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Next year, the National Association of Black Accountants, Inc. (NABA) will celebrate its 40th anniversary. As we turn 40 years old, significant changes are taking place. How will NABA and its members confront the changes that are impacting the accounting profession and its stakeholders, including educators, institutions and firms? In recent months, the word “change” has taken on a life of its own in the political arena. In less

muted decibels, change has emerged as a quake in all aspects of the accounting profession in the United States and in practically all global financial markets. This article will examine some of the changes that will transform the profession for many years to come as they relate to standards, regulations and human capital.

A momentous change is overtaking the profession, a change that may well bring about a national mobility system for all U.S. jurisdictions. Thirty-six states have either passed or currently have legislation pending that would allow CPAs to practice in a jurisdiction other than their home state without notification, a stipulation that has been most onerous. This development (change) will be a tremendous benefit to all firms, including the members of the Division of Firms (DOF).

The profession has publicly recognized the insignificant representation of minorities in the fields of accounting and auditing. In its draft report, the Advisory Committee on the Auditing Profession, concluded that “to ensure the continued health and vibrancy of the profession, it is imperative that all participants in the financial, investor, educator, and auditor communities adopt and implement policies, programs, practices and curricula designed to attract and retain minorities. NABA must assume the leadership in addressing this century-old challenge. NABA must be at the forefront of influencing and managing the change.

One of the more dramatic changes that will herald 2009 is the Financial Accounting Standards Board (FASB) Accounting Standards Codification. Codification, the manner in which Generally Accepted Accounting Principles (GAAP) will be documented and will be delivered via an Internet-based platform, is revolutionary and FASB will be the only source of the authoritative accounting standards. Codification will uproot long standing models for the teaching of accounting, the content and format of textbooks and the preparation for the CPA examination. The most critical impact of the change will be the alignment of both the FASB’s and the International Financial Reporting Standards (IFRS). Codification does not change GAAP.

Current demand for highly qualified students still exceeds supply — the trend will continue for some time. This fact is coupled with the expectation that the number of college-age students (18-24 year old) will peak in 2010 and then decline thereafter. Significant implications for NABA. Indeed, NABA should consider adopting an initiative similar to that of the Ohio Society of CPAs’ Student Ambassador Program, which has commissioned a coterie of outstanding student volunteers to assist in the recruitment of high

school juniors and seniors, and providing information about the CPA profession. The pipeline for graduating students majoring in accounting must be maintained. More intensive awareness programs and outreach initiatives must be implemented with unrestrained vigor. NABA and its Division of Firms can be the catalysts for this change.

Nowhere is the change in the profession more profound and compelling than in the area of financial accounting reporting and auditing. The expansion of global business has heralded the convergence of U.S. GAAP and auditing standards with the accounting and auditing standards of the International Accounting Standard Board (IASB) and the International Auditing and Assurance Standards Board (IAASB). The quickened pace (change) is pervasive, considering that over 100 countries now permit or require the use of international reporting and auditing standards, and the SEC has agreed to allow foreign private companies to include financial statements prepared under IFRS in SEC filings, removing the mandate to reconcile to U.S. GAAP. Also, the SEC is proposing amendments that would require issuers to provide to the Commission, financial statements in interactive data format using Extensible Business Reporting Language or XBRL. The proposed rules would phase in XBRL reporting over three years.

I have identified some of the changes that will and have overtaken the profession or will do so. What must be the changes in the workplace; the commitment of our professionals and their employers; in corporations, accounting firms both majority and minority; and in the various institutions?

Our young and upcoming professional members must be committed to learning and to, maintaining active listening skills, be receptive to positive feedback and must develop a personal vision. These members must understand that hard work pays off and embrace the guidance of David Maister with the recognition that “the key lesson is that lifelong drive and determination, the burning passion to get somewhere next, are the key ingredients in career success.” Young professionals must recognize the importance of mentors. To grow, they not only need feedback, they must seek the wisdom and experience of others. Firms large and small must have rigorous and focused mentorship programs in place that will help young professionals develop greater commitment and accountability.

NABA’s impact will not be felt in the regulatory, standard-setting and financial reporting sectors. NABA can and must be the change agent in the focused exposure of African-American business students for the global financial community, the tireless leaders in the exhaustive drive to increasing the number of CPAs, and the incubator of strategies for improving the retention rate and professional uplifting of African Americans in finance and accounting. And, finally, NABA must celebrate its 40th anniversary by being relevant, creative, and a meaningful partner in education and professional development, ever mindful of its history of creating opportunities through change. ■

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