



# TXCPA Midyear Board of Directors and Members Meeting

**T**he first in-person Board of Directors and Members Meeting in two years brought together TXCPA leaders in Irving, Texas Jan. 21-22, 2022. There was a feeling of joy to be in each other's company again. To help protect the health of all, a virtual participation option was available.

## Ensuring the Future of the Profession

Mohan Kuruvilla, Ph.D., CPA-Houston, talked about the changes in the next generation of the profession and what CPAs can do now. He started with data indicating that accountants and auditors are fourth on the list of the top 20 job roles in decreasing demand. He also pointed out that U.S. public accounting firms' hiring of accounting graduates was down 29% in 2018 compared to 2014.

Nationwide, there has been a 23% decline in the number of new candidates entering the CPA pipeline during the latest four years. There is also a decline in the number of

candidates passing the fourth section of the Uniform CPA Exam.

In Texas, there is a slight decline in the number of candidates sitting for the Exam, compared to a 16% growth in the state's population. There is a corresponding decrease in the number of Texas licensees.

Kuruvilla raised awareness about the considerations faced by those going from student to CPA. A crucial factor is the perception of an accounting career. The CPA profession needs to focus on messaging that reinforces the positives.

Economic reality also plays an important role in students' career direction. The cost of obtaining a 120-hour degree is an issue for many and especially those who face the expense of an additional 30 hours to become CPAs.

As they're looking to their likely starting salaries in accounting firms after they're certified, they're finding a landscape where the pay is lower than in most other comparable disciplines. Accounting



professionals need to emphasize the potential for income growth in the future.

There is exciting news about job roles that are in demand. They include data analysis, information security, digital transformation and risk management – all of which can be the domain of accountants in a changing landscape, which could attract new CPAs.

Kuruvilla next talked about opportunities to solve the pipeline problem. The Exam changes scheduled for 2024 as part of CPA Evolution will be a good step, equipping students with the right skill sets to address the accounting profession of the future.

**Student Outreach** – Individual CPAs are needed to get involved through TXCPA and its chapters. Work is being done to consolidate and refocus student and educator initiatives. A pipeline strategy that

is being developed by a TXCPA task force will be an important part of the puzzle. Volunteer resources are available so that CPAs can reach students and those who educate them by telling their story.

CPA employers can support the pipeline now:

- Get into high schools and colleges consistently.
- Support CPA candidates.
- Recruit differently, including Historically Black Colleges and Universities (HBCU) and Minority Service Institutions (MSI).
- Engage with university advisory boards.
- Become an employer of choice, someone workers choose to work for when presented with other options.

Action includes volunteering, educating your employer, telling your story and helping TXCPA advocate for change.

## AICPA Professional Issues Update

AICPA Chair Bill Pirolli, CPA/CFF/PFS, CGMA, discussed the need to adapt and keep adapting. CPAs are providing trusted expertise during the disruption caused by the pandemic. They are restoring consumer confidence, mitigating the impact on business and rebuilding trust in the economy.

CPA firm current top issues identified by the Private Companies Practice Section (PCPS) vary according to size. Some of the issues discussed include:

- Sole practitioners are most concerned about keeping up with changes and the complexity of tax laws.
- Firms with two to five professionals find keeping up with COVID-19 relief programs to be their biggest concern.

- Firms with six or more professionals are focused on finding qualified staff. (That has been the primary issue for this group during most of the last 20 years.)

The biggest issues impacting almost all firms during the next five years will be staffing and the challenges of managing a hybrid workforce. Sole practitioners will be grappling with emerging technologies such as data analytics, artificial intelligence and blockchain.

Professionals are striving to attract and advance new talent. [The Center for Audit Quality Bold Ambition Initiative](#) is working to understand students' mindset, how to reach them and find focus for a campaign to help them adopt accounting as a career path.

CPAs are adapting their services to what's needed now and are innovating for the future. Client accounting Advisory Services (CAS) is the fastest growing area.

Environmental and Social Governance (ESG), Sustainability and Integrated Reporting are about people, the planet, prosperity and principles of governance. Pirolli explained that they are driving better boardroom decisions by providing information behind the P&L statement.

CPAs demonstrate their enduring commitment to audit quality when they render an opinion on financial statements and they audit the world's capital markets.

Pirolli closed by saying the future is very bright, with an abundance of opportunity and a need for more people to participate in it.

## TXCPA Structure – 501(c)(3) Consolidation

To achieve the [TXCPA Strategic Plan](#) goal of designing an adaptable and

unified structure that will act as a catalyst for growth and strengthen operations, a set of proposals was developed to consolidate some of the organization's 501(c)(3) entities.

The proposals were developed after extensive examination of options and discussion among a range of TXCPA groups was conducted over several months. A task force from a cross-section of members worked together to envision a new structure. TXCPA Past Chairman Willie Hornberger, JD, CPA-Dallas, led a team from the law firm of Jackson Walker LLP in contributing a significant amount of time and expertise to the project *pro bono*.

At the meeting, the Board of Directors voted to merge the CPE Foundation into the Accounting Education Foundation (AEF). The work of the Accountants Confidential Assistance Network (ACAN) will continue to be done through the TXCPA 501(c)(6) entity and the Peer Assistance Foundation was dissolved, contributing its remaining assets to the AEF.

Board members approved the proposed categories and dues rates, which include no state-level increase for CPA members.

## Other Business

A report on the [CPA-PAC](#) was given by the committee chair, Terri Hornberger, CPA-Dallas.

The Annual Meeting of the [Accounting Education Foundation](#) was conducted by Gary McIntosh, CPA-Austin. A \$50,000 gift for an endowed scholarship in memory of Dr. Virgil Eugene (Gene) Sumrall, CPA, CGMA, has been contributed by his wife Lily Ang, CPA.

The results of TXCPA's election were announced by Nominations Committee Chair Jerry Spence, CPA-Corpus Christi. There was also a vote to ratify the chairman-elect's appointees. You can [view the list of 2022-2023 leaders on the website](#).

A financial report was made by Treasurer-elect Melanie Geist, CPA-San Antonio, CGMA, and CFO Edie Cogdell, CPA-Dallas, CGMA.

## Membership Task Force and 501(c)(3) Consolidation Task Force

**TXCPA thanks the Membership Review Task Force and the 501(c)(3) Consolidation Task Force. [Please see the March/April Today's CPA page on TXCPA's website for the names of those who served on these task forces.](#)**

## Membership Categories

Membership Review Task Force chair Tim Pike, CPA-Dallas and Fort Worth, led a discussion about work that has been done under the [TXCPA Strategic Plan](#) goal to broaden member categories to reflect the evolving profession and identify complementary organizations to affiliate with for expanded service capabilities.

## Upcoming Events

All members are warmly encouraged to be part of the 2022 Annual Meeting of Members at the Kalahari Resorts & Conventions, Round Rock, Texas July 1-2. Members will be a vital part of the Advocacy Day/Midyear Board and Members Meeting, Sheraton Hotel at the Capitol in Austin Jan. 24-25, 2023.