit firm. We believe this would lead the audit committee to limit or curtail communication with the auditors and, thereby, adversely impact appropriate exercise of the audit committee’s oversight responsibilities,” said Conley in the comment letter. There is also a more fundamental concern about how the new framework alters the relationship between the auditors and the audit committee as well. While the audit opinion today, he said, is largely a boilerplate language that reveals little to investors that the firm’s quality control team will also increase its input, he added. Zucker- man raised the possibility that legal risks might lead some firms to give up on public company audits altogether, although he said they would mainly be firms that only dabble in this arena. Another possible effect, according to Cohen, is that auditors will try to protect themselves by listing as many items as possible as CAMs. “Because nothing is in there, no one can accuse you of not saying enough,” he said.

David M. Rubenstein, an audit partner with Mazars USA LLP and a member of the NYSSCPA’s Chief Financial Officers Committee, added that the rules will likely change the way that the auditors interact with the audit committee as well. While the audit opinion today, he said, is largely a boilerplate document that the committee examines for 30 seconds and then moves on, Rubenstein anticipates that the inclusion of CAMs will drive a more active discussion of the audit opinion, and even lead to the committee asking for early draft opinions more frequently; today, that’s an uncommon occurrence. This buck-and-fork discussion, however, will be more careful and considered on both sides, given the centrality of audit committee communications to the new standard.

“I think the auditor—and I’m merely now speaking for myself—but I would think they would be very careful as to what they say and how they say it and how they present these issues or critical audit matters,” he said. “I think audit committees will also be more careful in their response because, obviously, they don’t want to say anything to trigger [in the auditor’s mind] their requirement to disclose a critical audit matter, based on communication with the audit committee.”

—David M. Rubenstein, member of the NYSSCPA’s CFO Committee

“Let’s say I’m writing an opinion on a client, and I have very significant critical audit matters, and we go into great detail and discuss it and disclose it and talk about it and how it will be resolved. … No matter how much we put in, it will probably raise questions in investors’ minds as to, ‘Well, how did you get comfortable with it?’” he said.

Jan Herringer, NYSSCPA president-elect and an audit partner at BDO USA, LLP, noted that the new expanded audit report plays into larger changes happening within the profession as a whole, with CPAs today expected to possess both technical and social skills in order to meet the changing business environment. “While it is true that quantitative skills have traditionally been the foundational skill set of the accounting profession, the profession now is so dynamic and multifaceted that the skill set of the CPA has moved beyond that to encompass much more. In particular, communication skills, both written and verbal, are increasingly important,” she said.

The PCAOB rule must be approved by the SEC before it takes effect.

from the auditing firm be at the meeting, Rubenstein said that, in his experience, he’s generally received very few questions. The expanded audit report, though, may open the door to more of a back-and-forth dialogue between the auditor and the investors over the CAMs discussed in the report.

“It’s a matter of opinion on a client, and I have very significant critical audit matters, and we go into great detail and discuss it and disclose it and talk about it and how it will be resolved. … No matter how much we put in, it will probably raise questions in investors’ minds as to, ‘Well, how did you get comfortable with it?’” he said.

Jan Herringer, NYSSCPA president-elect and an audit partner at BDO USA, LLP, noted that the new expanded audit report plays into larger changes happening within the profession as a whole, with CPAs today expected to possess both technical and social skills in order to meet the changing business environment. “While it is true that quantitative skills have traditionally been the foundational skill set of the accounting profession, the profession now is so dynamic and multifaceted that the skill set of the CPA has moved beyond that to encompass much more. In particular, communication skills, both written and verbal, are increasingly important,” she said.

The PCAOB rule must be approved by the SEC before it takes effect.

Anthony F. Vitelli, Esq.
Chair, Taxation and Estate Planning
avitelli@connellfoley.com | 973.535.0500

From guiding clients through the complicated maze of federal estate taxation issues to establishing sophisticated approaches to transferring assets, our goal is to preserve our clients’ wealth.

- Estate and Gift Tax Planning
- Estate Administration and Probate
- Trust Administration
- Tax Planning
- Asset Protection Planning
- Business Succession Planning
- Estate Litigation
- Charitable Giving and Family Foundations

www.connelfoley.com | A Tradition of Legal Excellence Since 1938

Connell Foley’s Taxation and Estate Planning team provides highly tax-efficient strategies for the transfer of wealth and reduction of estate, gift and income taxes.
the IRS on this matter. The Society will provide updates on the Trusted Professional blog and Exchange when more information is available.

Bressingham also said that he and the members of his committee want to help the IRS but wonder whether, paradoxically, including this information might actually put clients at higher risk of identity theft. He said that it called to mind the New York State Department of Taxation and Finance recently asking for the driver’s license numbers of taxpayers, as an additional authentication measure. While the request was ostensibly for protection against identity theft and fraud, certain practitioners raised concern that it would give potential identity thieves one more piece of validating information to use against their victims.

“I just keep thinking, they keep requesting more and more information which, in general, could provide more areas for identity theft. … We’re not against trying to share information that could stop hacking. [But] we have states like New York that request your driver’s license number, and if you share that type of information, of course someone can get it and then use it against you. You’ve got to be very careful of what you are doing,” he said.

Johnpaul Crocenzi, a member of the Taxation of Individuals Committee, wondered how useful the information would be in the first place, considering that the IRS already knows some of what it’s asking for, like the names and Social Security numbers of those authorized to sign the business return.

“[T]hey keep requesting more and more information, which, in general, could provide more areas for identity theft.”

—James P. Bressingham, chair of the NYSSCPA’s Relations with the Internal Revenue Service Committee

Barry S. Kleiman, another member of the Taxation of Individuals Committee, noted that, sometimes, clients will push back against providing this kind of information, recalling some of his own experiences with the New York state driver’s license requirement, but he ultimately said that these kinds of efforts are for the best.

“A lot of people [are reluctant] to give this information to us, even though it’s required for New York state returns. Obviously, yes, we’re going to get some pushback [on this] but, in the end, it’s for [their] best interest,” he said.
FASB makes long-awaited nonprofit proposal

By CHRIS GAETANO
Trusted Professional Staff

The question of whether a transaction should count as an exchange or a contribution—and whether a contribution is conditional or unconditional—is one that has long challenged not-for-profit accountants, with no real consensus as to the proper treatment. A new proposed accounting standards update, issued on Aug. 3 by the Financial Accounting Standards Board (FASB), aims to end this ambiguity by providing a consistent methodology. While it’s relevant mainly for nonprofits, if approved, it would apply to every entity that receives or makes contributions of cash and other assets.

The FASB developed the proposed update, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, in response to a wide diversity of practice in how nonprofits account for contributions received and other contracts. This lack of uniformity stems from differing interpretations about whether a particular transfer of assets is an exchange transaction or a contribution. Organizations will use entirely different methodologies based on how they define the transaction. Further, when a transaction is identified as a contribution, the organization must make further judgment calls to determine whether the contribution is conditional.

Travis Carey, the chair of the NYSSCPA’s Not-for-Profit Organizations Committee, said that organizations have wrestled with this issue for years, with little progress. “I think the issue is that, in different parts of the country, and in different organizations, the interpretations are just too different. We don’t have the consistency we generally like in accounting. Here we get the same set of facts, but come to different conclusions,” he said.

This issue comes into play particularly when it pertains to government grants, said Allen L. Fetterman, who also sits on Carey’s committee. “Most people tend to feel that governments do not give contributions, that they are buying a service from the nonprofit, and I have felt with a certain type of contract, [where] the government will reimburse the nonprofit for expenses incurred up to a maximum for a period of time, I always felt that is a contribution from the government to support the program, that the government is not buying a service,” he said.

What made the FASB decide to concentrate on this matter now was the implementation of another standard, Revenue from Contracts with Customers, due to the new disclosure rules it introduced that deal with identifying just who the customer ultimately is. Fetterman said that, because the standard concerns contracts with customers, this plays right into the ongoing question of whether or not the government counts as a customer. This, in turn, determines whether something is a transaction or a contribution, which, in turn, determines whether a contribution is conditional or unconditional.

The proposed standard states that, in instances in which a resource provider is not itself receiving commensurate value for the resources provided, an entity must determine whether the transfer of assets represents a payment from a third-party payer on behalf of an existing exchange transaction between the recipient and identified customer. If so, then the transfer is an exchange transaction. If not, it is a contribution. So, a government grant to maintain a nonprofit clinic would be a contribution; that same clinic getting a government agency is not synonymous with the general public, and the indirect benefit received by the general public as a result of the asset transfer does not count as value received in exchange for that transfer. Neither does the execution of a resource provider’s mission, or the positive sentiment from acting as a donor.

In determining whether a contribution is conditional or unconditional, the entity would judge whether the agreement includes both a barrier that must be overcome and a right for the contributor to either release itself from obligations to transfer assets or to take back assets already transferred. The presence of these two conditions indicates that a recipient is not entitled to the transfer of assets, and the contribution is therefore conditional. If the contribution is unconditional, though, the entity still would need to determine whether there are donor restrictions on that contribution.

While the FASB did not explicitly lay out what would count as a “barrier,” examples include measurable performance-related barriers, such as achieving a specific outcome or producing a certain number of units of output, or stipulations that limit discretion by the recipient or require additional actions that it otherwise would not have taken.

Fetterman said this proposal is long overdue, and added that he likes the approach the FASB is recommending.

Carey said that members of the Society’s Not-for-Profit Organizations and Financial Accounting Standards committees will collaborate on a comment letter laying out the Society’s position on the proposal.

gaetano@nysscpa.org
Peer Review Legislation in New York

In June, the New York state Legislature passed a bill that would require all CPA firms—including sole practitioners and firms with two or fewer CPAs who do attest work and whose principal place of business is New York—to undergo a peer review every three years as a condition of reregistering their firm. The New York state Assembly has until Dec. 31, 2017, to deliver the bill to Gov. Andrew Cuomo’s office for signature. The governor then has 10 days to sign the bill. Please be advised that this bill is not yet law.

Q: Once Gov. Cuomo signs the bill into law, how much time do I have before I have my attest practice peer reviewed?
A: The New York State Board for Public Accountancy recommends that any firm with two or fewer CPAs with an attest practice notify the New York State Education Department (NYSED) and enroll in a peer review program within 30 days of the bill being signed into law. A firm will have 18 months, from the date the governor signs the bill into law, to undergo and complete a peer review.

Q: How do I enroll my firm in a peer review program?
A: Firms looking to enroll in peer review should visit the AICPA’s PRIMA page at http://www.aicpa.org/InterestAreas/PeerReview/Pages/PRIMA.aspx. On that page, click on the link “Getting Started in PRIMA,” for instructions on how to create an account and enroll. By enrolling, a firm agrees to have a peer review of its accounting and auditing practice once every three years.

Q: My firm only does compilations. Does that mean I have to get a peer review?
A: No. Included in the state’s definition of attest are audits, financial statement reviews and examinations. Compilations are not considered attest services. However, even if a firm has only one client for which it provides any type of aforementioned attest service, the firm would be obligated under state law to undergo a peer review once the bill is signed into law.

Q: How much is this going to cost?
A: Costs include an annual administrative fee and a fee for the review itself in the year it is performed. The annual administrative fee is levied on Peer Review Program (PRP) enrollees to cover the costs of PRP administration, which includes the administrative and technical review of peer reviews, required program oversight procedures, and reviewer resumed and CPE verification. For more information and a formula that will help you to determine your annual administrative fee, go to www.nysscpa.org/peer-review/prospective-firms. For the peer review, the cost varies according to firm size, the number of attest clients and the types of engagements a firm may have. A firm with a single attest client should not expect to pay anything less than $1,000 for the cost of a peer review, which would be required every three years.

Q: How do I know what type of peer review I need to have?
A: There are two types of peer reviews.

A system review is for firms that perform engagements under the Statements on Auditing Standards (SAS), government auditing standards (Yellow Book), examinations under the Statements on Standards for Attestation Engagements (SSAE), or engagements under the PCAOB standards, as their highest level of service. The reviewer tests, among other things, a reasonable cross section of the firm’s engagements, with a focus on high-risk engagements as well as significant risk areas for non-high-risk engagements.

An engagement review is for enrolled firms that perform services under Statements on Standards for Accounting and Review Services (SSARS) or services under the SSAEs that do not require a system review. Engagement reviews are designed to determine whether engagements submitted for review are performed and reported on in conformity with applicable professional standards in all material respects.

Both types of reviews culminate in a report. System reviews report whether the firm’s quality control system provides reasonable assurance of conforming to professional standards in all material respects. An engagement review reports whether the firm’s engagements that were tested by the reviewer conform in all material respects with applicable professional standards.

Q: Why is the NYSSCPA supporting this bill?
A: Attest service engagements come with the highest level of risk that you can provide as a CPA. Not having at least a peer review is a recipe for audit failure. It’s not good for your business, it’s not good for your client and it’s not good for the profession. The New York State Quality Review Oversight Committee, a state board, which is charged with overseeing peer reviews, has recommended for a number of years that the NYSED remove the small firm exemption in the law. Mandatory peer review ensures adequate quality control and fosters best practices among the CPA firms that perform audits. New York state is the only state in the country that does not mandate peer review of attest services for all firms that provide them. This bill seeks to ensure that all CPA firms with attest practices are subject to peer review.

FAQs

Q: How do I enroll my firm in a peer review program?
A: Firms looking to enroll in peer review should visit the AICPA’s PRIMA page at http://www.aicpa.org/InterestAreas/PeerReview/Pages/PRIMA.aspx. On that page, click on the link “Getting Started in PRIMA,” for instructions on how to create an account and enroll. By enrolling, a firm agrees to have a peer review of its accounting and auditing practice once every three years.

Q: My firm only does compilations. Does that mean I have to get a peer review?
A: No. Included in the state’s definition of attest are audits, financial statement reviews and examinations. Compilations are not considered attest services. However, even if a firm has only one client for which it provides any type of aforementioned attest service, the firm would be obligated under state law to undergo a peer review once the bill is signed into law.

Q: How much is this going to cost?
A: Costs include an annual administrative fee and a fee for the review itself in the year it is performed. The annual administrative fee is levied on Peer Review Program (PRP) enrollees to cover the costs of PRP administration, which includes the administrative and technical review of peer reviews, required program oversight procedures, and reviewer resumed and CPE verification. For more information and a formula that will help you to determine your annual administrative fee, go to www.nysscpa.org/peer-review/prospective-firms. For the peer review, the cost varies according to firm size, the number of attest clients and the types of engagements a firm may have. A firm with a single attest client should not expect to pay anything less than $1,000 for the cost of a peer review, which would be required every three years.

Q: How do I know what type of peer review I need to have?
A: There are two types of peer reviews.

A system review is for firms that perform engagements under the Statements on Auditing Standards (SAS), government auditing standards (Yellow Book), examinations under the Statements on Standards for Attestation Engagements (SSAE), or engagements under the PCAOB standards, as their highest level of service. The reviewer tests, among other things, a reasonable cross section of the firm’s engagements, with a focus on high-risk engagements as well as significant risk areas for non-high-risk engagements.

An engagement review is for enrolled firms that perform services under Statements on Standards for Accounting and Review Services (SSARS) or services under the SSAEs that do not require a system review. Engagement reviews are designed to determine whether engagements submitted for review are performed and reported on in conformity with applicable professional standards in all material respects.

Both types of reviews culminate in a report. System reviews report whether the firm’s quality control system provides reasonable assurance of conforming to professional standards in all material respects. An engagement review reports whether the firm’s engagements that were tested by the reviewer conform in all material respects with professional standards.

Q: Why is the NYSSCPA supporting this bill?
A: Attest service engagements come with the highest level of risk that you can provide as a CPA. Not having at least a peer review is a recipe for audit failure. It’s not good for your business, it’s not good for your client and it’s not good for the profession. The New York State Quality Review Oversight Committee, a state board, which is charged with overseeing peer reviews, has recommended for a number of years that the NYSED remove the small firm exemption in the law. Mandatory peer review ensures adequate quality control and fosters best practices among the CPA firms that perform audits. New York state is the only state in the country that does not mandate peer review of attest services for all firms that provide them. This bill seeks to ensure that all CPA firms with attest practices are subject to peer review.

Harness the Power of A.I. to Report Suspicious Activity

DeepNLP® from SparkCognition™ analyzes natural language to find evidence of money laundering in massive amounts of data, even spotting signs a human might miss. Contact us to learn how surveillance from artificial intelligence is helping the finance industry.

DeepNLP® by SPARKCOGNITION

www.sparkcognition.com

Follow us on Twitter twitter.com/nysscpa

Connect with us on LinkedIn linkedin.com/company/92821/

Join us on Facebook facebook.com/nysscpa

Watch us on Instagram instagram.com/nysscpa
Disengaging to benefit your firm and the client

By SUZANNE M. HOLL, CPA

Most CPAs—even those highly skilled at screening and bringing in new clients—will periodically encounter situations and client relationships that call for disengagement. While the subject of disengaging is typically thought of as unpleasant, at best, disengaging can be a practice management tool that increases firm profitability and creates a better situation for both the CPA and the client.

Generally, today’s clients are making more demands and expecting broader services at a time when CPAs are becoming more specialized. When clients expect more from you than what your experience and staffing enable you to provide, the resulting expectations gap could lead to a deterioration of the professional relationship. But that doesn’t have to happen. By identifying clients and situations that call for disengaging, and by recognizing when to disengage, the CPA will be on his or her way to knowing how to disengage skillfully.

What exactly is disengagement? The disengagement process is as important as the engagement process in that it is a critical part of a successful practice. Initiated by the CPA, disengagement seeks to formally terminate the CPA-client relationship in the most positive way possible, freeing each party to pursue other professional opportunities.

A skillfully handled disengagement is mutually beneficial to both you and your client. You are left with more time to grow your business by selling new services to existing clients, as well as to bring in new clients. The clients from whom you disengage are also free to move on and find a successor CPA to meet their needs.

When to disengage A proactive attitude that treats disengaging as a practice management tool means, in part, putting into place a system that allows you to re-evaluate your client base periodically, be it annually or semiannually. Incorporating such a plan into your business practice enables you to monitor your client base and note any changes that could have an impact on your professional relationship.

Of course, even the most proactive evaluation plans will sometimes be thwarted, creating a need to disengage immediately due to a critical situation, such as the discovery of fraudulent activity. However, by using a procedure that enables you to regularly monitor your clients, you can better protect yourself and your business from having situations escalate into crises calling for disengagement.

Another benefit that comes from regularly evaluating clients is that you place yourself in an excellent position to gauge their changing business needs and, therefore, sell them new or different services that complement their growth or change.

CPA firms need to take care when disengaging or withdrawing from an engagement after it has started, especially when the scope of the engagement includes audit, review or examination. Since attestation engagements are often used by the client for obtaining financing or satisfying loan covenants, disengaging while the engagement is in process requires careful attention to potentially negative effects.

Opportunity cost of continuing the relationship

Only you can decide whether it is in the best interest of your firm to continue a relationship with a client who makes you uncomfortable, upsets your staff or otherwise exhibits unseemly behavior. Consider the time and energy your firm spends on serving that client. Working with certain clients may not be worth the money they bring into the firm.

You should also carefully consider any changes in a client’s business. Changes in management or in the direction of the business can create problems for you, if you are not professionally staffed to perform the new, additional or different services that the client’s business requires.

When you are not qualified to accommodate a client’s new needs, yet choose to accommodate the client rather than disengage, you may make yourself vulnerable to litigation. Not only are you inviting a potential lawsuit, but the firm is losing the opportunity to provide additional services to the existing client base and to build a stronger base in the firm’s area of expertise—a course of action that could be far more productive and profitable for the firm. Consider different options to best serve the client, such as a friendly joint venture with another accounting firm that specializes in another area of expertise. Such arrangements can be quite successful.

CPAs often try to adjust to a client’s changing behaviors or needs, especially for clients that have long-term professional relationships with the CPA. However, making adjustments can cause you to overlook risk factors and eventually expose you to disputes and lawsuits.

Pay attention to difficult clients When performing regular screening of existing clients, pay special attention to difficult or manipulative clients. Difficult behavior, such as consistently delinquent payment, should not be ignored and should be followed up on. Take swift action on your own behalf to investigate. The following checklist of pertinent questions is intended to help you and your staff get to the heart of the matter and solve problems:

• What is causing the problem?
• Who is causing the problem?
• Does the client’s behavior indicate that there is a problem with the service provided?
• Are you dealing with a manipulative client?
• Is the problem due to a personality conflict?
• Could someone else better serve the client?
• When did you first realize you had a problem with the client?
• What tipped you off? An unpaid bill? A change in attitude?
• Are you allowing emotional ties to overwhelm professional concerns?

It is possible that the behavior you see now is a reaction to something that did months ago but is still bothering the client.

Additional questions to consider

• What can your firm do to better communicate with the client?
• Does the client think the fees charged by your firm are too high?
• Was a new staff member assigned to the engagement?
• Is the client suffering a business or personal hardship?
• Is your firm’s billing method clear?

Dealing right away with difficult behavior may save the relationship and help you avoid disengagement, or it may confirm that it is time to sever the relationship.

How to disengage When you decide to disengage, you should seek to terminate the relationship professionally and formally, in writing. At a minimum, the disengagement letter should always contain the following:

• A statement that you are disengaging and the effective date of the disengagement (e.g., “We must formally end our relationship with you as your accounting firm, effective immediately” or “as of [date].”)
• A description of any work that is in process or unfinished
• A statement of any due dates or filing deadlines that exist with regard to the work, whether finished, in process or unfinished.

Review and edit your disengagement letter carefully to ensure that it is professional, objective and rational. Situations that provoke disengagements are often emotionally charged. Don’t let your letter reflect your personal feelings. Your client needn’t feel antagonized in any way. When done effectively, disengagement can leave your client feeling that you have acted in the best interests of both parties.

Disengagement is an important practice management tool, and knowing how to do it skillfully and professionally will serve to help you expand your practice and avoid liability. Anytime you need advice about a client situation or a disengagement letter, call your risk adviser.

Suzanne M. Holl, CPA, is senior vice president of loss prevention services at Camico (www.camico.com). With more than 28 years of experience in accounting, she draws on her Big Four public accounting and private industry background to provide Camico’s policyholders with information on a wide variety of loss prevention and accounting issues.

For information on the Camico program, call Camico directly at 800-652-1772, or contact: (Upstate) Reggie DeJear, Lawley Service, Inc., 716-849-8618, and (Downstate) Dan Hudson, Chesapeake Professional Liability Brokers, Inc., 410-757-1932.
IT control weaknesses to watch in the coming audit season

By JOEL LANZ, CPA/CITP, CFF, CISA, CISM, CISSP, CFEC

With the upcoming audit season rapidly approaching, many practitioners and their teams are focusing on audit planning. For some, it will be the same as in prior years, if their clients’ business processes and, in some cases, business models remained the same. Others will proactively advise client audit committees, executive client management or new prospects about the technology innovations and transformations undertaken by the client in order to remain viable and grow the business, while still others will be increasingly wary of these developments firsthand from their clients. They will discover that terms such as cloud computing, cybersecurity, business intelligence, bitcoin and drones are no longer relegated to the information technology (IT) department but, rather, arise from the boardroom itself.

Clients and prospects expect their professional service providers to innovate and grow along with them. While some practitioners may not be able to adequately respond when asked by clients how data analytics will be incorporated into the audit, other practitioners can demonstrate their relevancy, insight and understanding of technologies affecting business processes by discussing how data analytics will be used to address the technology-related risks threatening these businesses, while providing value-added insight.

The following list identifies some of the more common IT control weaknesses that practitioners should look for during the upcoming audit season.

Management fails to confirm the completeness of data. With databases increasing in size and power, a larger role is being played in organizations and executives becoming more comfortable in using them to drive business decisions, practitioners continue to explore ways to use these data-driven technologies. Frequently, clients provide practitioners with “shadow data,” or data extracted from core systems, that may be stored in Excel worksheets or comparable data files. Clients may use shadow data because, for reasons of formatting, details are not used. As businesses continue to consolidate on third-party service providers to assist with processing output, clients continue to rely on third-party service providers to assist with processing output. In such cases, controls to ensure the completeness and accuracy of the data provided, such as reconciliation of data and limiting access to the files, should be used.

Insufficient policies and procedures exist. As businesses continue to consolidate and technology-related responsibilities are distributed across internal and external resources (e.g., suppliers and vendors), the need for the auditor to clearly communicate expectations to all parties involved in business transactions and operations increases. New technologies often replace different service-delivery strategies and expectations. Often, policies and procedures are developed postimplementation, resulting in outdated and unusable control instructions.

Application parameters are not configured to enforce policies. Rather than enforce policies manually, clients can now do so with technology. Most applications—through the use of configurations—enable clients to enforce policies and business rules, including, but not limited to, pricing, credit approval and accounting principles used. These client-defined application configurations should be reconciled to policy requirements or contract provisions defined in service-level agreements. Clients should also confirm values configured for edit checks (i.e., what the application will accept for processing or rejecting) to ensure that the application prevents bad data from being accepted for processing, to the extent possible. Once policies are configured, the client should develop a process to ensure appropriate responses to “error” reports that alert users to the need to remedy identified exception conditions.

Application access controls do not reflect organizational chart responsibilities. As with parameters for business rules, access privileges need to be configured, too. Often, actual access and processing privileges enabled by the application’s security module will not reflect intended organizational controls designed into organizational chart responsibilities, such as segregation of duties. Sometimes, poor access controls were established when the application was first implemented, and flexible privileges were provided to facilitate the implementation of the application. Often, once implemented, privileges are not reviewed to reflect changes in job responsibilities or terminations. Prior to relying on management’s representations related to job responsibilities and segregation of duties, current access privileges should be reconciled to actual organizational intentions.

Vendor-provided patches are not applied and tested on a timely basis. To maintain the currency of their software—think new revenue recognition or lease standards—and remediate known processing problems, application software vendors issue periodic patches or updates to their software. Sometimes, these patches require not only that the application be updated but also that the hardware or operating system software used by the application be updated, too. As a result, clients may delay the installation of the patches or may not adequately test the new patch, resulting in inaccurate data processing output.

Service organization reports are not effectively used. With the increasing use of cloud computing and other types of outsourcing services, clients continue to rely on third-party service providers to assist with a variety of critical business functions. The profession has evolved its offerings of System and Organization Control (SOC) reports. Yet some clients remain confused about the SOC report offerings and how to effectively use the information included in the reports so as to enhance their environments. One section of the report, user control considerations, provides important guidance on the types of controls that should be used by the client to
DISCIPLINARY MATTERS

GARY P. PURWIN, Bronxville, N.Y., was disciplined under the provisions of NYSSCPA bylaws Article XII–Professional Conduct and Disciplinary Proceedings, Section 4. Automatic Discipline. Purwin’s NYSSCPA membership was suspended for one year, effective Nov. 21, 2016, in connection with the disciplinary action taken by the Securities and Exchange Commission (SEC). Through an “Offer of Settlement,” and without admitting or denying the charges, the SEC denied Purwin the privilege of appearing or practicing before the SEC as an accountant, with the right to apply for reinstatement after one year from the effective date of the SEC’s order. The decision was based on the SEC’s findings that Purwin failed to fulfill his role as the engagement partner on audits, with final responsibility for the audit work on the company’s engagements. Purwin failed to appropriately assess audit risks; establish audit plans to effectively address those risks; properly supervise the audit engagement; and exercise professional skepticism, in light of the indications of fraud that were apparent from the accounting records.

PAT A. MALLOZZI, Garden City, N.Y., entered into a settlement agreement under the Joint Ethics Enforcement Program, effective Jan. 17, 2017, as a result of an investigation alleging a potential disciplinary matter with respect to his providing professional services on the audit of the financial statements of an employee benefit plan. Based on a review of the auditor’s report, financial statements and certain other documents, there appears to be evidence of violations of the following rules of the Code of Professional Conduct: Rule 201–General Standards, Rule 202–Compliance with Standards; and Rule 203–Accounting Principles. Without admitting or denying the alleged violations, Mallozzi agreed to his suspension from membership for a period of two years, effective May 3, 2017. Mallozzi will be required to complete 18 hours of specified CPE within six months of the effective date of the agreement.

DOMENICK F. CONSOLO, Yorktown Heights, N.Y., was expelled from membership, effective Feb.13, 2017, under the automatic disciplinary provisions of NYSSCPA bylaws Article XII–Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline, in connection with action taken by the Securities and Exchange Commission (SEC). Specifically, through an “Offer of Settlement,” and without admitting or denying the charges, the SEC denied Consolo the privilege of appearing or practicing before the SEC as an accountant. The decision was based on the SEC’s findings that Consolo, as the audit partner, issued audit reports for fiscal years ending Dec. 31, 2009, through Dec. 31, 2014, stating that an incorporated municipality and a local development corporation’s financial statements were presented fairly, in all material respects, in conformity with generally accepted accounting principles (GAAP), and that the audits were performed in accordance with generally accepted auditing standards (GAAS). These statements were false in that the financial statements were not fairly presented, in all material respects, in conformity with GAAP, and the audits were not performed in accordance with GAAS.

ROBERT A. WAEGELEIN, Pawling, N.Y., was disciplined under the provisions of NYSSCPA bylaws Article XII–Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline, in connection with action taken by the Securities and Exchange Commission (SEC). Through an “Offer of Settlement,” and without admitting or denying the charges, the SEC directed Waeglein to cease and desist from committing or causing any violations and any future violations of Section 13(a) of the Exchange Act and Rule 13a-1 thereunder. The decision was based on the SEC’s findings that Waeglein caused an audit firm to lack independence during its 2012, 2013 and 2014 audit and professional engagement periods by maintaining a close personal relationship with the audit partner of the firm. Waeglein was admonished, effective March 23, 2017.

SCOTT GILDEA, New York, N.Y., entered into a settlement agreement under the Joint Ethics Enforcement Program as a result of an investigation alleging a potential disciplinary matter with respect to his performance of professional services on the audit of the financial statements of an employee benefit plan. Based on a review of the auditor’s report, financial statements and certain other documents, there appears to be evidence of violations by Gildea of the following rules of the Code of Professional Conduct: Rule 201–General Standards, A. Professional Competence; Rule 202–Compliance with Standards; and Rule 203–Accounting Principles. Without admitting or denying the alleged violations, Gildea agreed to his suspension from membership for a period of two years, effective May 3, 2017. Gildea will be required to complete 18 hours of specified CPE within six months of the effective date of the agreement.

GARY R. PURWIN, Bronxville, N.Y., was expelled from membership, effective May 15, 2017, under the provisions of NYSSCPA bylaws Article XII–Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline, and Article XII, Section 3. Impairment of License to Practice Public Accounting, in connection with disciplinary action taken by the New York State Education Department, Board of Regents. Alam submitted an application for permission to surrender his license to practice as a certified public accountant in the state of New York (Calendar No. 28039). The Board of Regents granted the request by vote on March 13, 2017. In said application, Alam admitted guilt to one specification of professional misconduct charging him with being convicted of committing an act constituting a crime under New York state law (Attempted Grand Larceny in the Fourth Degree, a class A misdemeanor).

LAWRENCE J. HERZING, Brewster, N.Y., was expelled from membership, effective May 15, 2017, under the automatic disciplinary provisions of NYSSCPA bylaws Article XII–Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline, and Article XII, Section 3. Impairment of License to Practice Public Accounting, based on his application for permission to surrender his license to practice as a certified public accountant in the state of New York (Calendar No. 29126), which was approved by vote of the Board of Regents on Sept. 13, 2016. In such application, Herzing did not contest two specifications of professional misconduct in violation of Section 6509(5)(a)(ii) of the New York State Education Law, charging him with being convicted of an act constituting a crime under federal law (Fraud by Wire, Radio or Television, a felony), in violation of 18 U.S.C. Section 1343, and Section 6509(5)(a)(ii) (Abuse in the Second Degree, a felony), to which he entered a guilty plea.
Family Office Cup teams compete over the nature of legacy

By CHRIS GAETANO

Teams of young professionals from four different firms competed to best express what a family legacy is and how it can be preserved through the generations. At the Aug. 2 event, which took place in midtown Manhattan, featured teams from PKF O’Connor Davies, LLP, BDO, CohnReznick LLP and Anchin, Block & Anchin LLP, each of whose members gave a presentation with his or her take on the topic, which was then scored by members of the Society’s Family Office Committee.

David A. Isaacs, a member of the committee and one of the Family Office Cup’s hosts, along with Joseph L. Ali, said that the event is intended to enable younger members of the profession to hone their presentation skills and receive unbiased feedback. Isaacs said that the idea for the event came to him when he was called upon by his committee to do an impromptu presentation. “It didn’t go well,” he conceded.

Still, the stumble inspired him to explore different avenues to improve his presentation skills and after discussing his thoughts on this topic with then-Chair Philip F. Strassler, the Family Office Cup was born.

Issacs said that this year’s topic on what a family legacy is and how it can be preserved seemed like a natural fit. “We picked this topic because I focus on client-facing teams. Joe also believes strongly in developing the next generation of advisors and even presented on a similar topic in the first year of the competition, which he won,” he said. “Legacy is a common theme among the Family Office Committee, and so blending the two topics [of client-facing, multigenerational teams and family legacy] into one seemed like a natural fit.”

The winning team, from Anchin—Sean J. Graf, Michelle Privitelli and Elana Tamas—compared and contrasted two powerful legacies that, on the surface, seemed very different: the Medici banking family and the Kardashians. While the two have significant differences, the team noted that both families have key commonalities with regard to their legacy. Both had very strong leadership, a clear vision of what they want to accomplish, shrewd business minds and an eye for strategic alliances (the Medici with the church and royal family, the Kardashians with sports and entertainment celebrities) that expanded their zone of influence. This marks the second year in a row that Anchin produced the winning team.

Madelyn R. Miller, chair of the Family Office Committee and one of the judges at the event, said she enjoyed the presentations this year and is looking forward to the next competition.

“I was delighted that our participating teams were so well prepared and took the competition very seriously. I look forward to integrating many of these NextGen speakers into our Family Office Committee as members. This was a great way for them to showcase their presentation skills to a sophisticated audience.”

Judges, co-hosts and winners of the Family Office Cup competition. From left to right: Andrew Romano of Strategies for Wealth, a competition judge; Family Office Cup co-host Joseph L. Ali; Family Office Committee Vice Chair Eva Minsteris, a competition judge; Family Office Committee Chair Madelyn R. Miller, a competition judge; Anchin, Block & Anchin LLP winning team members Michelle Privitelli, Sean Graf and Elana Tamas; Family Office Cup co-host David A. Isaacs; and David Severance of Advanced Development Services, a competition judge.

TO REGISTER

nysscpa.org/bandi17

nysscpa.org/contruction17

nysscpa.org/am117

nysscpa.org/nystax17

nysscpa.org/closelyheld17

nysscpa.org/realestate17

nysscpa.org/auditing17

nysscpa.org/aif17

nysscpa.org/irs17

nysscpa.org/taxplan17

nysscpa.org/trusttax17

nysscpa.org/exempt17

DATE

10-18-17

10-19-17

10-25-17

11-8-17

11-9-17

11-14-17

11-16-17

11-30-17

12-1-17

12-6-17

12-7-17

12-12-17

CONFERENCE

Business and Industry

Construction Contractors

Anti-Money Laundering

New York State Taxation

Closely Held and Flow-Through Entities

Real Estate

Auditing Standards

Alternative Investment Fund

IRS Practice and Procedures

Tax Planning for Individuals

Trust and Estate Taxation

Exempt Organizations

FAE

CONFERENCES

The CPE Deadline Is Approaching! Don’t Wait to Lock In Your Year-End CPE

DATE

TO REGISTER

nysscpa.org/bandi17

nysscpa.org/contruction17

nysscpa.org/am117

nysscpa.org/nystax17

nysscpa.org/closelyheld17

nysscpa.org/realestate17

nysscpa.org/auditing17

nysscpa.org/aif17

nysscpa.org/irs17

nysscpa.org/taxplan17

nysscpa.org/trusttax17

nysscpa.org/exempt17

FAEVP
PENALTIES? ASSESSMENTS?

Workers' Compensation?
Independent Contractor Status?
Department of Labor Penalties?
Wages - Hours - Overtime Issues?
Unemployment Insurance Taxes?

Do You Have Any of These Issues? Can Help!

NYS DOL UI DIVISION – Manufacturer assessed $212K for UI taxes after exiting PEO. Arnold Standard results: UI refund of $135K; UI Reserve Account Balance positive $204K. UI Tax Rate lowered from 9.5% to 2.1% on $2MM of annual taxable payroll. Savings in excess of $600,000.

US DOL WAGE & HOUR DIVISION – Distributor assessed in excess of $575K for alleged wage and hour violations. Arnold Standard results: Assessment lowered significantly. Savings in excess of $300,000.


Call Bob Arnold or Bob Arnold, Jr.
55 Front Street, RVC, NY 11570 | P: 516.678.3300 • F: 516.678.1515
www.arnoldstandard.com
Speaker: Increasing their sophistication, hackers’ digital fingerprints become harder to find

By CHRIS GAETANO
Trusted Professional Staff

Y ears ago, when hacker culture had a certain pride of authorship, identifying the culprit behind a successful digital heist was easier, said Assistant U.S. Attorney Andrew S. Pak, a computer hacking and intellectual property coordinator for the District of New Jersey, speaking at a recent Foundation for Accounting Education conference.

In the past, hackers intentionally left behind a digital calling card, either in the form of malware they had designed themselves or by employing unique methodology, thereby demonstrating their mastery of technique and gaining prestige within the hacker community. These days, Pak said, it’s less about demonstrating skill and more about finding any way to gain access to a victim’s system and monetizing the information inside. Hackers now purchase malware from other hackers, making identifying and prosecuting hackers a little more complicated.

“There’s so much out there in terms of services that it’s really hard to identify something just because of the method of entry or a single thing used, because you’re dealing with one service used by a larger [group],” he explained.

“It’s like trying to analyze who makes an iPhone,” he said. “If you look at a hack, it goes to so many different manufacturers who make individual pieces of a product. That’s how it is with hackers now.

Modern hacks utilize so many different players—each making individual pieces of a product—that it’s really difficult to connect them into a unified narrative. People sell things like database access, services to make malware less detectable, even copy editing services for someone’s phishing emails, but their involvement with the hack ends once they have their money.

He described three major hacks of varying levels of complexity in order to demonstrate his point: Business Wire, PR Newswire and Marketwired, all of which distribute press releases for major public companies. Hackers, over the course of years, broke into all three with the intention of getting the draft press releases, which they could then sell to traders who would act on the information ahead of the market.

Marketwired’s content was accessed by a group of hackers who developed a database exploit that tricked the database into giving them the draft press releases. The group also planted a type of software called a “reverse shell,” which allowed them to enter commands into the network directly; they then used these commands to glean client and employee credentials. Eventually, the company realized it had been compromised and replaced its servers. The hackers, unfazed, changed their approach and began using phishing attempts to regain entry, instead. Authorities were eventually able to deduce that the group was based in Ukraine, and so they asked Ukrainian authorities to search the homes of the hackers and recover their computers. The computers contained enough information to eventually charge and extradite the members of the group. This, Pak said, was one of the more simple and direct cases.

In contrast, the PR Newswire hack was more complex. Hackers purchased employees’ personal information from another group—information that had been acquired through an unrelated attack on a social networking site. The hackers then guessed, correctly, that at least some employees used the same password between their social network profile and their employee credentials. Once they were in, they planted malware that allowed them to access draft press releases.

“We’re looking at very different methods of entry. One is straight hacking. The next is purchasing stolen credentials from a completely different intrusion and using that to crack someone’s passwords,” Pak pointed out.

The Business Wire hack, he said, was even more complicated. Hackers purchased database access from another group. While they were not able to directly access the draft press releases, they were able to get the passwords of about 300 workers. Although these passwords were encrypted, the hackers had tools to get around the encryption. They also stole internal documents listing the position and contact information of over 500 employees. They then spent years studying the company’s internal dynamics so that they could eventually craft phishing emails that were custom-tailored for specific employees, all to eventually get at the real target—the draft press releases.

“If it’s a big company, you can figure out who reports to who, and who doesn’t want to keep their supervisor watching over certain things. There’s a lot of ways this information can be leveraged,” Pak said.

Pak warned his audience that this new generation of cybercriminal can be extremely patient. While there are plenty of these people who do the digital version of the “smash and grab,” others may spend years planning their heist, then even more years enacting it. The Marketwired and PR Newswire hacks took place between 2010 and 2013, while the Business Wire hack took place from 2012 to 2015.

The Securities and Exchange Commission reported that the perpetrators of the three hacks—of Business Wire, PR Newwire and Marketwired—made a total of $100 million in illegal profits over five years. He told the conference attendees that he’s read reports of cybercriminals where the planning alone took eight years. Unfortunately, he said, time is on their side, and they know it.

Now there are hackers out there going for the low-hanging fruit and [the] easy out, but there are also hackers out there with a particular target in mind who want the information from that target and steal that information. And speaking with a number of them, a lot of the time, the planning goes on for years before they start hitting the keyboard, before touching the particular network. ... It’s not just someone finding an exploit and get[ting] in. Unfortunately, they’re on the offensive, and time is on their side,” he said.

Another unfortunate consequence of today’s technology is that there’s so much more information to protect. A company might think that the only thing it has to worry about is its own servers, but, as Pak said, the “surface area” is much broader.

Companies need to worry about not just their own system, but also having to police their employees: their computers at home, their social media accounts, both their work and their personal email accounts and any other access point that could, theoretically, provide entry to the system. And, said Pak, there’s not very much that people can do about it.

“What will you do, lock down your employee’s Yahoo account? You can have policies to block people posting work stuff in their YouTube account, but it’s going to happen; you can’t rely on that, if you want to protect your network,” he said.

Pak warned his audience that if anyone is trying to sell them the perfect network security, a set-it-and-forget-it system that needs no maintenance, there’s something that person isn’t telling them, because such a system does not exist. As Pak went on to say, any tool is only as strong as the encryption. Not that this means that every tool is useless, though. Continuing with a “sick child” analogy, he said that while washing your hands won’t protect you from every single possible disease out there, it can help. He asked that the audience just be aware of the limits and use them to prevent a dedicated hacker from accessing a system, he added that it’s possible, at least, to not be the low-hanging fruit that more casual cybercriminals look for. He noted that if you’re with a group of people and are being chased by a bear, you don’t have to be the fastest person—you just can’t be the slowest.

First, he said, understand that your personal data is out there. He told his audience to go to FamilyTreeNow.com and look themselves up. It’s very likely that there will be a full name and address for every attendee and his or her entire family. While some of the sites can be opted out of, others cannot, so he urged his audience to avoid disclosing personal information online.

He also advised proper password management: Have a meaningfully different password for every single account you have, never save your password to a browser, and use two-factor authentication for any site that offers it. Going even further, he told conference attendees that encryption is not magic, and that people should not rely on it too heavily. Even encrypted passwords, as depicted in the Business Wire hack, can be cracked.

“Learning and maybe applying some of the things you learned in the situation will put you just a little ahead of the other folks, so you’re not the low-hanging fruit,” he said.

Despite such measures, he went on to say that saying that everyone either has been or will be hacked at some point in time. In this respect, it’s important to monitor for the symptoms of being compromised. For example, he advised his audience to regularly check their credit scores and bank accounts to make sure that everything looks the same. At least, they can be aware of an incident if it happens.
Auditing the auditor: an insider’s perspective

By CHRIS GAETANO
Trusted Professional Staff

Salvatore A. Collemi, a former consultant and now partner-in-charge of the Professional Standards Group at Marks Paneth LLP, told his audience at FAE’s recent Forensic Accounting and Litigation Services Conference that professional skepticism is severely lacking in today’s business environment, calling on auditors to recommit to a practice that has been part of the profession’s calling card since it became a licensed profession in 1896.

Unfortunately, he said, too many auditors today hesitate to be more aggressive when questioning clients because they think if they press too hard, they’re insulting the client’s integrity. The result is a less-than-reliable audit. He also pointed out a reluctance for auditors to even consider that their client might not be entirely truthful with them. When this perspective is combined with lack of experience, it can lead auditors to overlook vital details.

“Most auditors will never experience going through a fraud case. ‘They’ll never do that,’” they’ll think. ‘It couldn’t be my clients; my clients have integrity,’” he said.

Tied up with this mindset are too many assumptions based on an auditor’s past history with the client: The client has never committed fraud before, the auditor will think, so why would things be different now?

“As far as past history, things change all the time, so you’ve got to be on your game. You’ve got to acknowledge that change is always going to be there, and things don’t stay the same,” he said.

Collemi also singled out a tendency among auditors to limit their interaction to employees in the accounting department, which, he said, is another way to lose professional skepticism over time. He conceded that it’s easier just to talk to other accountants—they know the lingo and can speak in terms the auditor understands. But it’s just not enough.

“There’s more in the world than just us,” he said. “Speak to the general counsel, speak to the audit committee if they have one, to the board of directors, to vendors and suppliers, to people involved in complex transactions, to other departments that are vital to the business. These are the types of interviews you’ve got to have, and you’ve got to speak their language.”

The best way for auditors to maintain professional skepticism when planning out an audit engagement with a long-term client, he said, is to brainstorm all the ways in which someone might try to deceive them, which often means trying to get into managers’ heads and think of what they would do if they wanted to commit fraud. How would they go about circumventing internal controls? How would they manipulate the financial statements? Even if the auditors think the client wouldn’t do that, they need to consider that it could, and plan the engagement around these possibilities.

“When you’re in that mindset, ‘you’re aware that fraudulent practices could happen,’” he said, “so how do you prepare yourself to design audit procedures to mitigate that? What types of evidence do you need? [What are the] types of conversations you have to have to make sure you have everything you need and the numbers look good?”

If an audit is run the same way year after year, clients will easily figure out the procedure and, if they’re trying to do anything deceptive, work around it. The auditor should look in areas they don’t normally look, focus on individuals they’ve never spoken to before, and develop new processes and procedures each year that the client can’t adapt to.

“You think the client doesn’t know your game, doing the same audit, the same type of work? The client has you figured out,” he said. “You’ve got to start throwing curveballs and keep your client on their toes.”

Joel Lanz, CPA/CITP, CFF, CISA, CISM, CISSP, CFE, is the sole proprietor of Joel Lanz, CPA PC, a niche technology risk advisory practice. He is a member of the NYSSCPA’s Technology Assurance Committee and The CPA Journal Editorial Board. Mr. Lanz can be reached at jlanz@joellanzcpa.com.

IT control weaknesses

Continued from page 8

strengthen the control environment provided by the cloud or outsourced technology.

Management fails to monitor key technology performance indicators. Generally, clients do not establish and monitor key technology indicators as they do for financial issues. Yet monitoring critical technology performance indicators can help clients identify potential control breakdowns earlier, causing less damage. For example, unusual amounts of Internet traffic could be a leading indicator that unauthorized parties are transferring confidential files. Like financial indicators, technology indicators should balance mitigating risks with the cost of monitoring.

As clients continue to rely on technology for more business functions, practitioners have the opportunity to provide more value-added guidance, such as identifying environmental controls to help mitigate basic or core threats.

Students living and working on Long Island and in New York City can earn a graduate degree in Accounting through the high quality instruction and small classes offered by SUNY Old Westbury’s School of Business.

M.S. in Accounting
• 30-credit program for those with an undergraduate accounting degree
• 51-credit program for other business majors

M.S. in Taxation
• 30-credit program for specialized accounting instruction

All programs meet the New York State Education Department 150-credit requirement.

Graduate studies at SUNY Old Westbury: Affordable SUNY tuition, professional instructors, convenient location and scheduling.

516-876-3200 • enroll@oldwestbury.edu • www.oldwestbury.edu/graduate
What is the last straw for you when it comes to a problematic client?

GREGORY J. CICERO | Partner | Staten Island

Small business owners can be reluctant to provide bank statements or other documentation necessary to prepare an accurate return. For those who don’t, I have refused to prepare the return. The biggest misconception small business owners have is this belief that if you own a corporation, you can “write everything off.” It seems they lose sight of the phrase “ordinary and necessary business expenses.” There have been times when I have found all kinds of personal expenses hidden throughout the accounts. If they don’t remove them, I’ll refuse to prepare the return.

It is a different story when they need a compilation, review or audit. In that case, they are looking for strong financials. Therefore, I have to watch for overinflated revenues and inventories and understated expenses. At times, they may even attempt to direct the procedures that we employ. A quick explanation of fiduciary responsibility usually puts them in check. If not, I withdraw.

gcicero@cicero-loverde.com

RONALD A. DE RAMON | Partner | Nanuet

I had a client who kept very good records and was self-employed, but had a very meager income. We had this battle royal over how much of her net self-employment income she would report on her tax return. Her desire was to only send in a token or, hopefully, zero payment to the government. I said to her, “You do realize they don’t care if you have every single receipt and [they’re] certified. You could provide evidence up and down for every line of your return. But the IRS will ultimately easily calculate that you owe more taxes. They’re just going to assess you and make you pay. Even if you protest, you won’t win.” She owed not even $200, and she was upset about having to send that kind of money. At our last meeting, I gave her the paperwork back and I told her to please find someone else. I said, “It’s just not worth it. I don’t even want to get involved, even if your return will probably never get questioned; I just won’t deal with the possible aggravation.” There wasn’t anything wrong on her return, really, but it was a superaggressive return, and you don’t want the IRS thinking that you’re a con man. And my telling her after she gets audited, “I told you so,” when the IRS starts asking questions, doesn’t help me or her.

ronald@deramoncpa.com

MITCHELL J. MERTZ | Director | Flushing

I had an account where the company really had no operations, and the president just kept going around raising money and saying, “I’m gonna do this and gonna do that.” Eventually, he couldn’t find any more people to raise money from here, so he went abroad, saying he’d find more investors there. What he was doing, though, was flying his girlfriend and himself around first class, staying in the finest hotels, and eating at expensive restaurants. At that point, I said, “I’m done.” You’ve got to go with your gut and your conscience, because that’s a fraud waiting to happen. I value my certificate a lot more than a relationship with people like that.

mmertz@weiweico.com

MADELYN R. MILLER | Managing Director | New York City

Sometimes, you just don’t want to work with a client no matter how important they are to your practice. I can’t speak to any specific case, but the times I’ve not wanted to work with someone was if they lacked integrity or if they were abusive. Because I am super client service-oriented, I will go to the ends of the earth for my clients. But when I’ve had a client lie to me about facts and circumstances that I knew not to be true, then they lose credibility in my eyes, and I do not want to work with them any longer. A lie about financial circumstances or how they’re related to others financially demonstrates a lack of integrity, and I have zero tolerance for that. As far as being abusive, when a client constantly badgers me and sends me or my team really nasty emails, I consider whether it makes sense to continue my relationship with them. I find it completely unacceptable when a client is unnecessarily demanding, speaks disrespectfully or uses foul language with me, my team or my company. If someone can’t treat me the way they would like to be treated, then I don’t care how important a client they are—I do not want to work with them.

madelyn.miller@jpmorgan.com

DANIEL LAHAGE | Sole Practitioner | New York City

I had a client who would break appointments by not showing multiple times during tax season and, later, expect rescheduling on their terms. I do my best to accommodate their requests, but when they couple abusive behavior with extreme rigidity in appointment rescheduling, it is time to consider a disengagement letter to formally terminate the CPA-client relationship.

dlahage@labagescpa.com
Adirondack

Adirondack Chapter Annual Tax Conference & Officer Visit
When: Dec. 5, 9 a.m.—5 p.m.
Where: Golden Arrow Lakeside Resort, 2559 Mirror Lake Drive, Lake Placid
Cost: TBD
CPE: 8 (taxation)
Course Code: 28612801
Register online or call 800-537-3635

What Does President Trump Mean for Estate Taxes and Long-Term Care Plan
When: Nov. 6, 6–8 p.m.
Where: Barrum Financial Group, 277 Park Ave., New York
Cost: $20 members, $30 nonmembers
CPE: 2 (taxation)
Course Code: 29156805
Register online or call 800-537-3635

Chapter Town Hall Meeting & Professional Issues Update
When: Nov. 30, 6–8 p.m.
Where: NYSSCPA Offices, 14 Wall Street, New York
Cost: Free
CPE: 1 (advisory services)
Course Code: 42152841
Register online or call 800-537-3635

Helping Others Achieve Financial Organization
When: Jan. 9, 2018, 6–8 p.m.
Where: NYSSCPA Offices, 14 Wall Street, New York
Cost: $20 members, $30 nonmembers
CPE: 2 (specialized knowledge)
Course Code: 29155804
Register online or call 800-537-3635

Mid Hudson

Mid Hudson Chapter Banker, Attorney & CPA Networking Event
When: Oct. 26, 5:30–8:30 p.m.
Where: Anthony’s Pier 9, 2975 Route 9W, New Windsor
Cost: $85 per person
Contact: Steven Engels at sengels@rbtcpas.com

Chapter Town Hall Meeting & Professional Issues Update
When: Nov. 7
Where: Ramada Inn Newburgh, 1289 Route 300, Newburgh
Cost: Free
CPE: 2 (advisory services)
Course Code: 42022836
Register online or call 800-537-3635

Chapter CPA Ethics Update
When: Nov. 7, 9 a.m.—1 p.m.
Where: Ramada Inn Newburgh, 1289 Route 300, Newburgh
Cost: $35 members, $42 nonmembers
CPE: 2 (general ethics)
Course Code: 42022807
Register online or call 800-537-3635

Manhattan/Bronx

Chapter CPA Ethics Update
When: Oct. 17, 6–8 p.m.
Where: NYSSCPA Offices, 14 Wall Street, New York
Cost: $35 members, $42 nonmembers
CPE: 2 (general ethics)
Course Code: 42152812
Register online or call 800-537-3635

Manhattan/Bronx Annual Golf Classic
When: Oct. 18, 9 a.m.—5 p.m.
Where: Trump Golf Links at Ferry Point, 500 Hutchinson River Parkway, Bronx
Cost: $195 per golfer
Course Code: 45158002
Register online via PayPal

Smartler Social Security
When: Oct. 25, 6–8 p.m.
Where: NYSSCPA Offices, 14 Wall Street, New York
Cost: $20 members, $30 nonmembers
CPE: 2 (taxation)
Course Code: 29156801
Register online or call 800-537-3635

Nassau

The Vital Role of Marketing in Succession Planning
When: Oct. 27, 8–10 a.m.
Where: On Parade Diner, 7980 Jericho Turnpike, Woodbury
Cost: $25 members, $30 nonmembers
Course Code: 29035809
CPE: 2 (specialized knowledge)
Contact: Gineette Morris at ginette@morrispas.com

Nassau Chapter Student CPA Fest
When: Nov. 2, 2:30–8:30 p.m.
Where: Chateau Briand, 440 Old Country Road, Carle Place
Cost: $70 members, $80 nonmembers
Course Code: 45030802
Register online via PayPal

Nassau Annual Tax Conference
When: Dec. 2 or Dec. 3, 8:30 a.m.—4:40 p.m.
Where: Long Island Marriott, 101 James Doolittle Blvd., Uniondale
Cost: $175 members, $250 nonmembers
CPE: 8 (taxation)
Course Code: 28603803 (Sat., Dec. 2), 28603824 (Sun., Dec. 3)
Register online or call 800-537-3635

Nassau/Suffolk

JOINT EVENTS

Business and Industry Conference—Nassau/Suffolk

When: Oct. 18, 8 a.m.—5 p.m.
Where: Empire National Bank, 1707 Veterans Highway, Islandia
Cost: $149 members, $190 nonmembers
CPE: 2 (advisory services; 1 ethics; 6 specialized knowledge; 1 taxation)
Course Code: 28501827
Register online or call 800-537-3635

Joint Nassau/Suffolk Accounting and Auditing Conference
When: Nov. 4, 8:30 a.m.—4:40 p.m.
Where: Radisson Hotel Hauppauge—Long Island, 110 Vanderbilt Motor Parkway, Hauppauge
Cost: $175 members, $250 nonmembers
CPE: 8 (4 accounting; 4 auditing)
Course Code: 28103822
Register online or call 800-537-3635

Northeast

Business and Industry Conference—Northeast
When: Oct. 18, 8 a.m.—5 p.m.
Where: Purche Kaplan Sterling Investments, 18 Corporate Woods Blvd., Albany
Cost: $149 members, $190 nonmembers
CPE: 2 (advisory services; 1 ethics; 6 specialized knowledge; 1 taxation)
Course Code: 28504842
Register online or call 800-537-3635

Queens/Brooklyn

Chapter CPA Ethics Update
When: Oct. 19, 6–8 p.m.
Where: St. John’s University, 800 Utopia Blvd., Jamaica
Cost: $35 members, $42 nonmembers
CPE: 2 (general ethics)
Course Code: 42162804
Register online or call 800-537-3635

Chapter Annual Tax Conference
When: Nov. 1, 8:45 a.m.—5 p.m. (8:15 a.m. check-in)
Where: New York State Department of Taxation and Finance, 15 Metrotech Center, Brooklyn
Cost: $350 members, $200 nonmembers
CPE: 8 (taxation)
Course Code: 28616812
Register online or call 800-537-3635

Chapter Town Hall Meeting & Professional Issues Update
When: Nov. 28, 6–8 p.m.
Where: TBD
Cost: Free
CPE: 2 (advisory services)
Course Code: 42162835
Register online or call 800-537-3635

Rochester

Rochester Chapter Annual Town Hall, Clambake and Hall of Fame
When: Oct. 17, 3–8 p.m.
Officers: 3–5 p.m.; Hall of Fame: 6:30 p.m., followed by clambake
Where: Monroe Country Club, 63 Still Road, Monroe
Cost: Free; clambake: $50 members, $75 nonmembers
CPE: 2 (advisory services)
Course Code: 42052845; clambake only: 45050802
Register online or call 800-537-3635

Business and Industry Conference—Rochester
When: Oct. 18, 8–5 p.m.
Where: St. John Fisher College, 3600 East Ave., Rochester
Cost: $149 members, $190 nonmembers
CPE: 8 (1 ethics; 6 specialized knowledge; 1 taxation)
Course Code: 28305872
Register online or call 800-537-3635

Chapter CPA Ethics Update
When: Nov. 8
Where: TBD
Cost: $35 members, $42 nonmembers
CPE: 2 (general ethics)
Course Code: 42052813
Register online or call 800-537-3635
Rockland
Chapter Town Hall Meeting & Chapter CPA Ethics Update
When: Nov. 9, 6–9 p.m.
Where: Casa Mia Manor House, 577 NY-303, Blauvelt
Cost: $65 per person
CPE: 2 (general ethics)
Course Code: 42172809
Register online or call 800-537-3635

Suffolk
Suffolk Chapter 1st Annual Joint East End & NextGen Charity Run/Walk
When: Oct. 22, 10 a.m.–5 p.m.
Where: Main Street, Riverhead (near Roanoke Ave.)
Cost: Free
CPE: 2 (1 advisory services, 1 taxation)
Course Code: 29085006
Register online or call 800-537-3635

Utica
Business and Industry Conference—Utica
When: Oct. 18, 8 a.m.–5 p.m.
Where: Regan McGinn Education Center, 2000 Raynors Way, Smithtown
Cost: TBD
CPE: 2 (general ethics)
Course Code: 42028212
Register online or call 800-537-3635

Westchester
Business and Industry Conference—Westchester
When: Oct. 18, 8 a.m.–5 p.m.
Where: Webster Bank, 1 North Broadway, White Plains
Cost: $149 members, $190 nonmembers
CPE: 8 (1 ethics; 6 specialized knowledge; 1 taxation)
Course Code: 28511836
Register online or call 800-537-3635
A great team in place to lead chapter into the future

By ALAN M. WILLINGER
Manhattan/Bronx Immediate Past President

It was with a great sense of awe at the accomplishments of those who served before me that I became president of the Manhattan/Bronx Chapter. Now, as the torch has passed to Carnett A. Brown, I know that the chapter is in great hands and that with the support of all the directors and officers, we have a great team in place to lead the chapter into the future.

As summer drew to a close, the chapter offered many opportunities to broaden your network and deepen your connection to the accounting profession.

On July 27, the chapter held “Poetry & Pizza,” a lively evening of entertainment, poetry, spoken word, music and pizza. The evening, hosted with panache by former Chapter president Bill Aiken, featured wonderful performances by Peter H. Frank and Steven B. Zelin. Thank you, Bill, Peter and Steven.

NYSSCPA and Chapter Past President J. Michael Kirkland hosted an evening CPE event, “Sustainability Accounting and Reporting” on Sept. 6. Accounting for sustainability involves linking sustainability initiatives to company strategy, evaluating risks and opportunities, and providing measurement, accounting and performance management skills to ensure that sustainability is embedded into the day-to-day operations of the company.

On Oct. 18, from 9 a.m. to 5 p.m., the chapter, in collaboration with its Cooperation with Bankers & Other Credit Grantors Committee, will be hosting its annual Golf Classic at the Trump Golf Links at Ferry Point. Join us for a day of golf and networking. Non-golfers are welcome for the reception and dinner.

We know how valuable your CPA license is to you. You represent all that it stands for: honesty, integrity and high ethical standards. We are here to help you uphold your many professional responsibilities. I urge you to join the chapter help us meet our commitment to the future of the profession.

An honor to be president, after more than 15 years on the board

By DAVE HERMAN
Rockland Chapter President

I want to thank our outgoing president, Shari E. Berk, who as always has been a tremendous asset to our chapter. Our chapter now has Denise A. Collins, an industry member, on our board as well as Judith Bachman, an attorney. She is working on a combined event with the local bar association. This joint CPE/CLE event, “Family Business: Legal and Accounting Issues,” is going to be held in the spring of 2018. Please check the chapter web page for the date, time and place.

We have a few items on tap, including our ethics and officer visitation date in November. Check our Web page for updates on all of our upcoming events.

I have served on this board for 15-plus years, and many of the current board members have been here for much of that. It is an honor to work with these dedicated professionals as we attempt to bring you interesting topics for CPE credit.

Manhattan/Bronx Chapter event focuses on how technology can improve quality of life as we age

By J. MICHAEL KIRKLAND, CPA, CGMA
Past President, NYSSCPA and Manhattan/Bronx Chapter

On Aug. 8, the Manhattan/Bronx Chapter held an evening continuing professional education (CPE) program entitled, “5 Ways Technology Will Change How You Age,” at the flagship midtown Manhattan office of Oppenheimer & Co Inc.’s Private Client Division. Refreshments of water, wine, beer, sandwiches and hors d’oeuvres were served. The event was fully attended and was a great success; we received several complimentary comments regarding the speaker and the seminar content.

Our hosts were Oppenheimer’s Ramon Valet, director–investments, and Michael Lackwood, associate director–investments, and the speaker was Bill McManus, a certified investment management analyst and director of strategic markets at Hartford Funds.

McManus’s presentation showcased apps, websites and other technological devices that people can use to manage their and their families’ quality of life, now and in retirement. The program offered information about how to stay healthy, and about tools that allow people to stay in their homes and remain socially connected as they or their love ones age. An infographic featuring the apps that he included in his presentation is available on the Hartford website: https://www.hartfordfunds.com.

I originally attended this seminar in 2016 and found it extremely informative; the 2017 CPE seminar briefing was just as enlightening. I know that the attendees found the presentation to be a true learning experience.

The program also provided a clear message that being able to sustain a high quality of life for individuals and families will depend upon having good CPAs and financial advisers working together.

If you have any feedback on this program or suggestions for future CPE programs or social events, please contact Manhattan/Bronx Chapter President Carnett A. Brown at carnett1020@yahoo.com.

For those who were not able to attend, we look forward to seeing you at our future events. Please visit the chapter website for upcoming CPE programs and social events.

If you would like to reach out to the event’s hosts, Valet can be reached at Ramon.Valet@opco.com, and Lackwood can be contacted at Michael.Lackwood@opco.com.

Manhattan/Bronx Chapter event focuses on how technology can improve quality of life as we age
A focus on the needs of small firms and sole practitioners

By BRIAN GORDON
Queens/Brooklyn Chapter President

The Queens/Brooklyn Chapter is the result of a merger of former Queens Chapter and the former Brooklyn Chapter. While these boroughs are New York City’s two largest in population, the CPAs working here are primarily from small firms or are sole practitioners. I am the ninth Queens/Brooklyn president, following a list of very dedicated professionals who have worked diligently to keep our chapter strong. I was very proud to be installed as president at our installation dinner in June at the King David Restaurant in Forest Hills. In addition to the official activities, it was another fun evening for the QB Chapter members and guests. View the Queens/Brooklyn Chapter webpage of NYSSCPA.org for event photos.

Since Queens and Brooklyn contain many small firms and sole practitioners, we have focused on serving the needs of that large segment of our chapter. In August, we held our first Sole Practitioners Forum. We provided this forum for sole practitioners to have a group of professionals to turn to with their pressing business issues that they confront in operating an accounting practice. Some of the topics included practice management, technology, marketing and the new peer review bill that was recently passed by the New York State Legislature. This forum was led by a panel, including former chapter Presidents Ed Torres, Rumbidzai N. Bwerinofa-Petrozzello, Akshay Shrimanker, Vice President Felix Rozenbaum and Vehuda Bunker. The event was very well received by the many attendees, and we plan to continue this type of event in the future. Look for upcoming events on our chapter web page.

For fun and entertainment as well as networking and member recruiting, we held our second annual “Take Me Out to the Ballgame” event in August. It was a beautiful evening right near the beach at Coney Island’s MCU Park, home of the Brooklyn Cyclones, a minor league affiliate of the New York Mets. The evening included great food, and was topped off with an exciting fireworks show after the game. It was another fun night out for the chapter. If you missed it, watch for it next year as well as other Queens/Brooklyn events.

Other important events scheduled for this year are the following continuing professional education (CPE) courses:

- An ethics seminar at St. John’s University in Jamaica to be held in mid- to late October (2 CPE).
- A tax conference at 15 MetroTech, Brooklyn, Wednesday, Nov. 1 (8 CPE).
- A town hall meeting with officers from the State Society on Tuesday, Nov. 28 (2 CPE).

Please check our events calendar on the chapter web page for details. Specific details will follow as they are confirmed.

If any of our readers are potential sponsors for our great events and would like some information, please contact me.

bgordon@gettrymarcus.com

Inaugural awards ceremony for our 65th anniversary

By DOREEN M. INSERRA
Staten Island Chapter President

On May 31, the Staten Island Chapter held its 65th Anniversary Annual Installation Dinner at La Fontana Restaurant. For the first time, the chapter bestowed awards on its members who were past presidents. Three past president members received the Hall of Fame Award for their chapter accomplishments and years of service: Rosemarie A. Giovannazzo-Barnickel (chapter president, 1998–99), a sole practitioner; Anthony J. Maltese (chapter president, 1985–86), a sole practitioner of The Maltese CPA Firm PLLC; and Cynthia A. Scarinci (chapter president, 2010–11), an associate professor at the College of Staten Island. The chapter also honored Gerard J. LoVerde, of Cicero & LoVerde P.C., who served as Staten Island chapter president in 1996–97, with the Above & Beyond Award. This award is bestowed upon a past president, specifically recognizing his or her volunteerism for the chapter’s charitable efforts.

On Wednesday, Sept. 27, M&T Bank hosted “Networking with Attorneys, Bankers, & CPAs” at the Staten Island Hilton Garden Inn; the event included a cybersecurity discussion. On Wednesday, Oct. 18, 9:15–11:30 a.m., the chapter will present “ONLINE-Basic Quickbooks for Small Business” at the Richmond County Savings Bank, 832 Jewett Avenue. This is a workshop designed for CPAs who have recently purchased or are thinking of upgrading Online Quickbooks. To register for this event, please go to the chapter web page.

dinserra@aol.com

Our active chapter has a full slate of events this fall

By AMANDA L. SEXTON
Suffolk Chapter President

As you may have read in the last Trust Professional, we have a lot of active committees within the Suffolk Chapter, most notably our NextGen, Members in Industry, and Forensic and Valuation Services (FVS) committees. Our recently established East End Committee is becoming more active, as we add more events to our calendar. Here are some of the events our chapter recently held, and events that are coming up:

The NextGen committees (Nassau and Suffolk) again partnered up with several professional organizations and held their sixth annual Supersized Networking Event on Aug. 9—we had over 150 professionals in attendance who ate and mingled outside in the beautiful weather.

The East End Committee joined the FVS Committee in its fourth successful Nine and Dine golf outing on July 12 with 91 golfers and 99 dinner attendees—the best one yet!

The NextGen Committee held its 22nd annual Young Professionals Golf Outing on Sept. 19 at Hamlet Willow Creek in Mount Sinai.

The Members in Industry Committee hosted a cybersecurity event on Sept. 27 at Empire National Bank in Islandia, where we learned how to mitigate cybersecurity risk with proper insurance.

The East End Committee is holding its first philanthropic SK run/walk on Oct. 22 to benefit the Riverhead Foundation for Marine Research and Preservation. If you cannot make it but would like to benefit the cause, we are also collecting donations for the foundation.

On Oct. 25, the Members in Industry Committee will host an event at Empire National Bank in Islandia on DWIs and how they can affect your family, friends and clients.

On Nov. 10, our Accounting & Auditing Committee will be holding its annual all-day conference, including a session on the hot topic of artificial intelligence. Check the Web page for details soon.

Information about these events is available on our chapter’s Web page.

The NextGen Committee will be gearing up its annual Toys for Tots program. Ours is still the largest pickup by the Marines on Long Island.

I hope you are all having a great start to the fall!

asexton@mfbcpa.com
Looking forward to an event-filled autumn

By GINA GOODENOW  
Westchester Chapter President

A utumn is here! I can’t believe that sum-mer is over and school has already start-ed. We have been busy planning many great fall events for you. In addition to our normal com-mittee meetings, we have two annual full-day tax conferences coming up: the Westchester Tax Conference, Part 1, on Nov. 6, and Part 2, on Dec. 4. Both are from 8:30 a.m. to 5 p.m., at the Doral Arrowwood in Rye Brook. These sell out, so register early!

Need ethics credit? Our annual ethics event will be held on Nov. 7. We are also planning a networking event for October, so stay tuned for that.

Missing summer already? Register early for our Annual Golf & Networking Event, to be held next year on Aug. 13, 2018, at the beautiful Wykagyl Country Club. Registration information is available on our chapter Web page.

Speaking of summer, did you know that many kids don’t get as much to eat during the summer when school is not in session? I had the privilege of volunteering with the NextGen Committee at the Westchester Food Bank in July. We also toured the facility and learned about all the great work they do and the people they serve. I was surprised to hear that the majority of recipi-ents of the food are considered “working poor,” rather than unemployed. I hope to continue our involvement with charitable initiatives and incorporate some aspect of work for a local charity into each of our events. If you have any ideas, please contact me.

I look forward to a great fall and hope to see you at one of our events.
ginagoodenow@gmail.com

Your workday is likely full of punching numbers and reviewing statements, but as you know, life outside the office goes far beyond figures and spreadsheets. The New York State Society of Certified Public Accountants (NYSSCPA) understands that your and your family’s worth doesn’t come with a price tag.

NYSSCPA wants to protect what’s truly important in your life by providing you access to exclusive benefits, including competitive rates for:
- Life Insurance*
- Disability Insurance*
- Accidental Death & Dismemberment*
- And more!

Learn more about these valuable member benefits today!
844.282.2443 | nysscpainsurance.com/worth

*Underwritten by The United States Life Insurance Company in the City of New York.
### FAE LISTINGS

#### FAE Pricing Schedule
For AICPA-developed courses, the following pricing schedule applies.

<table>
<thead>
<tr>
<th>Category</th>
<th>AICPA Member</th>
<th>NYSSCPA Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-hour course</td>
<td>$499</td>
<td>$599</td>
</tr>
<tr>
<td>16-hour course</td>
<td>$439</td>
<td>$539</td>
</tr>
</tbody>
</table>

#### AUDITING

<table>
<thead>
<tr>
<th>Category</th>
<th>AICPA Member</th>
<th>NYSSCPA Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-hour course</td>
<td>$299</td>
<td>$399</td>
</tr>
<tr>
<td>16-hour course</td>
<td>$249</td>
<td>$349</td>
</tr>
</tbody>
</table>

#### KEY GEOGRAPHIC AREA

#### LOCATION

<table>
<thead>
<tr>
<th>Field of Study</th>
<th>Date</th>
<th>Course Title</th>
<th>Description</th>
<th>Field of Study</th>
<th>Course Code</th>
<th>Site Developer</th>
<th>Member Fee/Nonmember Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAE</td>
<td>9/21</td>
<td>Auditing Update 2017</td>
<td>See course listing under Accounting.</td>
<td>FAE</td>
<td>AC/8</td>
<td>FAE Learning Center</td>
<td>$299/$424/$269/$394</td>
</tr>
<tr>
<td>FAE</td>
<td>9/21</td>
<td>Common Frauds and Internal Controls for Revenue, Purchasing, and Cash Receipts</td>
<td></td>
<td>FAE</td>
<td>AC/8</td>
<td>FAE Learning Center</td>
<td>$299/$424/$269/$394</td>
</tr>
<tr>
<td>FAE</td>
<td>9/21</td>
<td>Enhancing Audit Quality Workshop</td>
<td>The key objective of this highly interactive workshop is to discuss, in a small group setting, the current state of audit quality and focus on what CPA firm leaders, quality control professionals, and others can do to strengthen both private and public company audits.</td>
<td>FAE</td>
<td>AC/8</td>
<td>FAE Learning Center</td>
<td>$299/$424/$269/$394</td>
</tr>
<tr>
<td>FAE</td>
<td>10/3</td>
<td>Enhancing Audit Quality Workshop</td>
<td>The key objective of this highly interactive workshop is to discuss, in a small group setting, the current state of audit quality and focus on what CPA firm leaders, quality control professionals, and others can do to strengthen both private and public company audits.</td>
<td>FAE</td>
<td>AC/8</td>
<td>FAE Learning Center</td>
<td>$299/$424/$269/$394</td>
</tr>
<tr>
<td>FAE</td>
<td>10/3</td>
<td>Fraud Update: Detecting and Preventing the Top Ten Fraud Schemes</td>
<td>Why do fraudulent schemes succeed? This course will provide descriptions of how major frauds are perpetuated and the types of cost-effective controls that can identify and prevent these deceptive acts.</td>
<td>FAE</td>
<td>AC/8</td>
<td>FAE Learning Center</td>
<td>$299/$424/$269/$394</td>
</tr>
</tbody>
</table>

#### MANHATTAN/BRONX ACCOUNTING

<table>
<thead>
<tr>
<th>Category</th>
<th>AICPA Member</th>
<th>NYSSCPA Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-hour course</td>
<td>$299</td>
<td>$399</td>
</tr>
<tr>
<td>16-hour course</td>
<td>$249</td>
<td>$349</td>
</tr>
</tbody>
</table>

#### For SEPTEMBER 1, 2017, THROUGH OCTOBER 31, 2017

1. **Auditing Update 2017**
   - Course description: In a rapidly changing global and domestic economy, this course is a significant tool in keeping abreast of the latest emerging and current auditing and attestation guidance. Participants who attend this update will receive real-time overviews of new and expanded auditing guidance, along with practical application of that guidance through a variety of discussions and questions.
   - Location: Buffalo/Niagara Marriott
   - Course Code: AC/8
   - Fee: $299/$424/$269/$394
   - Start Date: 9/20

2. **Common Frauds and Internal Controls for Revenue, Purchasing, and Cash Receipts**
   - Course description: As an accounting professional, you are in a unique position to protect your organization from fraud and human error. Learn how to establish a cost-effective system of controls to reduce your organization’s exposure, while maximizing profits. Explore the common areas for misstatements, both unintentional and fraudulent, that fall within an entity’s revenue and purchase cycles, and learn how to protect your clients or company against these risks.
   - Location: Manhattan/Bronx
   - Course Code: AC/8
   - Fee: $299/$424/$269/$394
   - Start Date: 9/21

3. **Enhancing Audit Quality Workshop**
   - Course description: The key objective of this highly interactive workshop is to discuss, in a small group setting, the current state of audit quality and focus on what CPA firm leaders, quality control professionals, and others can do to strengthen both private and public company audits.
   - Location: Manhattan/Bronx
   - Course Code: AC/8
   - Fee: $299/$424/$269/$394
   - Start Date: 9/21

4. **Fraud Update: Detecting and Preventing the Top Ten Fraud Schemes**
   - Course description: Why do fraudulent schemes succeed? This course will provide descriptions of how major frauds are perpetuated and the types of cost-effective controls that can identify and prevent these deceptive acts.
   - Location: Manhattan/Bronx
   - Course Code: AC/8
   - Fee: $299/$424/$269/$394
   - Start Date: 10/3

The FAE delivers the following professional education programs for CPAs and other financial professionals in all areas of business, including all public accounting practice areas, and those working in government, industry and academia, to help satisfy their New York state calendar-year continuing professional education requirements. To search within New York City, refer to Northeast. For the most up-to-date events information, visit www.nysscpa.org or call 800-537-3635. SIGN UP TODAY!
**10/5**

Winning the Fraud Battle in the Digital Age: Prevention and Detection

Our focus is to reduce the overall risk of fraud. To that end, this course focuses on what factors contribute to turning honest employees into fraudsters. The discussion will include integrating this knowledge, as well as how people may react in certain situations.

**AU/8**
FAE Learning Center
Surgent McCoy CPE LLC
$279/$349

**10/6**

Minimizing Internal Control Blunders Under the New COSO Framework

This course provides practical guidance on what a sound system of internal controls looks like, and its impact on the reliability of financial statements, particularly for smaller entities. In addition, a broader discussion of enterprise-wide risk management in accordance with COSO’s Enterprise Risk Management—Integrated Framework will be included.

**AU/8**
FAE Learning Center
Surgent McCoy CPE LLC
$279/$349

**10/9**

Contractors Conference
See course listing under Accounting.

**10/19**

Enhancing Audit Quality Workshop

The key objective of this highly interactive workshop is to discuss, in a small group setting, the current state of audit quality and focus on what CPA firm leaders, quality control professionals, and others can do to strengthen both public and private company audits.

**AU/4**
FAE Learning Center
Foundation for Accounting Education
$169/$215

**10/23**

Frequent Frauds Found in Not-for-Profits

What are some of the common frauds that occur in not-for-profit organizations and how could they have been avoided? Through an investigative case study approach, this course illustrates common frauds that make headlines and damage the reputations of not-for-profit organizations. Recognizing fraudulent or deceptive practices is not always easy, but this course will sharpen your forensic skills with techniques to help you to uncover fraudulent activities in the not-for-profit environment.

**AU/4**
FAE Learning Center
AICPA
$3299/611

**10/24**

Integrating Audit Data Analytics into the Audit Process

This course introduces the concept of audit data analytics, provides a brief overview of what audit data analytics are, and illustrates how these tools can be integrated into the audit process. It will provide examples, using Excel, of simple analytic tools that could help automate a traditional audit procedure that is currently being performed manually. The course is helpful for beginners, or those who are looking for additional training on how to apply content from the new AICPA Audit Data Analytics Guide.

**AU/8**
FAE Learning Center
AICPA
$299/$424/$529/$594

**10/30**

Fraud and Abuse in Not-for-Profit Entities and Governments: Stealing from Everyone

When not-for-profit entities and governments fail to prey on fraud and abuse, it breaks the hearts of donors and taxpayers. Fraud and abuse also cause donors and taxpayers to lose confidence in those not-for-profit entities and governments. This course will focus on the common types of fraud and abuse that occur in not-for-profit entities and governments and also address the auditor’s responsibilities related to fraud and abuse.

**AU/8**
FAE Learning Center
Surgent McCoy CPE LLC
$279/$349

**10/31**

A Complete Guide to the Yellow Book

The Yellow Book is a comprehensive document containing general standards, performance standards, and reporting standards for audit and attestation engagements. The purpose of this course is to increase your confidence and proficiency in performing Yellow Book engagements through a thorough understanding of the standards. The course materials utilize a highly illustrative format to increase concept comprehension and retention.

**AU/8**
FAE Learning Center
Surgent McCoy CPE LLC
$279/$349

**11/8**

Winning the Fraud Battle in the Digital Age: Prevention and Detection

Our focus is to reduce the overall risk of fraud. To that end, this course focuses on what factors contribute to turning honest employees into fraudsters. The discussion will include integrating this knowledge, as well as how people may react in certain situations.

**AU/8**
FAE Learning Center
Surgent McCoy CPE LLC
$3006/012

**10/27**

Sweeping Your Workpapers for Landmines: Avoiding Deficient Audits

Reviewing workpapers is a critical internal quality control safeguard that ensurers that issued audit reports are appropriate, given the specific engagement’s circumstances. This course will provide tips and techniques for effective and efficient review of audit workpapers, the success of which heavily depends on an auditor’s proper application of critical financial statement audit concepts such as assessing audit risk, applying strong substantive analytical procedures, and evaluating areas of estimates and uncertainty.

**AU/8**
FAE Learning Center
Surgent McCoy CPE LLC
$279/$349

**10/29**

Innovative Forecasting and Budgeting: Moving Beyond the Traditional Techniques

Forecasting and budgeting are two words that often draw an adverse reaction from many financial professionals. Let us help you “turn that frown upside down” with our innovative approach to planning and budgeting. We’ll move beyond the traditional techniques and show you easier ways to complete the process while cutting out the political pitfalls that end up causing a lack of accountability and can be demotivating to the staff. During the seminar, we’ll cover such topics as the sales/income plan, capital equipment planning, the “one-year operating plan” (formerly referred to a budget), the “monthly operating plan,” cash planning, risk planning, and much more.

**SK/4**
FAE Learning Center
Surgent McCoy CPE LLC
$3465/811

**11/9**

Thrive in a Chaotic Economic Environment: Planning and Strategy Formulation for Your Organization

Sick and tired of taking CPE that has no practical application or just regurgitates the same information over and over? Join us for this practical course, which will present a fresh approach to planning and strategy formulation for your organization. We’ll explore this fresh approach to many different planning stages, including the marketing plan, the technology plan, the capital plan, the five-year operating plan, and much more.

**SK/4**
FAE Learning Center
Surgent McCoy CPE LLC
$169/$215

**11/27**

Health Care Conference

**SK/8**
FAE Learning Center
Foundation for Accounting Education
$335/$420

**10/18**

Business and Industry Conference

See course listing under Ethics.

**10/19**

Construction Contractors Conference

See course listing under Accounting.

**10/23**

Data Breaches and Other Cyberfrauds: A 21st Century Risk to Your Organization

This course will help you understand and become more aware of the risks associated with computer attacks and other cyberfrauds. You will become more aware of the policies and procedures needed to protect your company data. We will review the requirements for internal controls over technology required by the 2013 COSO Internal Control—Integrated Framework and review internal controls that can help prevent and detect cyberfrauds, including data breaches. Become a resource for your company and your clients.

**SK/4**
FAE Learning Center
AICPA
$3289/611

**11/21**

Gaining a Competitive Advantage: Critical Skills for CFOs and Controllers

This practical and interactive session will present a toolkit of ideas and tips to help CFOs, controllers, and finance professionals better position their organizations for the future. By completing this course, you will be able to assist your organization in making key decisions affecting critical aspects of the business such as enterprise risk management, financial risk, cash management, credit decisions, and much more. Become the “financial hero” of your organization and make a positive impact on the bottom line.

**SK/4**
FAE Learning Center
Surgent McCoy CPE LLC
$215/$169

**11/9**

Fraud and Abuse in Not-for-Profit Entities and Governments: Stealing from Everyone

When not-for-profit entities and governments fail to prey on fraud and abuse, it breaks the hearts of donors and taxpayers. Fraud and abuse also cause donors and taxpayers to lose confidence in those not-for-profit entities and governments. This course will focus on the common types of fraud and abuse that occur in not-for-profit entities and governments and also address the auditor’s responsibilities related to fraud and abuse.

**AU/8**
FAE Learning Center
Surgent McCoy CPE LLC
$279/$349

**11/19**

Innovative Forecasting and Budgeting: Moving Beyond the Traditional Techniques

Forecasting and budgeting are two words that often draw an adverse reaction from many financial professionals. Let us help you “turn that frown upside down” with our innovative approach to planning and budgeting. We’ll move beyond the traditional techniques and show you easier ways to complete the process while cutting out the political pitfalls that end up causing a lack of accountability and can be demotivating to the staff. During the seminar, we’ll cover such topics as the sales/income plan, capital equipment planning, the “one-year operating plan” (formerly referred to as a budget), the “monthly operating plan,” cash planning, risk planning, and much more.

**SK/4**
FAE Learning Center
Surgent McCoy CPE LLC
$3465/811

**11/19**

Thrive in a Chaotic Economic Environment: Planning and Strategy Formulation for Your Organization

Sick and tired of taking CPE that has no practical application or just regurgitates the same information over and over? Join us for this practical course, which will present a fresh approach to planning and strategy formulation for your organization. We’ll explore this fresh approach to many different planning stages, including the marketing plan, the technology plan, the capital plan, the five-year operating plan, and much more.

**SK/4**
FAE Learning Center
Surgent McCoy CPE LLC
$3465/811

**11/19**

Thrive in a Chaotic Economic Environment: Planning and Strategy Formulation for Your Organization

Sick and tired of taking CPE that has no practical application or just regurgitates the same information over and over? Join us for this practical course, which will present a fresh approach to planning and strategy formulation for your organization. We’ll explore this fresh approach to many different planning stages, including the marketing plan, the technology plan, the capital plan, the five-year operating plan, and much more.

**SK/4**
FAE Learning Center
Surgent McCoy CPE LLC
$3465/811

**11/19**

Enright’s Complete Guide to Payroll Taxes and Related Compliance Issues

This fast-paced, one-day course covers, in plain English, the latest developments in federal taxation, updated biweekly, focusing on payroll taxes and other tax provisions in the Affordable Care Act, how to change over 150 accounting methods automatically with no user fee, and a lot more.

**T/18**
FAE Learning Center
Nichols Patrick CPE, Inc.
$579/$349

**11/29**

Real Estate Partnerships: Get In, Get Out, Get Taxed

Taxation specific to the real estate industry is replete with special, complex tax laws. The current tax laws and regulations may determine profitability when acquiring and disposing of real property. Special tax laws have been promulgated to mitigate the tax burdens, which in turn may determine returns on investment in real property. The partnership entity is the most commonly used form of ownership when acquiring or constructing real property. This seminar explores how partnership taxation applies in many areas of the real estate industry.

**T/18**
FAE Learning Center
Nichols Patrick CPE, Inc.
$579/$349

**11/19**

Getting the Choice of Entity Right: Tax Law, Strategy, and Tactics

Tax rates are always a critically important factor in choosing the form of business organization, and the individual and corporate rates in 2016 and beyond demand a reconsideration of current businesses and a different analysis for new ventures. By comparing and contrasting the tax aspects of corporations, S corporations, partnerships, sole proprietorships, and limited liability companies, this course focuses on distinctions that can make big differences.

**T/18**
FAE Learning Center
Nichols Patrick CPE, Inc.
$579/$349
Getting the Tax Aspects of Business Planning Right from Formation to Termination

This course presents a unique hands-on opportunity to understand the tax aspects of the decision-making process that a business owner must undertake throughout the life cycle of a business. The session begins with the class agreeing to a basic set of facts about a hypothetical business. From there, it will proceed through a discussion of key life cycle decisions and their tax-oriented alternatives.

The day culminates with an exercise in which teams will independently negotiate the terms of a sale of the mature business, based upon a final set of facts agreed to by the class as a whole.

$169/$215

Syracuse Accounting

10/23 FAE’s FASB Accounting Update 2017

This course delivers real-time information about current and emerging accounting guidance and recent developments. Participants who attend this update will receive an overview of new and proposed relevant accounting guidance issued by FASB, along with practical application of these accounting standards updates through a variety of discussions and questions.

ACB/ 21119581

Doubletree Hotel (formerly the Wyndham)
Foundation for Accounting Education
$279/$349

10/25 FAE’s 2017 Financial Statement Disclosures for Small to Medium-Sized Businesses

This course addresses the most frequently encountered disclosure issues associated with nonprofit small to medium-sized businesses. The instructor will address participants’ disclosure questions, along with showing them how to research disclosures. While not required, consider bringing your computer along with access to the Internet in order to gain a “hands-on” approach to researching disclosures.

ACB/ 21153821

Doubletree Hotel (formerly the Wyndham)
Foundation for Accounting Education
$279/$349

10/26 The Bottom Line on the New Lease Accounting Requirements

How do the leasing requirements in the new standard differ from current GAAP? This course addresses that question by focusing on the basic core principles of the new standard. The discussion includes basic identification, recognition, measurement, presentation, and disclosure requirements.

ACB/ 32177851

Doubletree Hotel (formerly the Wyndham)
ICPA
$169/$215

10/26 Interpreting the New Revenue Recognition Standard: What All CPAs Need to Know

The new accounting standard for revenue recognition has finally been released. FASB has completed a convergence project with the IASB to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and IFRS. This course will provide you with an in-depth understanding of the framework for revenue recognition built around the core principle that is applied in a five-step process.

ACB/ 32177851

Doubletree Hotel (formerly the Wyndham)
ICPA
$169/$215

AUDITING

10/24 FAE’s Audit Update 2017

In a rapidly changing global and domestic economy, this course is a significant tool in keeping abreast of the latest emerging and current auditing and attestation guidance. Participants who attend this update will review real-time overviews of new and revised audit guidance, along with practical application of that guidance through a variety of discussions and questions.

ACB/ 21165851

Doubletree Hotel (formerly the Wyndham)
Foundation for Accounting Education
$169/$215

10/24 FAE’s Compilation, Review, and Preparation of Financial Statements Update 2017

Participants who attend this update will receive real-time discussion and tools designed to help them better perform compilation, review, and preparation of financial statements engagements. This course addresses recently issued Statements on Standards for Accounting and Review Services (SSARS) and the challenges that arise from these engagements through a variety of discussions and questions.

ACB/ 21178551

Doubletree Hotel (formerly the Wyndham)
Foundation for Accounting Education
$169/$215

WEBCASTS

ACCOUNTING

9/20 FAE’s FASB Industry Update 2017

This course delivers real-time information about current and emerging accounting guidance and practice issues. You’ll get an overview of new and proposed relevant accounting guidance issued by FASB, along with practical application of these updates.

ACB/ 35196811

Foundation for Accounting Education
$229/$279

9/21 FAE’s Private Company Accounting and Auditing

Keep on top of the changes that affect your private-company clients in this comprehensive overview. The focus is on a variety of accounting, auditing, review, compilation, and preparation of financial statements updates that are relevant to private companies. You’ll also learn about the status and impact that significant changes to leases and revenue recognition guidance have on private companies.

ACB/ AU4

Foundation for Accounting Education
$229/$279

10/2 Forensic Accounting: Investigative Practices

If you are looking to gain more skills in the growing and lucrative field of forensic accounting, you’ll want to start with this course. Effective forensic accountants are part of a new breed of practitioners who possess a broad spectrum of skills and knowledge. This course dives into the unique investigative and communications skills and analytical practices required of the best forensic accountants by teaching you how to provide expert witness testimony in mediations, arbitrations, and governmental hearings. You’ll also learn how to use proven research, investigative methods, and proper documentation of evidence to successfully complete a forensic accounting engagement.

ACB/ AICPA

$249/$374/$219/$344

10/16 Revenue Recognition: Mastering the New FASB Requirements

The effective date of the new accounting standard for revenue recognition is fast approaching. FASB has completed a convergence project with the IASB to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and IFRS. This course will provide you with an in-depth understanding of the framework for revenue recognition built around the core principle that is applied in a five-step process.

ACB/ AICPA

$3507812

10/19 Construction Contractors Conference

See course listing under Accounting.

10/20 FAE’s Private Company Accounting and Auditing

See course listing under Accounting.

10/23 Frequent Frauds Found in Not-for-Profits

What are some of the common frauds that occur in not-for-profit organizations and how could they have been avoided? Through an informative case study approach, this course illustrates common frauds that make headlines and damage the reputations of not-for-profit organizations. Recognizing fraudulent or deceptive practices is not always easy, but this course will sharpen your forensic skills with techniques to help you to uncover fraudulent activities in the not-for-profit environment.

ACB/ AICPA

$3589811

10/24 Integrating Audit Data Analytics into the Audit Process

This course introduces the concept of audit data analytics, provides a brief overview of what audit data analytics are, and illustrates how these tools can be integrated into the current audit process. The course will show examples, using Excel, of simple analytic tools that can help automate a traditional audit procedure that is currently being performed manually. This course is helpful for beginners, or those who are looking for additional training on how to apply content from the new AICPA Audit Data Analytics Guide.

ACB/ AICPA

$249/$374/$219/$344

10/26 Winning the Fraud Battle in the Digital Age: Prevention and Detection

Our focus is to reduce the overall risk of fraud. To that end, this course focuses on what factors contribute to turning honest employees into fraudsters. The discussion will include integrity and ethics, as well as how people may react in certain situations.

ACB/ Surgeon McCoy CPE LLC

$229/$279

10/27 Sweeping Your Workpapers for Landmines: Avoiding Deficient Audits

Reviewing workpapers is a critical internal quality control safeguard that ensures that issued audit reports are appropriate, given the specific engagement’s circumstances. This course will provide tips and techniques for the effective and efficient review of audit workpapers, the success of which heavily depends on an auditor’s proper application of critical financial statement audit concepts such as assessing audit risk, applying strong substantive analytical procedures, and evaluating areas of estimates and uncertainty.

ACB/ Surgeon McCoy CPE LLC

$229/$279

10/6 Minimizing Internal Control Blunders Under the New FASB Framework

This course provides practical guidance on what a sound system of internal controls looks like, and its impact on the reliability of financial statements, particularly for smaller entities. In addition, a broader discussion of enterprise risk management in accordance with COSO’s Enterprise Risk Management—Integrated Framework will be included.

ACB/ Surgeon McCoy CPE LLC

$350811

10/19 Construction Contractors Conference

See course listing under Accounting.

10/20 FAE’s Private Company Accounting and Auditing

See course listing under Accounting.

10/23 Frequent Frauds Found in Not-for-Profits

What are some of the common frauds that occur in not-for-profit organizations and how could they have been avoided? Through an informative case study approach, this course illustrates common frauds that make headlines and damage the reputations of not-for-profit organizations. Recognizing fraudulent or deceptive practices is not always easy, but this course will sharpen your forensic skills with techniques to help you to uncover fraudulent activities in the not-for-profit environment.

ACB/ AICPA

$3589811

10/24 Integrating Audit Data Analytics into the Audit Process

This course introduces the concept of audit data analytics, provides a brief overview of what audit data analytics are, and illustrates how these tools can be integrated into the current audit process. The course will show examples, using Excel, of simple analytic tools that can help automate a traditional audit procedure that is currently being performed manually. This course is helpful for beginners, or those who are looking for additional training on how to apply content from the new AICPA Audit Data Analytics Guide.

ACB/ AICPA

$249/$374/$219/$344

10/26 Winning the Fraud Battle in the Digital Age: Prevention and Detection

Our focus is to reduce the overall risk of fraud. To that end, this course focuses on what factors contribute to turning honest employees into fraudsters. The discussion will include integrity and ethics, as well as how people may react in certain situations.

ACB/ Surgeon McCoy CPE LLC

$3508012

10/27 Sweeping Your Workpapers for Landmines: Avoiding Deficient Audits

Reviewing workpapers is a critical internal quality control safeguard that ensures that issued audit reports are appropriate, given the specific engagement’s circumstances. This course will provide tips and techniques for the effective and efficient review of audit workpapers, the success of which heavily depends on an auditor’s proper application of critical financial statement audit concepts such as assessing audit risk, applying strong substantive analytical procedures, and evaluating areas of estimates and uncertainty.

ACB/ Surgeon McCoy CPE LLC

$3508811
10/30 Fraud and Abuse in Not-for-Profit Entities and Governmental Entities: Stealing from Everyone

When not-for-profit entities and governments fall prey to fraud and abuse, it breaks the hearts of donors and taxpayers. Fraud and abuse also cause donors and taxpayers to lose confidence in those not-for-profit entities and governmental entities. This course will focus on the common types of fraud and abuse that occur in not-for-profit entities and governments and also address the auditor’s responsibilities related to fraud and abuse.

Surgent McCoy CPE LLC
$229/$279

10/31 A Complete Guide to the Yellow Book

The Yellow Book is a comprehensive document containing general standards, performance standards, and reporting standards for audit and attestation engagements. The purpose of this course is to increase your confidence and proficiency in performing Yellow Book engagements through a thorough understanding of the standards. The course materials utilize a highly illustrative format to increase concept comprehension and retention.

Surgent McCoy CPE LLC
$229/$279

9/19 Innovative Forecasting and Budgeting: Moving Beyond the Traditional Techniques

Forecasting and budgeting are two words that often draw an adverse reaction from many financial professionals. Let us help you “turn that frown upside down,” with our innovative approach to planning and budgeting. We’ll move beyond the traditional techniques and show you easier ways to complete the process while cutting out the political pitfalls that end up causing a lack of accountability, and can be demotivating to the staff. During the seminar, we’ll cover such topics as the sales/income plan, capital equipment planning, the “year one operating plan” (formerly referred to as a budget), the “monthly operating plan,” cash planning, risk planning, and much more.

Surgent McCoy CPE LLC
$144/$184

9/18 Business and Industry Conference

See course listing under Accounting.

10/18 Business and Industry Conference

See course listing under Accounting.

10/19 Construction Contractors Conference

This fast-paced one-day course covers, in plain English, the current issues, planning, and strategy keeps participants in the know on the latest standards and regulations. The course includes a unique hands-on opportunity for participants to explore the practical implications of the law and how it affects businesses. Participants will gain an understanding of the legal landscape, the regulatory environment, and the practical steps they can take to comply with the law.

Surgent McCoy CPE LLC
$229/$279

9/29 Getting the Choice of Entity Right: Tax Law, Strategy, and Tactics

Tax rates are always a critically important factor in choosing the form of business organization, and the individual and corporate rates in 2016 and beyond demand a reconsideration of current businesses and a different analysis for new ventures. By comparing and contrasting the tax aspects of C corporations, S corporations, partnerships, sole proprietorships, and limited liability companies, this course focuses on distinctions that can make big differences.

Surgent McCoy CPE LLC
$229/$279

9/29 Top 10 Tax Topics

Join us for our annual eight-hour expedition through the harbors and swamps on the tax landscape this season. We will unravel the top issues with wide applicability and importance this year and explore the practical implications, potential pitfalls, and planning opportunities.

Surgent McCoy CPE LLC
$229/$279

9/19 Thriving in a Chaotic Economic Environment: Planning and Strategy Formulation for Your Organization

Sick and tired of taking CPE that has no practical application or just regurgitates the same information over and over? Join us for this practical course, which will present a fresh approach to planning and strategy formulation for your organization. We’ll explore this fresh approach to many different planning stages, including the marketing plan, the technology plan, the capital plan, the five-year operating plan, and much more.

Surgent McCoy CPE LLC
$229/$279

9/19 Real Estate Partnerships: Get In, Get Out, Get Taxed

Real estate partnerships are replete with special, complex tax laws. The current tax laws and regulations may determine profitability when acquiring and disposing of real property. Special tax laws have been promulgated to mitigate the tax burdens, which, in turn, may determine returns on investment in real property. The partnership entity is the most commonly used form of ownership when acquiring or constructing real property. This seminar explores how partnership taxation applies in many areas of the real estate industry.

Surgent McCoy CPE LLC
$3560881

9/29 The Complete Guide to Payroll Taxes and 1099 Issues

Payroll taxes are often overlooked as an area where more planning may be effective. Payroll taxes have become an increasing burden for the average business, and IRS penalties for noncompliance have risen dramatically in recent years. They have also been subject to penalty changes, management, credit decisions, and much more. Become “the financial hero” of your organization and make a difference in making key decisions affecting critical aspects of your business. On one hand, they need to be knowledgeable, proactive, and independent in negotiating the terms of a sale of the mature business, based upon a final set of facts agreed to by the class as a whole. The most fascinating aspect of this exercise is watching the class react to just how different the final sales terms can be for each team.

Surgent McCoy CPE LLC
$229/$279

9/29 Foundation for Accounting Education

This seminar explores how partnership taxation applies in many areas of the real estate industry. The seminar focuses on distinctions that can make big differences.

Foundation for Accounting Education
$310/$385

9/18 Employment taxes are often overlooked as an area where more planning may be effective. Employment taxes have become an increasing burden for the average business, and IRS penalties for noncompliance have risen dramatically in recent years. They have also been subject to penalty changes. This course presents a comprehensive overview of federal payroll taxes, Form 1099, and related compliance issues.

Surgent McCoy CPE LLC
$3556981

9/19 Tax rates are always a critically important factor in choosing the form of business organization, and the individual and corporate rates in 2016 and beyond demand a reconsideration of current businesses and a different analysis for new ventures. By comparing and contrasting the tax aspects of C corporations, S corporations, partnerships, sole proprietorships, and limited liability companies, this course focuses on distinctions that can make big differences.

Surgent McCoy CPE LLC
$3556981

9/29 Top 10 Tax Topics

Join us for our annual eight-hour expedition through the harbors and swamps on the tax landscape this season. We will unravel the top issues with wide applicability and importance this year and explore the practical implications, potential pitfalls, and planning opportunities.

Surgent McCoy CPE LLC
$3560881

9/19 Thriving in a Chaotic Economic Environment: Planning and Strategy Formulation for Your Organization

Sick and tired of taking CPE that has no practical application or just regurgitates the same information over and over? Join us for this practical course, which will present a fresh approach to planning and strategy formulation for your organization. We’ll explore this fresh approach to many different planning stages, including the marketing plan, the technology plan, the capital plan, the five-year operating plan, and much more.

Surgent McCoy CPE LLC
$3545812

9/19 A Complete Guide to the Yellow Book

The Yellow Book is a comprehensive document containing general standards, performance standards, and reporting standards for audit and attestation engagements. The purpose of this course is to increase your confidence and proficiency in performing Yellow Book engagements through a thorough understanding of the standards. The course materials utilize a highly illustrative format to increase concept comprehension and retention.

Surgent McCoy CPE LLC
$3523381

9/18 Taking CPE is a unique hands-on opportunity to understand the tax aspects of the decision-making process that a business owner must undertake throughout the life cycle of the business. The session begins with the class agreeing to a basic set of facts about a hypothetical business. From there, we will proceed through a discussion of key life cycle decisions and their tax-oriented alternatives. The day culminates with an exercise in which teams will independently negotiate the terms of a sale of the mature business, based upon a final set of facts agreed to by the class as a whole. The most fascinating aspect of this exercise is watching the class react to just how different the final sales terms can be for each team.

Surgent McCoy CPE LLC
$3548381

9/29 The Complete Guide to Payroll Taxes and 1099 Issues

Payroll taxes are often overlooked as an area where more planning may be effective. Payroll taxes have become an increasing burden for the average business, and IRS penalties for noncompliance have risen dramatically in recent years. They have also been subject to penalty changes. The IRS has announced that uncovering noncompliance by employers ranks high on its audit list. This course presents a comprehensive overview of federal payroll taxes, Form 1099, and related compliance issues.

Surgent McCoy CPE LLC
$3560881

9/29 Real Estate Partnerships: Get In, Get Out, Get Taxed

Real estate partnerships are replete with special, complex tax laws. The current tax laws and regulations may determine profitability when acquiring and disposing of real property. Special tax laws have been promulgated to mitigate the tax burdens, which, in turn, may determine returns on investment in real property. The partnership entity is the most commonly used form of ownership when acquiring or constructing real property. This seminar explores how partnership taxation applies in many areas of the real estate industry.

Surgent McCoy CPE LLC
$3560881

9/29 Top 10 Tax Topics

Join us for our annual eight-hour expedition through the harbors and swamps on the tax landscape this season. We will unravel the top issues with wide applicability and importance this year and explore the practical implications, potential pitfalls, and planning opportunities.

Surgent McCoy CPE LLC
$3560881
NextGen Conference: Laying The Tracks For Leadership
Shaping Your Mindset for Success
What Goes Into Operating CPA Firms and How Do They Make Money?
Keeping People “In-the-Know”: Communicating to Cultivate Relationships and Inform Networking: Beyond Schmoozing and Socializing
High-Performance Teams: Methods Matter
State Of The Profession
A Brand New You: Self-Marketing To Promote Your Personal Brand -Using Social Media To Grow Your Book Of Business
The Student Connection: Our Sustainable Profession
Key Principles Of Time Management Triage
Winning Body Language To Stand Out And Build Trust And Credibility
I Did it My Way: Forging Your Unique Career Path
How to Get the Financing You Need
Top 5 Trends in Forecasting and Analytics
Cybersecurity
Business and Industry Conference
PCC Update
Special Topics in New York Tax Practical Application of New Lease Standard Options for Health Insurance Plan Offerings
Your Bank as Your Business Partner: Understanding the Relationship
The Post-Recession IT Investment and the Risks It Brings with It
How Smaller Not-for-Profit Entities Can Establish Effective Internal Controls
Single Audit Planning, Major Program Determination and Reporting
Data Analytics
Peer Review Update
Ethics and Legal Update
Roadmap To Address Audit Quality
FASB-Update - Auditing Standards Conference
Reviews and Compilations Materiality and Disclosures
Risk Assessment
Professional Skepticism
Sustainability Update

FREE CPE

Practical New Member Benefit—FREE CPE

Now you can take unlimited self-study CPE on-demand courses from the NYSSCPA’s Foundation for Accounting Education (FAE). Whether you are preparing for a new client or a new assignment, or fulfilling your requirements to maintain your license, you can take as much on-demand CPE as you want without paying a penny more.

To access your FREE, UNLIMITED ON-DEMAND CPE, log in at cpe.nysscpa.org and click the Self Study icon. You can select from more than 200 quality, on-demand courses and take your courses anytime, from anyplace you have an Internet connection. How convenient is that!