

CROP POSITION ON SPECIALITY CREDENTIALS

On September 25, 2003, the Executive Committee of CROP delivered to AICPA Council members a document entitled "*Issues Paper*", which delineated the four important issues that would confront the Council in New Orleans.

The first issue was the future of the specialty credentials. On October 2, 2003, exactly one week after the *Issues Paper* had been sent to the AICPA Council members and almost three weeks before the Council meeting, the AICPA announced the positions of the National Accreditation Commission ("NAC") and the AICPA Board of Directors ("the Board") on this important issue.

The AICPA announcement stated that the Board approved a resolution calling for retention of the specialty credentials and increased financial support for the credentials as well as the related membership sections and practice areas underlying the credentials. These positions were not known to CROP at the time the *Issues paper* was drafted and circulated. However, we applaud the direction these recommendations reflect, as the recommendation indicates an important commitment to the members holding the specialty credentials, as well as the profession as a whole. Additionally, worldwide, the concept of a public accountant is almost always broader than just that of an auditor. Accordingly, we believe that the continued development of ancillary skills and the communication of those competencies will continue to be important to the CPA image.

Since under the AICPA bylaws, the Council is the legal Board of Directors for the AICPA and are the ones empowered to vote on these recommendations, it will require their review and support in New Orleans. Since the recommendations reflect evolution rather than revolution, we urge the Council members to evaluate and support them to the extent they promote evolution of the existing specialty areas, as well as the development of future additional ones.

The recommendations of NAC and the Board to continue the specialty credentials will undoubtedly be accompanied by suggestions for annual or other periodic re-evaluation of the progress of the specialty credentials to become self-sufficient, as well as ultimate sunset dates in the event they do not achieve such status. Accordingly, in order to make such re-evaluations relevant, the financial data supplied to the Council members for this purpose must be comprehensive. Overhead allocations are necessary and their underlying methodology should be clearly described so Council may perform their financial oversight. Credential holders have been concerned that the allocations of overhead to date have been both arbitrary and unfair. These concerns should be addressed since improper allocations would skew results.

We anticipate that Council will carefully consider the Board's recommendation. Additionally, we recognize that Council will desire transparency relative to the financial investment and benchmarks necessary to measure success.