

StudentCPT Kicks-Off Three New Chapters



University of Wyoming students attend StudentCPT meeting in the newly renovated College of Business building.

The CPT ended 2012 with one last push to launch three new StudentCPT chapters before year's end. November was an exciting month for CPT President, Alfonzo Alexander, and Manager of Programs, Amy Walters, who traveled to kick-off the new chapters at the University of Wyoming, University of Utah and Baruch College.

On November 13, the University of Wyoming held its inaugural meeting in the newly renovated, state-of-the-art, College of Business building.

Over 40 students attended the kick-off meeting to get a healthy introduction to the CPT and StudentCPT, and hear from the chapter's officers about their experiences at the Student Leadership Conference this past June. Alexander lead a discussion about ethical leadership and challenges that students will face

the moment they enter the professional world. Students were engaged and eager to hear the relevant advice they will be able to use as they transition from college to corporate America.

Walters then presented to the group about the benefits of StudentCPT membership, and the many activities they will have the opportunity to participate in as members. Immediately following the meeting, membership applications began to roll in.

The University of Wyoming is home to the Center for Cowboy Ethics, which uses a leadership curriculum using The Code of the West as the organizing concept. The StudentCPT chapter is a tremendous complement to the current ethics Center on campus and will strive to continue to collaborate and enhance current campus efforts.

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GOOD NEWS: ACCOUNTING FIRMS EXTEND A HELPING HAND AFTER SANDY

Hurricane Sandy left an estimated \$50 billion in damage, wrecking havoc on the East Coast and impacting accounting firms and their clients. In response, many accounting firms have been going the extra mile to help their employees and the community. Nearly 10,000 PricewaterhouseCoopers' employees were directly impacted by the storm. The firm's National Crisis Assessment Team monitored the storm, prepared for Sandy's arrival and communicated with staff via email. Following the storm, the firm deployed an outreach program, targeting staff in high impact areas. The firm's travel department secured short and long-term

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GOOD NEWS:

ACCOUNTING FIRMS EXTEND A HELPING HAND AFTER SANDY

lodging for employees and the PwC Charitable Foundation offered payouts of up to \$2,500 for employees' emergency lodging. The Foundation has granted more than \$400,000 to move more than 200 people. PwC's helping hand extended beyond their staff. The Foundation donated an additional \$500,000 to local relief agencies and partners donated \$1 million to the Red Cross, while PwC offices across the U.S. continue fundraising and organizing blood, food and clothing drives.

WeiserMazer set up a Hurricane Loan Program and Hurricane Relief Fund for its staff. A total of \$250,000 in interest free loans has been designated for staff, limited to \$5,000 per employee with repayment beginning in 90 days after receiving the loan.

Eleven of the 14 offices of WithumSmith+Brown were impacted by Sandy, all losing power and telecom connectivity for a period of time. Many of the firm's clients lost their homes or the contents of their homes, and have needed assistance with damage claims and calculations. WithumSmith+Brown is guiding them through the red tape and paperwork from insurance companies and FEMA. ☆



LEADERSHIP COLUMN

Clearing the Hurdles - Highlights of 2012

ALFONZO ALEXANDER

PRESIDENT, NASBA CENTER FOR THE PUBLIC TRUST

In the first Ethics Matters issue of 2012, I wrote to you about our excitement going into the New Year. As we roll into 2013, we are pleased with the progress made in last year and even more excited about how we are positioned for success. In fact, when the history book of the NASBA Center for the Public Trust is written, 2012 will be known as the year of significant change and progress.

In one year, our organization experienced leadership changes at both the staff and board of director levels. As with most organizational change, we had some hurdles to overcome. Upon taking over as CPT president in January of 2012, I recognized our potential. We had a great, but small, staff, a strong board, and several willing supporters. We also had great potential in several programs the organization had launched over the years. However, we were missing a clear, focused strategy. Through strategic planning, we identified key areas and programs, focused on them and increased our impact in those areas. Following is a snapshot of the hurdles we cleared in 2012.

We again partnered with the Robert Zicklin Center for Corporate Integrity to host the Ensuring Integrity: 7th Annual Audit Conference at Baruch College in New York, NY. This Conference provides a forum for interaction between influential figures in business, public accounting, academia and regulatory agencies. Attended by over 175 participants, the Conference was deemed a tremendous success.

We hosted two *Being a Difference Award* events in the first half of 2012, launched our nomination process for 2012-2013 in the second half of the year, and received 13 award nominations - an increase from previous years. Nominations for this year's award are expected to be announced in the coming weeks.

Student programming was the most impactful area for us in 2012. We grew to 14 StudentCPT chapters on campuses across the country, representing over 300 students working to grow as ethical leaders. Our National Student Leadership Conference increased to 38 students hailing from 18 universities. We also experienced growth with our Ethics In Action Video Competition. Additionally, we partnered with a new sponsor, the Dean Institute for Corporate Governance and Integrity, and we had a record number of entries.

Partnerships are important for our long-term, sustainable success. Currently, we are defining partnership relationships with two professional, student organizations, two additional business professional organizations and universities in literally every region of the country. Through these partnerships, we will be able to better champion trust and ethical leadership by reaching more professionals and students.

As for fiscal management, we take it very seriously. We plan to always be good stewards of the contributions our donors make to the CPT. We finished the 2012 fiscal year with a 35% increase in revenue while only increasing our expenses by 16%. We were also able to secure grant funding to assist with the development of new programs. We will continue to lead the way and be a positive example in this area.

We were fortunate to be able to jump several hurdles in 2012. That success only makes our work more important and more difficult this year. However, this year, we expect to be even better champions for trust and ethical leadership. We are grateful for your continued support as we look forward to 2013. ☆

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StudentCPT Kicks-Off 3 New Chapters

The next day, CPT staff headed to Salt Lake City, Utah, to kick off the University of Utah's chapter. The UofU StudentCPT already boasted almost 20 members by the time of the inaugural meeting. Alexander, once again, lead an interactive discussion, only this time, he asked each attendee to present to the group on why they joined the new chapter. The responses from students included; the desire to build character, the appeal of having a platform to interact with students across all majors, and building an ethical foundation that will enable them to positively represent the accounting profession. Responses also included; the basic desire to learn how to better deal with ethical dilemmas and the eagerness to learn and then teach.

Also in attendance was CPT past board member, Linda Galindo. Galindo specializes in working in healthcare and government – bringing the principles of accountability to organizations where it is truly needed – at the leadership level. She also consults clients in a variety of verticals including energy, financial, medical devices, transportation, insurance and the arts. One of the benefits of StudentCPT membership is networking - with students across all majors and with C-level professionals. Long after the official chapter meeting had ended, a group of students continued to be engaged in conversation with Galindo. The University of Utah offers a course based on Galindo's accountability theories and teachings.

Lastly, on November 27, was the long-awaited kick-off meeting for the StudentCPT chapter at Baruch College in Manhattan, NY. The meeting began with a welcome from the chapter officers. Each officer introduced themselves and offered to the group why they sought out a leadership role in the new student organization. Four of the officers attended the Student Leadership Conference, and the fifth found her way to the StudentCPT as a CPA candidate perusing NASBA's website.



Baruch College gets a healthy introduction from CPT President, Alfonso Alexander

Over 30 students attended, most of which were accounting and finance majors. Alexander offered real-life, ethically-challenging scenarios, relevant to the world of finance, and he asked the attendees "What would you do?" The proposed dilemmas generated a debate among students as to what the correct answer was. Alexander coached them into realizing and understanding that the correct answer is not always obvious, and can be different for each individual.

Alexander also introduced a special guest and supporter of the Baruch chapter, Lorraine Sachs. Sachs is the former Executive Vice President and Chief Operating Officer of NASBA. She currently serves as the CPA Requirements Advisor at Baruch, guiding students through the CPA exam process. Her knowledge and experience is highly valuable to the students in accounting and finance, and the opportunity to connect with her on a deeper level, comes with StudentCPT membership.

Walters followed up by reiterating the benefits of StudentCPT membership, including networking and thought-provoking discussion where ethical ideas can flourish. Both of which were takeaways from the meeting.

Both University of Wyoming and University of Utah chapters are sponsored by Daniel's Fund Ethics Initiative grants. The Baruch College chapter is sponsored by Ernst & Young.

Look for additional articles and announcements about new StudentCPT chapter kick-offs beginning early 2013. For more information on how to start a chapter, or to inquire about sponsoring one of our many chapters in development, contact Amy Walters at awalters@nasba.org, or 615-564-2129. ☆



University of Utah StudentCPT President Coleen Gearing addresses the chapter members

CPT CO-SPONSORS BARUCH AUDIT CONFERENCE

“We want you to know we are about integrity,” Center for the Public Trust Chairman David A. Costello told the audience at the Annual Audit Conference, “Ensuring Integrity,” held on November 28. “Everything we do is to champion the public trust,” he stated as he kicked off the day’s presentations by top regulators and policymakers of the accounting profession. In its seventh year, the Conference is co-sponsored by the NASBA CPT and Baruch College’s Zicklin Center for Corporate Integrity.

Conference keynote and Public Company Accounting Oversight Board Chairman James R. Doty told an audience of Baruch students, academicians and CPAs in public practice that the PCAOB’s inspectors are focusing on the root causes of firm problems. The inspectors identify the problems, then expect the firm to find the root cause, and within a 12-month period develop an effective way to deal with it. He said the worst thing a firm can do is to blame a problem on an individual, rather than recognizing it occurred as a result of the way the firm was operating.

The PCAOB’s roundtables have shown that, “People are pushing for more from the auditor, not less,” Chair Doty reported. This is why the PCAOB is looking at changing the auditor’s report to impart the auditor’s insight, not changing the scope of the auditor’s work, but making it more relevant. “I want to see a vibrant audit profession that competes on quality more than price. I want to see a profession that is revered for insight and clarity, not box-checking,” he said. “I want to see a profession that attracts and retains top graduates who are and remain committed to excellence in public service.”

Mr. Doty encouraged students, in particular, to ask questions. One student asked, “What penalties could the SEC take to encourage other countries to let the PCAOB inspectors in?” Mr. Doty replied, “Our duty is to inspect firms without regard to where they are located. Our challenge is to do our statutory duty. Areas where we can’t inspect, then we have to consider what our statutory duty is – and that would be to take steps to de-register.”

Another student asked, “What drives people to act unethically in the accounting profession?” Chair Doty responded that a similar pattern is evident in other professions, as there are some who should not have become professionals because they have to deceive. However, other people get on a slippery slope, then step over the line, and then rationalize their behavior. He told the student, “You become a professional because you want to have the power to change something.”

Jennifer Rand, PCAOB Deputy Chief Auditor – Deputy Division Director, presented a summary of the PCAOB’s ongoing activities identifying as near-term PCAOB standard-setting activities:

- Adoption or re-proposal on Related Parties
- Proposal on reorganization of PCAOB Auditing Standards
- Proposal on Auditor’s Reporting Model
- Proposal combining projects on Auditor’s Responsibilities with Respect to Other Accounting Firms, Individual Accountants and Specialists
- Adoption or re-proposal on Audit Transparency: Identification of the Engagement Partner
- Adoption or re-proposal on Audit of Brokers and Dealers
- Proposal on Going Concern (hopefully early in 2013).

Dr. Douglas Carmichael, Professor of Accounting at Baruch College and former PCAOB chief auditor, observed, “There is a growing difference between the standards of the AICPA and the PCAOB on audit reporting”. He asked a Conference panel, “What impact do you see as the ASB (Auditing Standards Board) and PCAOB have separate standard objectives?”

Robert E. Chevalier, an audit partner in KPMG’s Department of Professional Practice, said both the ASB and the PCAOB have been moving ahead with their standard setting. “It is becoming more and more difficult to serve both private and public companies,” said Chevalier. “It is starting to feel like there will be two audit methodologies, meaning additional training costs for the firms. This has created tension in our firm and I am not sure it is going to get better. We will just have to deal with it.”

In response, Ms. Rand added, “We are not trying to be intentionally different just because we can be. There are a number of reasons to cause us to be different and I don’t think that situation will change, but we are working through those differences.”

Another project under development is a new edition of the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control Framework, which was released for comment in September and is scheduled to be finalized in March 2013. Though the Framework’s key concepts are “timeless,” since its development in 1982, the “business, governance and regulatory



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NASBA CPT CELEBRATES A SUCCESSFUL 2012 AUCTION

Artwork, travel packages, gift cards, jewelry, electronics and fine wines were among the 150 plus items featured in the 2012 CPT Auction, held in conjunction with NASBA's 105th Annual Meeting in Orlando, FL.

In its third year, Auction attendees enjoyed an evening full of learning more about the CPT and its programs, networking, refreshments, and both silent and live bidding on items totaling over \$57,000 in value. NASBA member Donny Woods served as the live auctioneer and the Auction also boasted a new "Big Board" concept whereby popular items were showcased on a large screen to encourage attendees to cast their bid. CPT supporters also had a chance to compete in a drawing for a stay at a fabulous Florida beach house!

This year's highest selling items included a week-long stay at a Destin area beach house and a Gibson Les Paul Raw Power Guitar. Other high sellers included an iPad, Bishop & Costello hosted Wine Reception and Dinner, Sterling Silver Bamboo Pendant Necklace set with Black Sapphires and a Disney vacation package.



The Auction is the single largest fundraiser the CPT conducts on an annual basis. Thanks to the generosity of NASBA members, NASBA staff and CPT supporters, the event raised a total of \$30,205. Proceeds from the auction will offset the cost of the following CPT programs:



- New StudentCPT Chapters on college campuses – 10 chapters in the 2012–2013 school year
- Development of the Ethics Network – Community of professionals interested in the advancement of ethical leadership
- *Being a Difference Award* – Annual award recognizing professionals for excellence in ethical business leadership
- Student Leadership Conference – Annual conference for college student leaders from across the United States

Auction organizers deemed the event a success and thank everyone who was instrumental in overall planning, securing donated items, creating collateral materials, on-site auction set-up and hosting what many have said is the CPT's "best auction yet!"

"The CPT sincerely thanks the 97 individuals and companies who donated items to this year's Auction," said CPT President Alfonzo Alexander. "NASBA members, member spouses, and NASBA staff put forth great effort to solicit and procure the variety of items that make an Auction possible. We are also appreciative to Prometric for their sponsorship of the refreshments during the event."

Kudos to Auction Chair Anita Holt and the members of the CPT Auction team for a job well done! ☆

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CPT CO-SPONSORS BARUCH AUDIT CONFERENCE

environments have changed and updating is appropriate."

One of the COSO sources was Brian Croteau, Deputy Chief Accountant in the Office of the Chief Accountant of the SEC, who also spoke at the Conference. He summarized the SEC's activities in 2012 including its efforts to implement the Dodd-Frank Act and the JOBS Act.

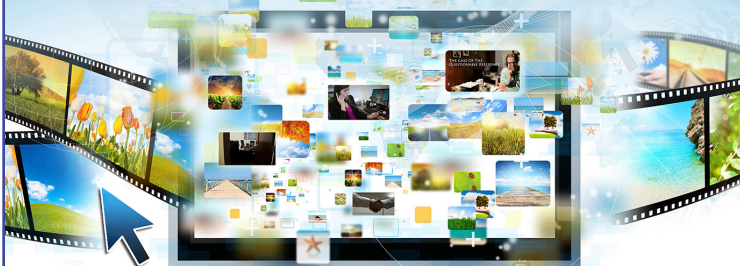
"The SEC is getting 8-10 whistleblower tips per day," Mr. Croteau told the Conference. The impact of a recent exposure draft by the International Ethics Standards Board for Accountants on "Responding to a Suspected Illegal Act" and how that could encourage accountants to whistleblow was a topic focused on by the Audit Conference's legal panel. Noel Allen, NASBA Legal Counsel and CPT board member, shared that 75 whistleblowing cases involving CPAs have been reported recently. He noted there are varying views among regulators on how whistleblowing might apply to accountants and its potential effect on the candid client/accountant relationship. "It is unsettled law," he stated. Additionally, he reminded the accountants that the place to look for guidance would be in their state accountancy laws and rules.

Other Conference speakers included: Jennifer Burns of Deloitte, LLP; Professor Joseph V. Carcello of the University of Tennessee; Luciano Centanni of Grant Thornton; Robert Colson of Baruch College; Nick Cyprus of The Interpublic Group of Companies; Jennifer Haskell of Deloitte; J. Stephen McNally of Campbell's; Tom Ray; Scott Univer of Weiser Mazars, LLP; Philip Wedemeyer of the audit committee of Atwood Oceanics; and Michael Young of Willkie Farr & Gallagher. ☆

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Showcasing ETHICS IN BUSINESS



NATIONAL ETHICS IN ACTION STUDENT VIDEO COMPETITION

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Showcasing Ethics in Business

The CPT Announces 2013 National Student Video Competition

LAUNCHED JANUARY 15, 2013

In its fourth year, this exciting student video competition focuses on ethics and accountability in the business world. This national competition provides an opportunity for college and university students across the country to unleash their creativity while focusing on the theme of portraying Ethics in Action.

CASH PRIZES

\$1,000	SHORT FILM (3–5 minute)
\$500	PSA (30 seconds or less)
\$250	VIEWER'S CHOICE - SHORT FILM
\$250	VIEWER'S CHOICE - PSA

The Competition is open to college students across all majors: business, finance, mass communications, marketing, accounting, etc. Students are allowed to submit in either or both categories with an original and creative video centered around a business ethics-based theme.

For more information, visit the StudentCPT website at www.studentcpt.org/videocompetition or contact Amy Walters at 615-564-2129 or awalters@nasba.org.

ACCOUNTABILITY



INTEGRITY



TRUST



CONFIDENCE