CPA VOICE

The Ohio Society of Certified Public Accountants

January February 2019

CPAs AND STUDENT DEBT: THE NUMBERS THAT CAN'T BE CRUNCHED

HAVE YOU BEEN HACKED? HOW WOULD YOU KNOW?

CRITICAL AUDIT MATTERS

THE OHIO SOCIETY OF CPAs

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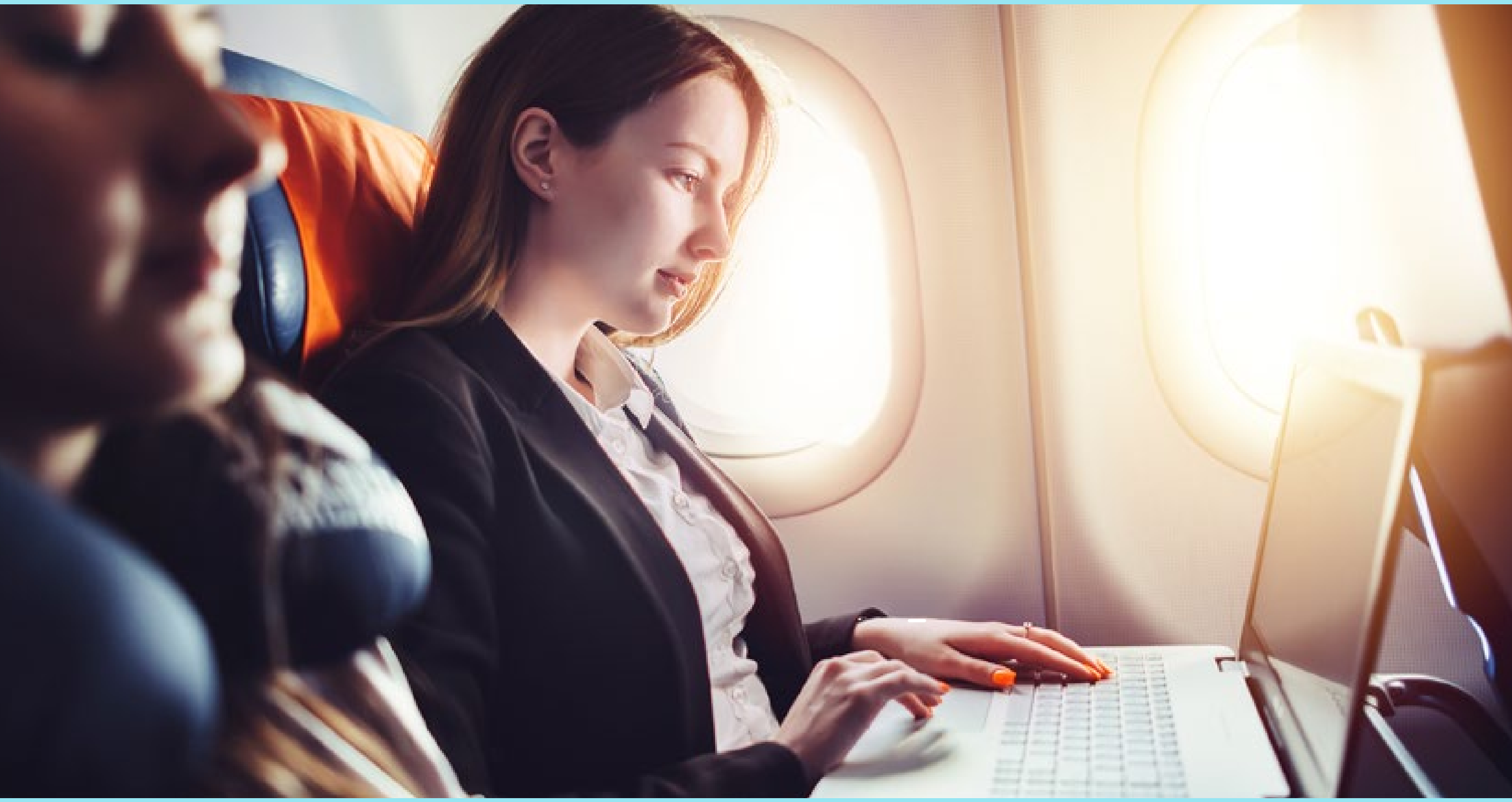

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a word from our CEO

Run your business with a customer service mindset

The beginning of the year is a great time to evaluate how you're running your business internally and externally. As you do so, I'll also ask you to reflect on how you've integrated customer service into your business mindset. Service is a classic concept we can easily forget in the hustle and bustle of the work day.

As the pace of change picks up, so have people's expectations. According to a Microsoft 2017 State of Global Customer Service Report, 54% of customers have higher expectations for customer service today compared to one year ago. Customer service reveals itself in obvious external transactions, but it also happens under the surface. It shows itself in how you help your coworker with a problem, how simple your website is to navigate and how accessible you've made your support staff.

A customer-service approach also extends to your company culture. Treating your peers with respect and a willingness to help will not only go far when it comes to strengthening relationships, it also gives the team a feeling of safety when it comes to pushing boundaries and suggesting new ideas.

At OSCPA, we've embraced the customer-service mindset internally through regular check-ins using Officevibe, an anonymous polling software. Staff take a five-question survey every other week gauging their happiness with the organization's mission, their direct manager, workload and more. It's been a way to address any concerns in real time and strengthen our culture, in addition to providing a less intimidating way to give regular feedback.

Going into your work day and solving problems with a service-focused mindset sounds like a no-brainer, but when you have a long to-do list and only a limited amount of time to complete it all, it can seem like a lower priority. In 2019 your clients, business connections and even coworkers expect to receive excellent service. They are accustomed to more and more options should they feel less than satisfied with a product or interaction. A NewVoiceMedia survey reveals companies lost $75 billion in 2017 from customers switching to competitors because of bad customer service.

As you plan to make exciting business decisions and build out plans this year, come back to these questions:

- How am I treating my clients?
- How am I treating my coworkers?
- If I were an outsider, would I be impressed with my company's level of customer service?

It's not always easy to turn a critical eye to yourself or your business, but asking these questions can be revealing when it comes to your customer service approach. Don't be afraid to ask yourself the tough questions this year.

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Critical Audit Matters: More opportunity and risk

By Laura Hay, CPA, CAE

Reporting of Critical Audit Matters (CAMs) begins for large accelerated filers for fiscal years ending on or after June 30, 2019. For audits of all other companies to which CAM requirements apply, reporting of CAMs is required for fiscal years ending on or after Dec. 15, 2020. While it would not require the communication of Key Audit Matters (KAMs) for audits of non-issuers, a proposed Statement on Auditing Standards (SAS) under consideration by the AICPA Auditing Standards Board (ASB) would provide the option for the auditor to include reporting of KAMs for non-issuers if engaged to do so.

All eyes are on the large accelerated filers to learn how audit reports will model these new disclosures to investors. The call for changes to the auditor's report resulted from investors and users stating that while they value the pass/fail nature of the auditor's opinion, its boilerplate nature provides insufficient information to assess risk, particularly:

- The auditor's higher assessed risks of material misstatement
- Items involving significant judgment by management or the auditor, and:
- Significant events or transactions.

CAM/KAM reporting provides opportunity to add value to audit reporting, but with enhanced risk. CAMs are matters that were previously discussed with audit committees, but that were not disclosed in the report. As audit firms, audit committees and users of financial statements prepare for these new disclosures, CPAs will be called upon to advise and assist in understanding their implications.

PCAOB

AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*, included two phases. The first phase modified the form and content for PCAOB audit reports for fiscal years ending on or after Dec. 15, 2017. The second phase includes a new required element of the auditor's report: the auditor's responsibility to determine and communicate CAMs. Per the standard, CAMs are:

> Any matter arising from the audit of the financial statements that was communicated or required to be communicated to the audit committee, and that:
>
> 1. Relates to accounts or disclosures that are material to the financial statements, and;
> 2. Involves especially challenging, subjective, or complex auditor judgment.

Not every matter determined to be a significant risk will be a CAM, as it might not require especially challenging, subjective or complex auditor judgment. Likewise, not every matter involving significant judgment or estimation by management

will always be a CAM, as it might not be a challenging, subjective or complex judgment, and not every deficiency in internal control will be a CAM, as it may not relate to financial statement accounts or disclosures.

A July 2018 tool from the AICPA Center for Audit Quality, *Critical Audit Matters: Key Concepts and FAQs for Audit Committees, Investors, and Other Users of Financial Statements*, includes guidance for determining whether a matter is a CAM, and required elements of CAM reporting. New language in the auditor's report explains that CAMs do not change the auditor's opinion on the financial statements taken as a whole and that the auditor is not providing a separate report on the CAMs.

For each CAM communicated, the auditor must describe the CAM, the principle considerations that led to the determination that the matter is a CAM, how the CAM was addressed in the audit and the relevant financial statements or accounts that relate to the CAM. Firms auditing public companies are in the process of establishing practices for consistently identifying, reporting and discussing CAMs with relevant parties.

ASB

In November 2017, the ASB issued an exposure draft of a proposed SAS on *Auditor Reporting*, including a section on *Communicating Key Audit Matters in the Independent Auditor's Report (proposed new AU-C section 701)*. While not requiring communication of KAMs for non-issuers, if the terms of the audit engagement include reporting KAMs, the auditor would be required to do so under section AU-C Section 701.

The proposed SAS is modeled more closely with the requirements of international auditing standards than the PCAOB requirements. The IAASB International Standard on Auditing (ISA) 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, provides guidance for when the auditor is required to or decides to communicate KAMs. Under ISA 701 and proposed ASB 701, KAMs are selected from matters communicated with those charged with governance that, in the auditors' professional judgment, were of most significance in the audit of the financial statements of the current period.

In a letter of comment to the ASB on the exposure draft, members of OSCPA's Accounting and Auditing Committee expressed concerns about the implementation of communication of KAMs for non-issuers:

- There is potential undue influence from certain users of an entity's financial statements that would compel the entity to elect the option for communication of KAMs as part of the independent audit.

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- There could be trickle-down economic costs for audits in which audit committee members may seek to emulate public company requirements by electing the option to report KAMs without understanding the benefits versus costs of the request.
- The determination of a KAM is highly subjective and could create inconsistencies and variability in practice while creating potential liability for both entities and auditors.

Firms and clients would need to consider these and similar implications in determining whether to request reporting of KAMs.

The proposed standard would be effective no earlier than for audits of financial statements for periods ending on or after June 15, 2019, depending on the timing of finalizing the proposed standards and amendments.

Laura Hay, CPA, CAE, is executive vice president of The Ohio Society of CPAs and staff liaison to the Accounting & Auditing Committee. She can be reached at ***Lhay@ohiocpa.com*** *or* ***614.321.2241****.*

FAST FACTS

1. CAM/KAM reporting provides opportunities to add value to audit reporting, but with enhanced risk.
2. CAMs do not change the auditor's opinion on the financial statements taken as a whole and the auditor is not providing a separate report on the CAMs.
3. While not requiring communication of KAMs for non-issuers, if the terms of the audit engagement include reporting KAMs, the auditor would be required to do so under proposed section AU-C Section 701.

tax developments

CPA engagement on federal tax issues more important than ever

Your feedback and participation remains critical in making the profession's voice heard in Washington

By Michael F. Bowman, CPA

The Ohio Society of Certified Public Accountants' Federal Tax Committee first assembled on June 22, 2015 to represent OSCPA membership. Its goal was to provide analysis and recommendations to the OSCPA Executive Board, members of Congress and IRS officials on proposed legislation, pending administrative pronouncements and other federal tax matters impacting professional practice and tax practitioners.

Though the committee's mission is the same, much has changed since that first meeting. Most recently, of course, President Donald Trump signed the Tax Cuts and Jobs Act (P.L. 115-97) on Dec. 22, 2017 introducing the most significant U.S. tax reform in decades. The statute enacted changes impacting C corporations, pass-through entities and individual taxpayers. It lowered tax rates, changed tax brackets, created new deductions and credits and repealed numerous long-standing tax provisions. While the legal and procedural intricacies of the new law are yet to be fully deciphered, it does underscore the importance of federal tax and its impact on the accounting profession. The new rules

have also created additional opportunities for OSCPA's Federal Tax Committee to create meaningful impact through advocacy and education.

The committee has continued dialogue with members of Ohio's Congressional Delegation and other legislators to share your recommendations. Early in 2016, it drafted a comment letter to former U.S. Rep. Jim Renacci, R-Wadsworth, at his request, identifying opportunities for the IRS to enhance customer service while decreasing costs. The letter also highlighted process changes and other mechanisms to prevent identity theft. Committee members have twice traveled to Washington D.C. (July 2016 and January 2017) for a number of key meetings. The group met with Harold Hancock, then Senior Tax Counsel of the House Committee on Ways and Means, and staff from Renacci's and former U.S. Rep. Pat Tiberi's, R-Columbus, offices, among others, to share your insights on tax reform as serious dialogue on the matter began. Most recently this past fall, committee members have had discussions with U.S. Sen. Portman's, R-Cincinnati, office regarding the proposed Protecting Taxpayers Act and with U.S. Rep. Brad Wenstrup's R-Cincinnati, office, as he was recently appointed to the House Ways & Means Committee.

The committee meets quarterly in person at the OSCPA office and on an ad hoc basis. It is comprised of four recently-formed active subcommittees that better focus its efforts. Members of the publications subcommittee contribute articles to this publication, speak at OSCPA learning events, and generate content for the OSCPA media platform to address current technical issues and keep you informed on the impact of tax changes. Members of the congressional subcommittee coordinate advisory activities with legislators and respond to comment letter requests. Similarly, the IRS subcommittee coordinates advisory activities with the IRS by participating in stakeholder liaison meetings and other similar events. Lastly, members of the succession subcommittee work to identify individuals in public practice, industry and academia to volunteer with current projects and find new committee members.

In 2019, the committee will continue its advocacy work on behalf of the OSCPA membership to ensure your interests are considered as Washington D.C. drafts technical corrections and clarifications of tax reform statutes. The congressional subcommittee will focus heavily on building new and strengthening past and current relationships with Ohio legislators. The IRS subcommittee will monitor developments related to new statutes and other regulatory matters that are

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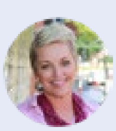
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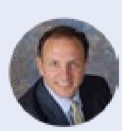
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important to you. The publications subcommittee will continue its overall education efforts and will work closely with the Society to distribute content in a variety of news and learning formats. And the succession subcommittee will continue its efforts to expand the committee, ensure the success of its subcommittee structure and build a pipeline of talented young CPAs for future service.

Your input and participation are critical to the committee's success. Please feel free to share your suggestions, questions and concerns directly with staff liaison Greg Saul, Esq., OSCPA's director of tax policy. He can also connect you to the succession subcommittee if you are interested in joining the group.

Michael F. Bowman, CPA is a senior manager at Schneider Downs and chairman of OSCPA's Federal Tax Committee.

FAST FACTS

1. The Federal Tax Committee met for the first time on June 22, 2015 at the office of the Ohio Society of Certified Public Accountants.

2. The committee has continued dialogue with members of Ohio's Congressional Delegation and other legislators to share member recommendations.

3. In 2019, the committee will continue its advocacy work on behalf of the OSCPA membership to ensure your interests are considered.

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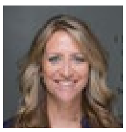

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FEATURE

CPAs AND STUDENT DEBT:
The numbers that can't be crunched

By Rebecca Kerr, OSCPA communications intern

Accountants might be known for their financial expertise, but even they aren't immune to the long-reaching impact of student debt. According to Enterprise Data Warehouse, Ohio is among the top ten states with the highest student loan debt, coming in at seventh on the list.

The 1.7 million borrowers in Ohio have a combined student loan debt total of about $53.5 billion. Ohio also soars high above the average student loan debt per capita in the U.S. The average in the U.S. was $4,920 as of 2016. The average in Ohio was $5,700.

The New Jersey Society of CPAs released an article in October describing the results of a survey concerning student loan debt among their members. Nearly 70% of respondents reported they are still paying off loan debt, with three-quarters of them citing debt of more than $20,000.

This scenario is about to become a reality for Allisa Schuller, a marketing and accounting student from Ohio Wesleyan University who graduated in December. Student loans aside, Schuller knew the cost of college would be challenging, especially after her father died during her junior year of high school.

"I knew I would have to support myself through college, so I started working as much as I possibly could," Schuller said. She clocked up to 40-50 hours a week over summer breaks and has worked every school year of college as well. Schuller is now working three jobs for a total of 30 hours a week to make her monthly student loan payments (in addition to purchasing other necessities such as groceries and gas).

She added, "To work like that plus being a straight-A student has been a lot; it adds an extra layer of stress onto everything else I have to worry about." Although she received ample support from her mother, once Schuller reached her junior year at OWU she decided it was time to take on more of that responsibility herself.

She pays about $100 a month toward her loans so they don't accumulate an unmanageable amount of interest. Schuller said the remaining $20,000 will likely take her at least four or five years to pay off, putting the time it will take her to repay her federal student loans well below average. According to US News and World Report, the standard repayment plan for federal student loans puts borrowers on a 10-year track to pay off their debt, but the average bachelor's degree holder takes closer to 21 years to pay off his or her loans, per recent research.

Schuller is joining the large group of young professionals about to break into the workforce with lingering loan debt. Student debt is most present among this demographic, as evident by the New Jersey study. About 50% of the respondents were within the 26-to 30-year-old range and around 21% within the 31-to 35-year-old age range.

However, there is no specific age that signifies the end of student loan debt. Sixty-seven percent of those who partook in the survey said they expect to have their student loan debt paid off within 10 years, with 19% expecting as many as 15 or more years.

This is the case for Amber McAuliffe, CPA, who opted to pay off her student loans through a 10-year repayment plan after graduating from the University of Dayton. “I feel like I’m paying fairly aggressively, but I also am young and there are other things I want to do in my life and other things I want to prioritize, like getting married and buying a home,” she said.

McAuliffe said it is important to consider an appropriate financial balance between your personal and professional life in the first 10 years after school. Although she acknowledged paying a monthly percentage of her income toward her loan debt from 2012-2022 is a long process, she “can’t cut out other aspects of life just to pay [the loans] off.”

For now, Schuller plans to take a different approach. She said paying off her loans is her “number one priority,” and wants to pay them off as soon as possible.

“I just want to get it done so I don’t have to worry about it anymore,” she said. “Because it is an additional stress I don’t want to start out my career with.”

Is this stress avoidable? How should you figure out how much student loan debt you should take on in the first place and what payment plan is best for you? Aaron Greene, the CEO and founder of College Liftoff, said “a student should not take on no more than half of their anticipated annual salary in debt based off of the particular career path they choose.” For example, if someone is expecting to make a yearly starting salary after college of $50,000, they should not take on more than $25,000 in debt.

However, not everything is exactly what it seems. Greene said, “college isn’t actually determined by the sticker price” and, if you’re not careful, the total could cost you the equivalent of a house you can’t afford.

The rise and persistence of student loan debt is anything but a new battle. According to Forbes, student loan debt is now a $1.5 trillion crisis among 44 million borrowers in the United States (as of Q1 2018 cited by the Federal Reserve & New York Federal Reserve). Statistically speaking, mortgage debt is the only consumer debt higher than student loans.

PricewaterhouseCoopers has spearheaded an initiative to help their employees manage their student loan debt. The firm pays $100 a month for associates and seniors for up to six years or until they reach manager status through an easy enrollment process in their student loan paydown program.

Jenna Sapsford, an employee of PwC and a participant in their student loan paydown program, said that PwC's effort to combat their employees' student loan debt not only makes her feel like a valued employee, but is also helping her to reach enough financial stability to buy her first home.

"[PwC is] showing that they understand what it took to get us here and into this job in the first place," Sapsford said. "And it makes me feel like PwC recognizes the investment that I put into myself for my career. By paying toward my student loans the firm is demonstrating their investment in my future."

While student loan debt continues to rise, accounting students can take some solace in the profession they've chosen. According to Columbus Business First, accounting and auditing positions are the seventh highest in demand in Ohio. Add to that a strong potential for salary increases over time and accounting students are well-positioned to pay off debt. Because when it comes to student debt, even for future finance professionals expertise does not equal immunity.

FAST FACTS

1. The average student loan debt in the U.S. was $4,920 as of 2016. The average in Ohio was $5,700.

2. According to the New Jersey survey, 67% of those who partook in the survey said they expect to have their student loan debt paid off within 10 years, with 19% expecting as many as 15 or more years.

3. Student loan debt is now a $1.5 trillion crisis among 44 million borrowers in the United States.

Have you been hacked? How would you know?

By Thomas G. Stephens, Jr, CPA

Have you been hacked? How would you know? In today's increasingly risky technology environment, these are fair – and necessary – questions to consider, both at a personal level and at an organizational level. Read on, and you will learn some of the tell-tale signs that your data, or that of your organization, has fallen into the wrong hands.

Understanding the risks at a personal level

Different types of data are subject to different types of risks; accordingly, our detection mechanisms must recognize this reality. For instance, if we consider the risk associated with an attack on one of your personal devices, it is altogether likely the hacker is intending to use that data to create an ill-gotten profit. In situations such as these, often the hacker is trying to compromise your authentication credentials – usernames, passwords, pass phrases, etc. – to one or more of your financial accounts. If successful, the hacker will typically act on that account immediately to steal the funds in that account.

Risk alert

Situations like these often arise when you unwittingly enter your credentials to a financial account when logging in over an unencrypted, public Wi-Fi network, such as those often found in coffee shops, hotels and restaurants. We urge extreme caution when connecting to the internet through these type of accounts, including avoiding them altogether, given the relatively high risk associated with them.

From the standpoint of attempting to detect this type of hack, establishing settings on your online financial accounts to send notifications to you are often the best course of action. For example, many financial institutions allow you to establish settings to send automatic notifications to your smartphone whenever a transaction posts to your account. By monitoring these notifications, you should be in a much better position to quickly detect any illicit activity on the account. In addition, you should routinely check your personal credit reports for signs of improper activity. You can obtain a copy of your credit report from each of the three major credit reporting companies once each year; perhaps a strategy of establishing a rotating schedule to obtain one report every four months would be in order.

What about our corporate data?

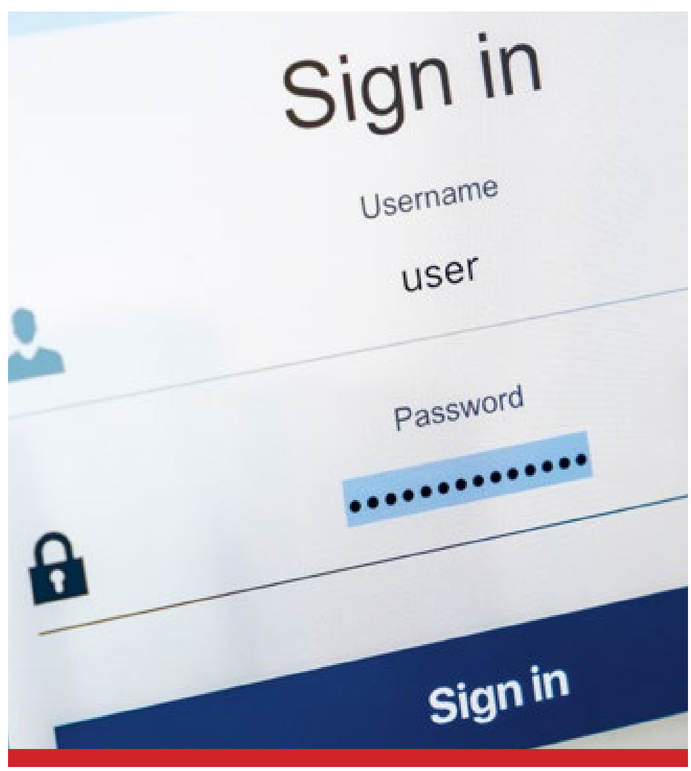
The risks associated with corporate data differ rather significantly compared to those associated with personal data. When a hacker attempts to breach a corporate network, the effort is often directed to obtaining large volumes of data in the attack, instead of the data associated with a single entity, such as a customer or a team member. Many of the widely reported corporate breaches in the past 10 years – including Yahoo, Target, and Equifax – have involved more than 100 million records in each attack.

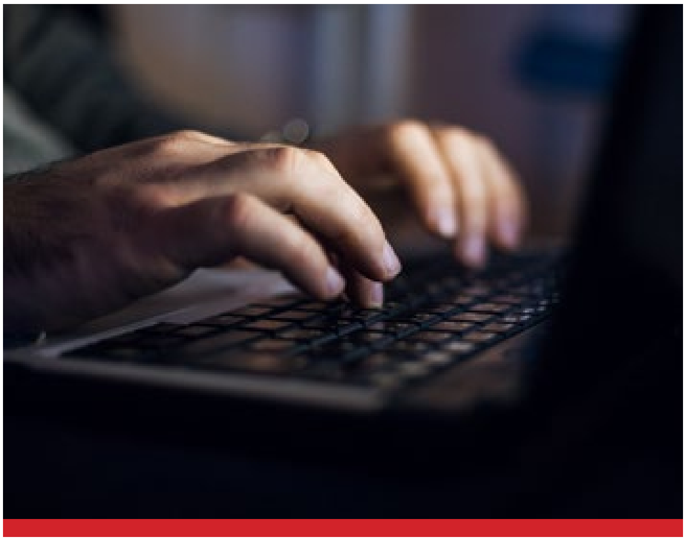
In addition to differing in size and scope as compared to individual attacks, corporate data breaches generally differ from hacks of individual accounts in what the hackers do with the compromised data. When hackers breach corporate data, typically they "package" it and sell it to others, who will in turn use it for ill-gotten gain. For example, a hacker might launch an attack against your corporate data network and, in the process, gain access to credit card information that you may have on file for many of your customers. Upon doing so, in many cases the stolen credit card information will be sold to others – often on the "Dark Web" – who will then use it to make fraudulent purchases.

Unfortunately, in many situations, such as the one described, it will be months before the affected organization learns of the breach; in fact, Verizon's 2018 Data Breach Investigation Report indicates that 68% of data compromises are not discovered until *months* after the attack occurs, indicating a clear need for organizations to ramp up their detective internal controls. Some of the methods by which they might do this include implementing Security and Incident Event Management tools, deploying monitoring software to analyze networks for suspicious activity and utilizing Data Loss Prevention tools to block outbound transmissions of sensitive data. Another good option might be to visit www.haveibeenpwned.com. At this site, you can, for example, enter your corporate email domain to determine how many of your team members' email accounts have been compromised in any of the data breaches that have been reported and are being tracked in the site's database. By the way, you might be surprised to find that more than five billion records are in the database already!

Ransomware: a threat to all

One area of risk that is common to individuals and organizations is ransomware – malicious software that takes control of your data and holds it hostage in exchange for ransom. In theory, if you or your organization become the victim of a ransomware attack and you choose to pay the ransom, the cybercriminals will return control of your data; however, a disturbing pattern has emerged over the past two years in which the cybercriminals elect not to return the data to their victims even though the victims paid the ransom. In a widely reported incident, the City of Atlanta government became the victim of a ransomware attack in March 2018.





Many news outlets have reported the cybercriminals demanded a ransom payment of $51,000 and that this amount was not paid. Total remediation losses have been estimated to be approximately $5 million.

Unfortunately, if you or your organization become the victim of ransomware, your first evidence of such an attack probably will be a notice that appears on your computer screen demanding payment of the ransom – and by then, it's too late! Appropriate and necessary preventive controls include training team members not to click on file attachments and links in email messages, keeping operating systems and applications fully patched and up-to-date, deploying effective anti-malware tools and ensuring the malware definitions are updated multiple times each day, and utilizing tools such as Windows Controlled Folder Access (CFA). CFA utilizes what is commonly referred to as "whitelisting" to block unauthorized applications from changing files in a set of user-defined folders. If such an application – often ransomware – for example, attempts to change a file in your Documents folder, CFA blocks that activity and alerts you to the fact that it prevented the change.

Summary

Our personal and organizational data are under a constant state of siege, and this trend shows no sign of abating. While we should have effective preventive controls in place to minimize the probability that our data will become breached, the reality is that it might already be compromised and, if it has not been, then someone, somewhere in the world, could very well be attempting to access it right now. To that point, we must also have appropriate detective measures in place to prevent such a breach from having a disastrous impact. At an individual level, controls such as notifications, monitoring credit reports, and reviewing financial accounts can all be effective at alerting you to a breach. At an organizational level, given the size of the databases in use, more sophisticated tools such as SIEM, DLP, and monitoring software might be necessary to alert you to suspicious activity. And all users must be aware of the risks associated with ransomware and take advantage of tools, such as CFA, to not only stop a ransomware attack, but also alert you to the fact that one is underway. Sometimes it can seem as if we are fighting a losing battle, but if you will implement the types of controls discussed here, you will no doubt improve the security of your data and set the stage for alerts to suspicious activity.

About the author:
Thomas G. Stephens, Jr., CPA, CGMA, CITP, is a shareholder in K2 Enterprises LLC, where he develops and presents continuing professional education programs on a variety of subjects, including information security. You may contact him at ***tommy@k2e.com****.*

FAST FACTS

1. Different types of data are subject to different types of risks; accordingly, our detection mechanisms must recognize this reality.
2. Establishing settings on your online financial accounts to send notifications to you is often the best course of action. In addition, you should routinely check your personal credit reports for signs of improper activity.
3. When a hacker attempts to breach a corporate network, the effort is often directed to obtaining large volumes of data in the attack.
4. All users must be aware of the risks associated with ransomware and take advantage of tools, such as CFA, to not only stop a ransomware attack, but also alert them to the fact that one is underway.

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Using project management skills to your benefit

By Jessica Salerno, OSCPA senior content manager

Beyond technical expertise, certain essential skills can make a significant difference when it comes to your long-term career success. Project management is one such skill.

"Concepts taught in a good project management course really funnel down to the roles and responsibility of those involved," said Laura Rohde, managing director of HR services at Skoda Minotti. "It's about holding people accountable to make changes happen."

Skoda Minotti offers its employees an in-house university where staff choose different courses according to their desired career path. Project management is a general elective open to all.

"We talk about the project management life cycle," Rohde said. "The four phases are concept, planning, execution and closeout."

During the workshop participants are given worksheets and templates and encouraged to work together according to each individual's strengths. The first phase involves mind mapping, a technique that allows participants to record ideas and random thoughts that come into their minds. Successful project management can ensure resources are used effectively and deadlines are being met, which is sometimes easier said than done.

Rohde spoke of the importance of teaching staff at all levels skills such as project management, because it's rarely taught in secondary education and is a crucial part of ensuring positive workflow processes.

"We're finding as we move more toward the business advisory model we're concentrating on getting the whole firm functioning as a trusted advisor and consultant," she said. "That's why this class is open to all, because it really shows how a project is cross functional in a firm. Very rarely do we operate in silos."

Project management skills are in demand, as CPAs are given the opportunity to impact other parts of the business. These skills can make the difference between a successful client project and a stalled and frustrating experience.

"I think the value is twofold," Rohde said. "We aren't taught how to collaborate with others in school, you are left to figure it out on your own. People want to know how to do this and another value it creates is a common language and consistency."

"I think if companies and firms aren't teaching it today they're going to be at a deficit," she said. "Because the one constant is change and we have to be able to work more collaboratively. And there is definitely a human element to projects. It's not about checking a box and saying a task is done, it's about how we are working together so that we can all accomplish something for the common good."

Project management is a skill that works for a variety of paths in the profession, Rohde said, and is crucial especially as you start to take on more responsibility in your career.

"It's a life skill and once you are taught something you can take it anywhere with you," she said. "It's something that no one can take away from you."

Finding ways around the skills gap

By Jessica Salerno, OSCPA senior content manager

The skills gap is routinely lamented around the profession. But instead of complaining, forward-thinking employers are finding ways to engage and educate young talent.

"Teaching our young hires is definitely in the interest of the firm," said Julie Kline, CPA, partner at Flagel Huber Flagel in Dayton. "We don't sell widgets, we sell our people. That is our main investment."

A 2015 survey from Robert Half found that 68% of CFOs cited difficulty finding applicants with requisite skills. Kline said she's noticed a lack of soft skills in new hires, especially when it comes to talking to someone who doesn't have a background in the profession.

"The issue I notice the most is writing skills," she said. "It's not the number crunching; we all learn that. With a lot of our clients it's financial statement preparation as well and you have to be able to write those footnotes and there's a certain language to those."

Kline said their main hiring pipeline comes from their internship program and the firm routinely works with interns and new hires on developing crucial skills. Hiring is an expensive undertaking, and she said it's helpful to give the interns a "test run" as they figure out who to hire full time at the firm.

In addition to the standard training they receive, interns and new hires receive extra support to ensure learning while also envisioning a future at the firm. It's also common to bring new hires along to client meetings to get out of the office and see a different side of the business.

"They get to see the big picture and understand their piece in the puzzle," Kline said. "And if they want to advance their career, these are the types of things they'll be expected to do and the exposure is all the more to their advantage."

Kline said they've had multiple instances of staff who have left the firm eventually returning, a testament to the culture and positive support.

"If we can teach them those soft skills they will hopefully stay, we don't want them to leave after a year or two," she said. "We want them to continue in the firm. The more we can bridge this gap the better for the firm and better for us as well."

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CANFIELD

Elaine E. Remick, CPA, has been hired at Schroedel, Scullin & Bestic, LLC (SSB), CPAs and Strategic Advisors, of Canfield.

Kayla A. Emanuelson, CPA, has been promoted to the position of Supervisor at Schroedel, Scullin & Bestic, LLC (SSB).

Samuel D. Fries, CPA, CFP, has been promoted to the position of Manager at Schroedel, Scullin & Bestic, LLC (SSB).

COLUMBUS

GBQ has launched Keep Financials (Keep), a comprehensive outsourced accounting and bookkeeping practice and introduced a fraud hotline to their list of service offerings.

Paul Anderson, CPA, has retired from GBQ and assumed the role of Executive Director of Operations at First Community Church.

POWELL

Kaiser Consulting, LLC, has been named one of the 2018 Best Places to Work in Central Ohio by Columbus Business First.

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Sincere thanks to all who invested in the Ohio CPA Political Action Committee (Ohio CPA/PAC) in 2018. Your support made a significant difference in OSCPA's ability to represent your interests. You can see a complete list of those who invested in their professional interests at **www.ohiocpa.com/advocacy/pac**.

Having the right legislators in office is key to supporting the CPA profession, and Ohio CPA/PAC is a way you can help start the conversation – especially in a key election year.

"Ohio CPA/PAC helps the CPA profession elect candidates who philosophically agree with our pro-business, pro-economic growth mindset," said Barbara Benton, CAE, OSCPA vice president of Government Relations. "If we can help these candidates get across the finish line in a tough race, they could well be the deciding vote on a tough issue… vs. having someone in office who will consistently be on the wrong side of our issues. There are many key issues that likely will impact the way you do business. For example, consider how much you would be paying right now if efforts to assess a sales tax on your audit or consulting fees were successful. OSCPA successfully opposed that tax, along with numerous others that would have hindered your operations and increased your cost of doing business."

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Print Instructions

1. Take the exam as an open-book test, recording your answers on the answer sheet by filling in the appropriate circle (pen or pencil is fine).
2. Then, fill out the registration information. Check payment must be submitted with the exam. Please print clearly.
3. Mail this page, along with your payment, in an envelope to: **The Ohio Society of CPAs CPA Voice Exam, 4249 Easton Way, Suite 150, Columbus, OH 43219**.

Self-Assessment Exam Results

Respondents taking the exam online receive their results immediately. Respondents who pass with a grade of 70% or better receive one hour of CPE credit in specialized knowledge, as approved by the Accountancy Board of Ohio.

ANSWER SHEET

1.	a	b	c	d	**7.**	a	b	c	d
2.	a	b	c	d	**8.**	a	b	c	d
3.	a	b	c	d	**9.**	a	b	c	d
4.	a	b	c	d	**10.**	a	b	c	d
5.	a	b	c	d	**11.**	a	b	c	d
6.	a	b	c	d	**12.**	a	b	c	d

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Critical Audit Matters

1. What risks do investors and users of the auditor's report think are not adequately addressed by the standard pass/fail audit report now in effect?

A. The auditor's higher assessed risks of material misstatement.
B. Items involving significant judgement by management or the auditor.
C. Significant events or transactions.
D. All of the above are correct.

2. The first phase in the redesign of the audit report was initiated by the PCAOB, with audit reports issued for fiscal years ending on or after ________ being affected by new PCAOB requirements.

A. Dec. 1, 2017
B. Jan. 1, 2018
C. Dec. 15, 2017
D. Dec. 31, 2017

3. The new language in the auditor's report explains that CAMs do not change the auditor's ________

A. audit procedures.
B. opinion on the financial statements taken as a whole and that the auditor is not issuing a separate report on the CAMs.
C. opinion on the sufficiency of the company's internal controls to detect material misstatements.
D. opinion on the financial statements taken as a whole and the requirement that the auditor also issue a separate report on the CAMs.

4. The PCAOB's second phase in the redesign of the auditor's report includes a new required element in the auditor's report: namely a requirement of the auditor to identify their responsibility to identify and communicate CAMS. Per PCAOB standards CAMS are any matter arising from the audit that was communicated or was required to be communicated ________.

A. to the audit committee.
B. to the audit committee and that relates to accounts or disclosures that are material to the financial statements or which involve especially challenging, subjective or complex auditor judgement.
C. to the audit committee and that relates to accounts or disclosures that are material to the financial statements and which involve especially challenging, subjective or complex auditor judgement.
D. to the audit committee and which the audit committee deems to be a CAM.

5. How does the ASB's proposed definition of KAM differ from the PCAOB's definition of a CAM?

A. The proposed definition of a KAM is exactly the same as the PCAOB's notion of a CAM.
B. The proposed definition of a KAM more closely aligns with that found in International Standard on Auditing 703.
C. Under the ASB's proposal for KAM, KAMs will be selected from matters communicated to those charged with corporate governance that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period.
D. As with CAMs, as proposed, KAMs must also be reported on in the audit report in all instances.

6. For each CAM communicated within the audit report, the auditor must:

A. describe the CAM.
B. identify the principal considerations that led to the determination that the matter was or was not a CAM.
C. identify the relevant internal controls that relate to the CAM.
D. describe how the audit committee addressed matters identified in prior years as CAMs.

7. In a letter of comment to the ASB on the exposure draft (specifically proposed AU-C Section 701), members of OSCPA's Accounting and Auditing Committee expressed concerns about the communication of KAMs by non-issuers. Which of the following was addressed?

A. There is potential undue influence from certain users of an entity's financial statements that would compel the entity to elect the option for communication of KAMs as part of the independent audit.
B. There would be no economic costs for audits in which audit committee members may seek to emulate public company requirements by electing the option to report KAMs without understanding the benefits versus costs of the request.
C. The determination of a KAM is completely impartial and would create no inconsistencies and variability in practice while creating potential liability for both entities and auditors.
D. All of the above are correct answers.

The Federal Tax Committee: Representing your interests

8. The OSCPA's Federal Tax Committee has four sub-committees. Which of the following <u>was not identified</u> in the article as one of these sub-committees?

A. The Publication Sub-Committee
B. The State Tax Coordination Sub-Committee
C. The Congressional Sub-Committee
D. The Succession Sub-Committee

CPAs and student debt: The numbers that can't be crunched

9. Ohio is one of the states with the highest concentrations of student debt. What is Ohio's ranking in the nation in terms of student debt levels?

A. 9th highest
B. 12th highest
C. 6th highest
D. 7th highest

10. Sixty-seven percent of those who took the student loan debt survey say that they expect to have their student loans paid-off within ______.

A. 20 years
B. 10 years
C. 12 years
D. 15 years

11. CEO and founder of College Liftoff, Aaron Greene, states that if you are expecting your starting salary to be $50,000 out of college, you should take on no more than _______ in college debt.

A. $30,000
B. $35,000
C. $25,000
D. $10,000

How you been hacked? How would you know?

12. What are some of the ways that an individual can detect instances where hacking at the personal level has occurred?

A. Creating settings with financial institutions so that notices are sent to you whenever a transaction posts to your account.
B. Routinely checking your credit reports from the three (3) credit reporting agencies.
C. Deploying monitoring software.
D. Both Answer A and B are correct.

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