

## The CPA Profession

An Interview with Barry C. Melancon, CPA, CGMA,  
President and Chief Executive Officer, American Institute of CPAs (AICPA)

**EDITORS' NOTE** Barry Melancon also serves as the CEO and a board member of the Joint Venture, the Association of International Certified Professional Accountants. He is a member of the AICPA's delegation to the International Federation of Accountants. He is a founder and member of the board and Chairman of XBRL-US and a founding board member of the Center for Audit Quality. He serves on the board of the U.S. Chamber of Commerce's Center for Capital Markets Competitiveness, and served on the U.S. Department of the Treasury Advisory Committee on the Auditing Profession. He is also a founder of the Government Transformation Initiative and serves on its Board, a founder and board member of the Global Accounting Alliance, and a board member of the New York Society of Association Executives. Prior to joining the AICPA, Melancon served for eight years as Executive Director of the Society of Louisiana CPAs. He began his accounting career in 1979 at a small CPA firm in Louisiana. In 1984, he was elected a firm partner. Melancon graduated in 1978 from Nicholls State University in Louisiana, majoring in accounting with a minor in government. He also earned an M.B.A. in 1983 from Nicholls State University and subsequently served as an adjunct professor of accounting at his alma mater for four years. He was also awarded his alma mater's first and only Honorary Doctorate of Commerce in 2008.



Barry C. Melancon

**ORGANIZATION BRIEF** Founded in 1887, the AICPA ([aicpa.org](http://aicpa.org)) represents the CPA profession nationally regarding rule-making and standard-setting, and serves as an advocate before legislative bodies, public interest groups, and other professional organizations. The AICPA develops standards for audits of private companies and other services by CPAs; provides educational guidance materials to its members; develops and grades the Uniform CPA Examination; and monitors and enforces compliance with the profession's technical and ethical standards. The AICPA's founding established accountancy as a profession distinguished by rigorous educational requirements, high professional standards, a strict code of professional ethics, a licensing status, and a commitment to serving the public interest.

### Would you talk about the creation of and vision for AICPA?

The AICPA is 128 years old and has evolved over time. Sometimes the CPA profession may be stigmatized for not innovating or changing, but our history shows we have changed dramatically.

Today, the AICPA has more than 412,000 members. We represent CPAs working in 44,000 different firms in the United States, with about an equal number of members working in accounting firms as work in corporate America.

We have a public interest responsibility. We're involved in setting quality standards for the profession, which we have ramped up over the years.

We also look at changes in the environment and in the reporting needs of users of financial information and a broader set of business information.

Cloud computing, for instance, has changed the world dramatically as it relates to smaller CPA firms serving Main Street businesses.

The activities that affect the regulation of business and the CPA profession have changed dramatically, both at the state level and in our complex weave of legislative and regulatory issues we face at the federal level.

### Where is the innovation taking place?

It's a diverse profession so firms innovate. We have four huge global network firms, but we also have a dynamic set of firms we call the top 100 and top 500 that have innovated the types of services they perform and how they deploy human capital. The Institute itself helps to innovate.

We own a subsidiary called CPA.com, which is designed to bring technological innovation to smaller CPA firms so they can bring it to their clients. It is very heavy in cloud computing applications and can change how business reporting and business innovation is handled for a smaller business.

We have standards called Statement of Controls (SOC) reports that deal in reporting in security and cybersecurity issues. We have a broader array of attest services where companies who are users of business information might want specific assurance.

From a U.S. regulatory perspective, Sarbanes-Oxley changed how public company auditing was to be done in this country. It also changed how firms go to market and how the public interest is served in that particular environment.

We also use a lot of sophisticated technology to reach out to younger people today. We still face the same human capital challenges that every other business in society faces.

In addition, we have a network of over 200 committees with 3,000 volunteers, many who are working on the issues that business, regulators, and users of financial information face today.

### Is your purpose broader than accounting?

Our profession has a broader notion of making the business world and society better, and serves entrepreneurial capital in a lot of ways. We play a very critical role with the investors of companies in public environments. We provide the audit function and information to business that serves as a piece of our very effective overall economic structure in the United States as it relates to people who invest in companies and stock markets and the like.

In addition, half of the U.S. economy is private business, and half are companies we know as name brands that are listed and publicly traded. The other half is what we see as we walk down Main Street, the core of American entrepreneurialism. CPAs are serving almost every one of those businesses and providing them advice. We serve the entrepreneurial fabric of the free enterprise system of America in a lot of ways.

The thing that most businesses have in common is their relationship with CPAs. This has a huge impact on the economic fiber of America.

We also offer a program called 360 Degrees of Financial Literacy, and we have another program in partnership with the Ad Council targeted to 25- to 35-year-olds that helps them understand the importance of saving. It's about helping Americans elevate their basic financial literacy.

### Has the profession reached the levels of diversity you had hoped it would?

It's significant that today two of the Big Four U.S. firms have female CEOs.

There are certainly challenges. People struggle to construct flexible work arrangements at the partner level. Overall, about 20 percent of the partners at CPA firms in the U.S. are female and that number will go higher.

The entrants into our profession have been 50/50 female/male, and for about 25 years, the number of females has slightly exceeded the number of males entering the profession.

We have a lot more work to do with ethnic diversity. The profession has been investing for more than a quarter of a century to have an ethnically diverse group.

Overwhelmingly, our profession has been a first-generation profession in a family. We are now moving into a second-generation profession, which we are very proud of. ●