# CPA VOICE

The Ohio Society of Certified Public Accountants

March April 2020

## THE OFFICE OF THE 21ST CENTURY

## PREPARING FOR CRITICAL AUDIT MATTERS

## REMOTE WORK: IT'S TIME

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ADVANCING THE STATE OF BUSINESS

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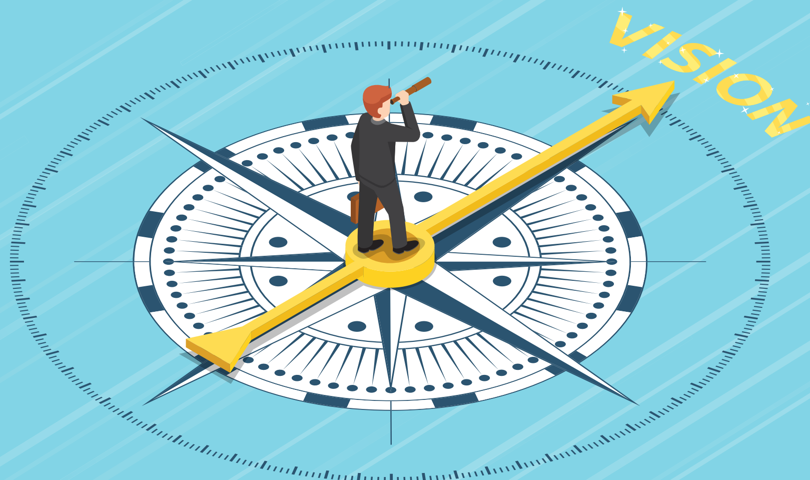


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| May 1 | 8:00 a.m. – 11:30 a.m. | Columbus | OSCPA's Learning Center SOLD OUT |
| May 4 | 1:00 p.m. – 4:30 p.m. | Wadsworth | The Galaxy Restaurant & Banquet Ctr. |
| May 5 | 8:00 a.m. – 11:30 a.m. | Canfield | Waypoint 4180 |
| May 7 | 1:00 p.m. – 4:30 p.m. | Toledo | Radisson at the University of Toledo |
| May 11 | 1:00 p.m. – 4:30 p.m. | Dayton | Marriott at the University of Dayton |
| May 12 | 8:00 a.m. – 11:30 a.m. | Sharonville | Sharonville Convention Center |
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CPA VOICE
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March April 2020

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**MANAGING EDITOR:**
Gary Hunt, CAE – ghunt@ohiocpa.com

**EDITOR:**
Jessica Salerno – jsalerno@ohiocpa.com

**GRAPHIC DESIGN:**
Kyle Anderson – kanderson@ohiocpa.com

**EDITORIAL OFFICES**
*CPA Voice*
4249 Easton Way, Suite 150
Columbus, OH 43219
Tel: 614.764.2727
Email: CPAVoice@ohiocpa.com
Website: ohiocpa.com

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# a word from our CEO

## Modern offices reflect a changing business world

An integral part of an organization's culture today is how the office is designed to meet the needs of its employees. The layout of the space, the areas for employees to collaborate, the ability to work remotely, even the branding are all pivotal aspects that contribute to the success of the team.

Our feature story "The office of the 21st century" is a look into some of the unique, forward-thinking offices of Ohio and how they've been designed to support their employees. Cohen & Company created areas that support group discussion and allow staff to easily display their computer screens to an overhead monitor. At GBQ, they've intentionally placed people from different services next to each other to increase collaboration and cross-selling. There are even designated areas for a bit of fun, such as White Castle's slide from the second floor to the lobby, a nod to their well-known "Original Sliders."

Beyond the aesthetically pleasing look, these updates hold more potential for organizations than something to brag about when visitors stop by. Because success in the business environment today necessitates many of these changes. Consider these updates:

- **Modern technology:** Is your tech still stuck in the 1980s? Houston, we have a problem. Not only are your old computers and outdated processes slowing your staff down, but depending on your company policies this might make it more difficult for people to telecommute. Meaning you lose out on valuable talent that's looking for a more flexible workspace.

- **Branded space:** That company mission statement isn't helping anyone sitting on a piece of paper at the bottom of a desk drawer. A space that reflects your brand's values not only communicates to employees what the company considers important, it also helps cultivate relationships with potential clients and others you bring to the office.

- **Flexible work areas:** Areas that can easily be converted into spaces that employees need – be it a collaborative area, or a quiet place to focus or meet with clients – is crucial. The top-down command of management is going away, and convertible office space in flatter organizations encourages employees to engage and ideate with their managers and peers.

What moves have you made in your organization in recent years to make your workspace match your style of business? Drop us a line; we're always looking out for where the profession is heading!


# Self-Assessment Exam

MARCH | APRIL 2020
Product ID: #54294

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4. On the Confirmation Page click "Go to your learning center."
5. The exam will be available under the "Current" section. Click "Launch."

**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.

# Preparing for Critical Audit Matters

## What management and audit committees need to know

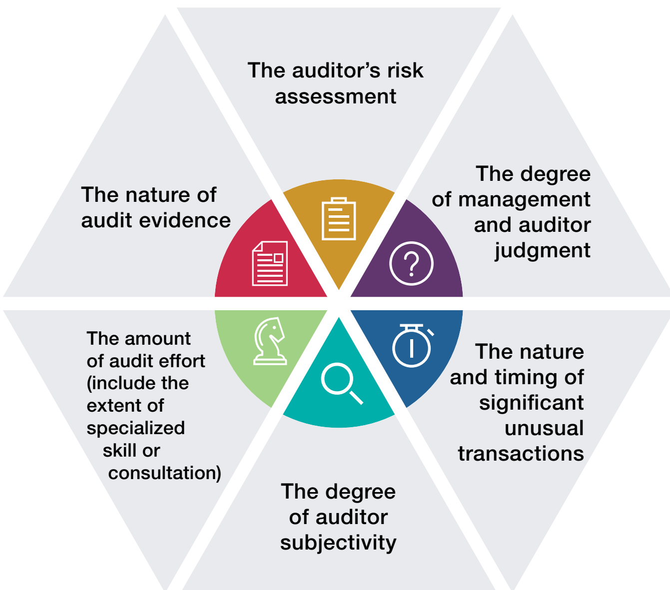
*By Phillip Austin, CPA, Sergey Starysh, CPA, Tara Pendleton, CPA and Stephanie Binford, CPA*

## What is a CAM?

A critical audit matter (CAM) is any matter arising from the audit of the financial statements that was communicated or required to be communicated to the audit committee and that relates to accounts or disclosures that are material to the financial statements and that involves especially challenging, subjective or complex auditor judgment.

## How are CAMs assessed?

CAMs involve "especially challenging, subjective or complex auditor judgment." In determining whether those criteria apply, the auditor should take into account, alone or in combination, the following nonexclusive factors:




## What's changing?

Audit reports have long contained wording that did not vary much or at all across audit firms, industries or companies. CAMs are expected to be unique to each audit's circumstances and, as such, should not reflect a boilerplate approach. Significant auditor judgment will be required from company to company and year to year to identify and critically evaluate CAMs and discuss in the auditor's report the principal considerations that led to the matter being identified as a CAM and the audit procedures performed to address those considerations.

## What can management do to avoid common adoption pitfalls?

Engage in meaningful conversation with your auditors around the CAM process. CAM adoption is not a check-the-box exercise, but rather a process that requires thoughtful assessment of the areas of the audit and how those areas align with the definition of critical audit matters in the audit standards.

Consider asking your auditors the following questions:

- Do your most common CAM areas align with what the market is seeing (e.g. Business Combinations, Income Taxes, Revenue and Goodwill and Intangibles Impairment)? If not, what are you seeing for most common CAM areas?
- Are the identified CAMs aligned with the matters discussed by management in the critical accounting policies?
- Does management's internal assessment / grading of the areas of complexity (i.e., areas of management's significant judgments) to prepare financial statements correlate to the areas of complexity identified in the auditor's CAMs?

With respect to reviewing draft CAMs, management should assess whether the content of the CAM includes "original information" or sensitive information that was not previously disclosed by the entity and discuss these matters with their auditors.

With respect to critical accounting policies, management should consider reviewing critical accounting policies with a fresh look at how those are determined, if the language describes in plain English what about those areas are critical, and whether the disclosures clearly articulate all areas of complexity. While there is not a one-for-one relationship between critical accounting policies and CAMs, there are some similarities between the two definitions that often lead to matters identified as CAMs being critical accounting policies.

## What can the audit committee do to avoid common adoption pitfalls?

Engage in meaningful conversation with your auditors around the CAM process. Adoption of critical audit matters has placed even more emphasis on the importance of quality discussions between audit committees and the external auditors. Audit committees should consider asking auditors the following questions to drive discussion around CAMs:

- Will increased focus on CAMs affect the scope of the audit plan and the amount of audit work that needs to be performed?
- What is the expected timeline of discussions and review of draft CAMs with auditors (e.g., during Q2 – Q3)?
- What is the protocol to resolve Audit Committee and Management questions and comments on the draft CAMs?
- What effect did CAM identification have on the auditor's risk assessment process? Do identified CAMs correlate to significant risks of material misstatement identified for the audit?
- How will we resolve instances when the content of the draft CAM includes "original information" or sensitive information that was not previously disclosed by the entity?
- What are the most substantive issues identified or lessons learned as a result of the firm's dry runs related to communicating CAMs in the auditor's report?
- Were there any matters considered to be "close calls" when evaluating potential CAMs but determined not to be a CAM? What were the considerations that led to the determination that these matters were not CAMs?

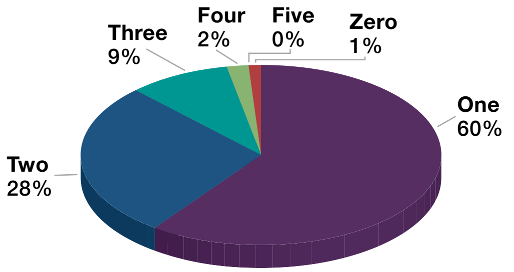
Additional questions can be found by going to **www.thecaq.org/auditors-report-considerations-audit-committees/**.

## How many CAMs should you expect?

It has quickly become clear that there is not a set number of CAMs that exists in a given industry or type or size of a company. The below chart shows the number of CAMs identified for all Large Accelerated Filers.

**Filed CAMs at a Glance:**

Number of CAMs Identified

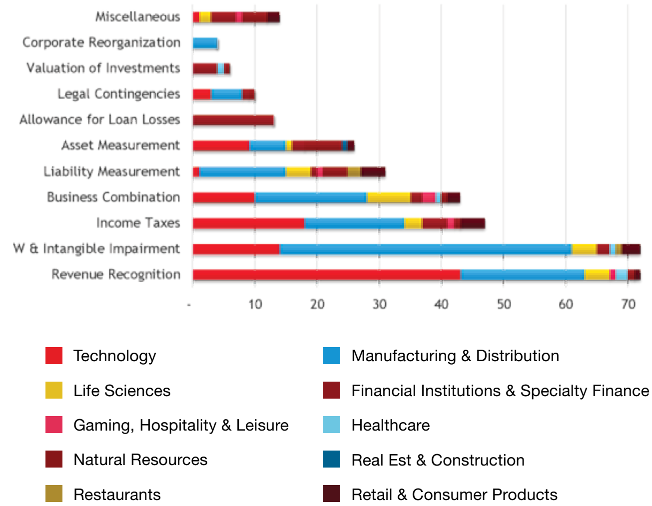



- 1,624 LAF reports filed to date
- 2,473 CAMs identified
- 9 reports where no CAMs were identified
- Average of 1.52 CAMs per report
- Includes:
  - – 355 of the S&P 500
  - – 30 BDO Reports
  - – 79 Foreign Private Issuers

The process of identifying CAMs is time intensive and requires a significant amount of auditor judgment. The facts and circumstances of each engagement will determine how many CAMs are identified in that year for that engagement.

## What are the most common areas of CAMs?

The below chart shows the distribution of identified CAMs across industries.




## What are the regulators saying?

In December 2019, the PCAOB issued a CAM Spotlight highlighting its observations from engaging with auditors and audit committees on effective CAM implementation about:

- Investments in frameworks for CAM implementation
- Preliminary CAM determination and drafting
- Ongoing CAM evaluation throughout the audit process
- Subject matter experts involved in the CAM process
- Management and audit committee involvement

The PCAOB intends to continue to conduct analysis in 2020 and issue its observations as part of the overall post-implementation review of PCAOB Audit Standard 3101: The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion.

## The following is an excerpt from the PCAOB CAM Spotlight

*"Timely and robust engagement with management and the audit committee were important factors in the CAM implementation process. Starting with practice runs and throughout the first year of implementation, regular dialogue among the audit team, management, and the audit committee was helpful in building a common understanding of the purpose of the CAM requirements and in discussing CAM determinations and draft CAM descriptions.*

*To date, preliminary results from our outreach to audit committees suggest that they generally found the audit team's practice run processes to prepare for implementing the CAM requirements to be helpful and believe that CAM implementation has not changed their interactions with the auditor. While CAMs are the sole responsibility of the auditor, audit committees shared with us that they generally began discussing CAMs with their auditor in 2017 or 2018, well in advance of the effective date of the requirements in 2019."*

For more information about Critical Audit Matters, go to **www.BDO.com** and search our "Future of Auditor Reporting" web page.

*Phillip Austin, CPA, is the national assurance managing partner – audit and can be contacted at 312.730.1273.*

*Sergey Starysh, CPA, is a national assurance partner and can be contacted at 404.979.7217.*

*Tara Pendleton, CPA, is a national assurance director at BDO and can be contacted at 509-462-8936.*

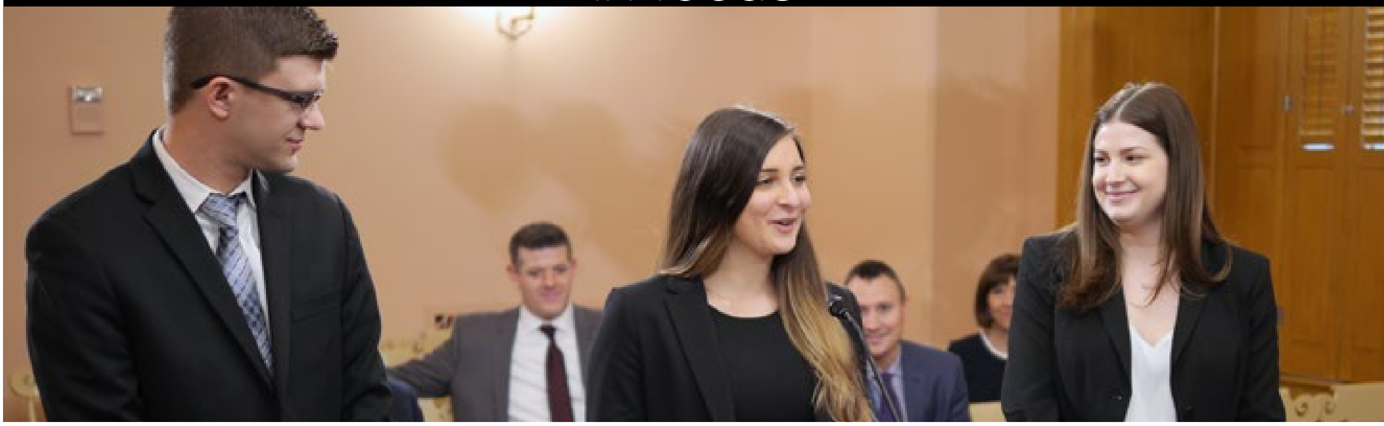
*Stephanie Binford, CPA, is an Assurance Manager with BDO, Cincinnati.*

# FAST FACTS

1. Significant auditor judgment will be required and will vary from company to company and year to year to identify and critically evaluate CAMs.

2. CAM adoption is not a check-the-box exercise, but rather a process that requires thoughtful assessment of the areas of the audit.

3. Adoption of critical audit matters has placed even more emphasis on the importance of quality discussions between audit committees, management and the external auditors.



# OSCPA makes strong push for CPA exam reform

***By Gary Hunt, OSCPA communication director***

Student members impacted by Ohio's 150-hour requirement to sit for the CPA exam told legislators Feb. 12 that changing the rule will encourage young professionals to stay in the state.

Travis Whitt, an accounting major at The Ohio State University, told members of the House Commerce & Labor Committee that if he chooses to take the exam in Ohio, he will have to begin his professional career without getting a head start on his CPA certification. That will not only cost him income, but it will be tougher because he will be working and studying simultaneously.

"That means in my first year of work, I would be spending my free time studying intensively. I am told that each section takes 80-100 hours of studying – and that's if the material is fresh."

Whitt, along with fellow Ohio State accounting majors and OSCPA student members Olivia Abdallah and Cassandra Edelstein, told legislators that House Bill 442 will prevent future accounting students from "having to deal with academic hurdles students in 37 other states don't have."

Ohio now requires that a candidate be within 90 days of completing 150 hours of college education before being eligible to take the CPA exam. Under the OSCPA-supported bill, students could start taking the Exam when they have a bachelor's degree or its equivalent of 120 hours, which is now permitted in 37 other states. 150 hours of college education and one year of work experience would still be required to obtain the CPA license to ensure these individuals could continue to qualify under interstate mobility laws.

Abdallah shared the results of a recent statewide OSCPA survey of college student members that "helped reveal what we've also seen at Ohio State."

- 90% plan to take the CPA Exam.
- 73% were unaware they can circumvent Ohio's 150-hour law by sending their scores to an existing 120-hour state. "Generally, those who do know about it either learned it from their peers or from even their professors," Abdallah said.
- 58.5% do not want to wait as long as Ohio law requires to take the exam.
- 89% would be more likely to transfer their scores back to Ohio if Ohio were to become a 120 state.
- 80% think the current requirements to become licensed in Ohio (if they sent their scores to an existing 120 state) are a disincentive to work as a CPA in Ohio.

OSCPA President & CEO Scott Wiley, CAE, told the group that HB 442 also will help the Society's goal of increasing diversity in the profession.

"For non-traditional students who need to work while finishing college – a scenario which disproportionately impacts minorities – supportive employers may help with tuition reimbursement or cover the costs of CPA review courses and the test itself. Other employers give a bonus when they become licensed.

"Bottom line: anyone who has taken the CPA Exam, or knows someone who has, will attest that it is not easy to pass and only gets harder the longer the process drags on," Wiley said.

You can view the Feb. 12 hearing in its entirety at **https://bit.ly/38bgKLO**

**OSCPA members can help!**

*OSCPA members: Tell your representatives why HB442 is needed! We'll help you by providing your legislators' contact information, talking points, and guidance on how best to get your message out. Contact your government relations team now for more information by sending email to **government@ohiocpa.com**.*

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Former OSU basketball player

Closing Keynote

**Helen C. Sharkey**
Low Man on the Totem Pole – How I Became a White Collar Criminal

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# Sustainability assurance's link to reporting quality

***By Po-Chang Chen, Brian Ballou, Jonathan H. Grenier, and Dan L. Heitger***

The number of companies across the world that issue some form of sustainability report continues to increase.

However, even as organizations place more emphasis on improving reporting quality related to the environmental and social impact of their business activities, little is known about whether assurance for these reports improves the quality, and whether accounting firm assurers improve that quality to a greater extent than non-accounting firm assurers.

"With investor attention on such information higher than ever, corporate sustainability reporting is ripe for the next phase of its evolution," said a 2018 report posted on the Harvard Law School Forum on Corporate Governance and Financial Regulation.

This article provides a summary of insights on these issues based on an academic study we recently published in the *Journal of Accounting and Public Policy* ("Corporate Social Responsibility Assurance and Reporting Quality: Evidence From Restatements").

According to the 2017 KPMG Survey of Corporate Responsibility Reporting, sustainability reports are issued by 93% of the world's 250 largest companies (Global 250) and 75% of the 100 top revenue-generating companies (N100) in each of the 49 countries surveyed by KPMG. Of those who report, 67% of the Global 250 and 45% of the 4,900 N100 companies studied obtain some level of independent assurance for their sustainability reports. These figures demonstrate sizable growth in the sustainability assurance market since 2011, when KPMG's survey showed that 46% of the world's largest companies and 38% of the top 100 revenue-generating companies obtained some independent sustainability assurance.

Sustainability assurance is typically limited in scope and is performed in accordance with different assurance standards. The most commonly used standards include the Statements on Standards for Attestation Engagements (SSAEs), issued by the AICPA; ISAE 3000, issued by the International Auditing and Assurance Standards Board; and AA1000, issued by the Institute of Social and Ethical Accountability.

The steady growth in assurance of sustainability reports suggests that companies increasingly perceive there are net benefits of having their sustainability reports assured (e.g., shareholders' and other stakeholders' increased confidence in the reports, reduced cost of capital, and lower analyst forecast errors and dispersion, etc.). Further, there has been an increase in the percentage of assured sustainability reports by accounting firms relative to nonaccounting firms. In our study sample, accounting firms provided assurance for 63% of the 848 assured reports.

To examine the effect of obtaining independent assurance on reporting quality, we studied companies' *voluntary restatements* of sustainability reporting disclosures. In our sample, approximately 20% of issued sustainability reports are subsequently restated by companies to correct errors (classified as error restatements) and/or revise information as a result of updates of scope, methodology, or definitions (classified as non-error restatements). This seemingly high rate of restatements is consistent with such reporting and assurance being a relatively new phenomenon compared with financial reporting and assurance, along with added complexity from the wide array of stakeholder issues being reported (many of which are measured with nonfinancial metrics). And because of the evolving process of sustainability reporting, we view both types of restatements as improvements in reporting quality.

As examples of error restatements, in 2015, Givaudan corrected 2014 energy and carbon dioxide loads, one-off waste, groundwater usage and sulfur dioxide emissions because of calculation and data inaccuracies. Interestingly, the company specifically attributes the identification of these errors to EY's assurance work. As examples of non-error restatements, in 2018, Dell restated its 2016 Scope 3 emissions and 2017 hazardous waste generated due to improvements in calculation methodologies.

## Summary of research methodology and results

Our sample contains 2,339 sustainability reports issued by companies in 42 countries included in the consecutive international surveys by KPMG of sustainability reporting that captured restatement information (2011 and 2013).

Slightly more than 20% (472 reports) included restatements due to error or omissions (error restatements) or updated or improved methodology, definitions, scope, or unspecified reasons (non-error restatements). As shown in the chart, "CSR Restatements by Type," error corrections account for approximately 25% [Error (12%) plus Error + Non-Error (13%)] of restatements, and pure non-error reasons account for 75% of the 472 restatements. Slightly more than 36% of reports (848 reports) were independently assured either by public accounting firms (530 reports; 62.5% of the assured reports) or other assurance providers (318 reports; 37.5% of the assured reports). The data shows the following findings (see the table, "The Effect of CSR Assurance/Assurance Provider on CSR Restatements," for more information):

**Accounting firm assurance providers help detect and prevent errors in sustainability reports.** We find a positive relationship between the likelihood of error restatements and CSR assurance. Specifically, companies having CSR assurance versus no assurance are nearly twice as likely (1.87 times) to detect and correct errors contained in their sustainability reports. Notably, this error detection effect of CSR assurance is more pronounced when accounting firms provide the assurance. The odds of accounting assurers detecting errors in sustainability reports are more than double (2.08 times) that of nonaccounting assurers. Our analysis further reveals that accounting firm assurance providers not only detect inaccuracies in the current period but also prevent errors from reoccurring in future periods. By contrast, nonaccounting firm assurers do not appear to deter future occurrences of sustainability reporting inaccuracies.

**Both types of assurance providers help prompt updates of definitions, scopes, and methodologies in sustainability reports; however, the effect appears to be more pronounced with accounting firm assurers.** We find a positive relationship between restatements because of updates of definitions, scopes or methodologies and the use of sustainability reporting assurance regardless of the type of provider. This relationship is stronger when accounting firms — rather than nonaccounting firms — provide assurance. According to our data estimation, companies are more than twice as likely (2.35 times) to implement updates in their sustainability reports when having assurance versus no assurance. Further, having accounting firm assurance providers increases the odds of implementing updates by slightly more than 25% (1.29 times). These findings suggest that obtaining sustainability report assurance can help enhance sustainability report quality by identifying areas of improvement or in need of updates. Additional tests find that this effect persists over time (i.e., the positive relationship is found in the recurring years of obtaining sustainability assurance).

**Applying formal reporting standards is not a substitute for obtaining sustainability assurance in terms of enhancing reporting quality.** The evolution of sustainability reporting has been driven in part by increased use of reporting standards, e.g., the 2017 KPMG study reports that 89% of the Global 250 and 74% of the top 100 in its 49-country survey have adopted some guidance or framework for their reporting. The Global Reporting Initiative's (GRI's) framework (i.e., the GRI Guidelines or the GRI Standards) is the most commonly used, according to the study. Two interesting results related to a company's adoption of the GRI framework and the likelihood of sustainability report restatements are:

- **Use of the GRI framework helps prompt updates of definitions, scopes or methodologies in sustainability reports.** Companies using sustainability reporting standards, such as the GRI reporting standards, are almost twice as likely (1.85 times) as non-standards adopters to have sustainability restatements related to updates of definitions, scopes, or methodologies in sustainability reports.
- **Use of the GRI framework does not help detect or prevent errors in sustainability reporting.** This finding suggests that assurance, *especially when provided by accounting firms*, is particularly important for establishing credibility in sustainability reporting based on its relationship for enhancing the accuracy of information over time. Further, this role cannot be replaced by implementing reporting standards like those of the GRI. In other words, sustainability reporting assurance and formal reporting standards like those of the GRI likely complement rather than substitute for one another.

## Implications for public accountants

**Offering assurance for sustainability reports should provide significant value-adding benefits to clients.** Given the ongoing maturation of sustainability reporting and sustainability reporting standards, clients likely will benefit from having independent assurance providers with expertise in interpreting standards and helping to improve reporting quality over time.

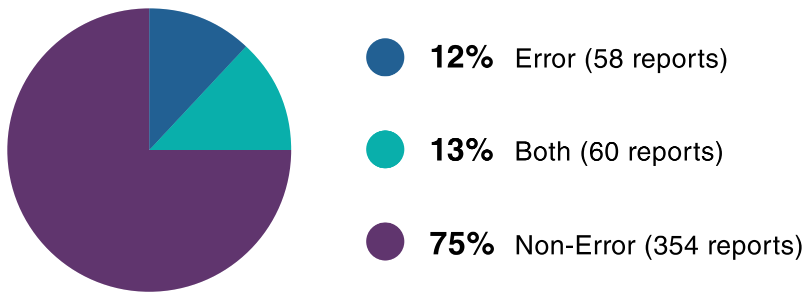
**Obtaining assurance for sustainability reports enables clients to convey to stakeholders their commitment to developing trusting relationships with stakeholders.** Given the level of distrust in the current business and political environment across many contexts, demonstrating to clients the benefits of enhancing stakeholder trust is likely a worthwhile pursuit for public accounting firms. Issuing sustainability reports with a commitment to reporting quality, including assurance provided by independent assurance experts, likely enhances client trust with key stakeholders.

**Accounting firms appear to have a competitive advantage over nonaccounting firm assurance providers.** While nonaccounting assurance providers can help improve reporting quality in the area of enhancements or updates of information included in sustainability reports, our findings suggest the improvements resulting from *accounting firm* assurance providers are more pronounced, and they also are capable of detecting and preventing reporting errors for their clients. In contrast, our findings do not find a relationship between restatements related to the detection or prevention of errors and using nonaccounting firm assurance providers. This competitive advantage can be better leveraged in light of these research findings. Further, the sustained positive effect of assurance on reporting quality can help accounting firms convince their clients of the merits of repeat sustainability assurance engagements.

## CSR restatements by type

| Type of CSR restatements | CSR assurance | Accounting assurance provider | GRI standard |
|---|---|---|---|
| Error | Odds ratio* = 1.87 (Significant) | Odds ratio = 2.08 (Significant) | Odds ratio = 1.08 (Insignificant) |
| Non-error | Odds ratio = 2.35 (Significant) | Odds ratio = 1.29 (Significant) | Odds ratio = 1.85 (Significant) |

## The effect of CSR assurance/assurance provider on CSR restatements




**Odds ratio is defined as the odds of having an Error CSR restatement for CSR assurance over the odds of having a restatement for no CSR assurance. Similar interpretations can be made for other tests and variables of interest.*

In this table, we use pure errors (i.e., CSR restatements due to error corrections only) as our proxy for Error to draw clearer inferences of the effects of CSR assurance, assurance providers, and GRI standards on different types of CSR restatements.

## Resources

Please visit **aicpa.org/sustainability** for additional resources. These resources include a Sustainability Toolkit with extensive background information for CPAs looking to enter the sustainability assurance market.



*Po-Chang Chen, Ph.D., is an associate professor of accounting at Miami University's Farmer School of Business. Brian Ballou, Ph.D., is the EY Professor of Accounting and faculty fellow of the William Isaac & Michael Oxley Center for Business Leadership at Miami University's Farmer School of Business.*

*Jonathan H. Grenier, Ph.D., is the Endres Associate Professor Fellow of Accounting at Miami University's Farmer School of Business.*

*Dan L. Heitger, Ph.D., is the Deloitte Professor of Accounting and co-director of the William Isaac & Michael Oxley Center for Business Leadership at Miami University's Farmer School of Business.*

## FAST FACTS

1. As organizations place more emphasis on improving reporting quality related to the environmental and social impact of business activities, little is known about whether assurance for these reports improves the quality.

2. Companies having CSR assurance versus no assurance are nearly twice as likely (1.87 times) to detect and correct errors contained in their sustainability reports.

3. Offering assurance for sustainability reports should provide significant value-adding benefits to clients.

# Remote work: It's time

*By Garrett Wagner, CPA*

# Remote work no longer counts as an innovative perk. Nor is it something that is going to fade away like carrying around large trunks with paper audit files.

Remote workers are not a new trend in the accounting profession or any other. Remote work no longer counts as an innovative perk. Nor is it something that is going to fade away like carrying around large trunks with paper audit files. Nevertheless, organizations in the accounting profession remain slow to adopt the idea of work-at-home, and this needs to change.

Our profession's hesitancy is not because people need to be in the same location, like brain surgeons. That said, even complex surgeries are being performed using robotics half a world away. In today's digital economy, we have the tools, the ability and the desire of our people for remote work. Our challenge is to take the first step and break from from our traditional box to get started. Moving out of our comfort zone, rather than walking down the hall to see someone at their desk, now we can click a button for a face-to-face video conference. You can still contact colleagues on demand and get answers to your questions—perhaps even faster than searching for someone in the hallways. So, what are you waiting for?

## Why now

The talent shortage impacts all aspects of the accounting profession, and it is increasing with no signs of slowing down. Organizations need to take every reasonable step to attract, retain, and engage top talent. Remote work is low-hanging fruit in the quest for talent. Cost certainly is not a factor with the proliferation of easy to use technologies; in fact, remote workers may equate to lower occupancy in crowded cubicles.

We are long past the early adopter phase of remote working. Today, it is a common practice across many professions. In fact, several divisions of IBM—once termed "Big Blue" for its

Fortune-level formalism—have three out of five employees never setting foot in an IBM facility. Now is the time for the accounting profession to embrace the concept, as well. After all, it is something that is highly valuable among one key demographic of employees: millennials.

## Ready, set, go

Introducing remote work as a concept doesn't involve creating a new strategic plan or forming a committee. Instead of some major project, get started now with a 30-day pilot program and have each person work from home just one day a week. At the end of the 30 days, you can pull the team together, take stock and review how the past 30 days went. Ask these two questions: 1) Were you able to work effectively from home? and, 2) What do you and other employees need to enhance collaboration and communication? Use the answers to improve the process, provide people the right tools and ground rules, then try another 30-day test window. After 60 days, you will be well on your way to embracing remote work, and you will be surprised by how many people want to work from home more often.

At Summit CPA, an office-wide remodeling project was the impetus for management to test the waters of remote work. Once the remodeling was completed, no one wanted to come back into the office. Fast forward to today, Summit CPA is a 100% virtual firm with employees operating across the United States. It all began with a temporary situation that compelled the management team to give remote working a try, and they never looked back. As part of your 30-day plan, assign each person a work-from-home millennial buddy who can help them with the technology and get used to the different aspects of working from home. By having your millennial team members engaged as buddies for the rest of your team,

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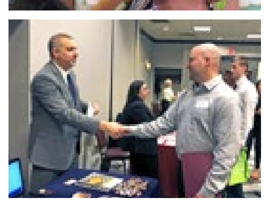

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you encourage them to take on a more active role in the organization—and feel they can add value regardless of their tenure. Attract and retain the millennial mind by finally getting started with a remote work program and engage them by encouraging them to step up as leaders within the organization.

Get started on embracing the remote work concept in the next 30-days and don't look back. Take note late adopters: the good news is that both technology and your people are just waiting for it to happen.

*This article first appeared at* **www.CPAPracticeAdvisor.com** *and has been condensed for length.*

*Garret Wagner, CPA, CITP is CEO and Founder of C3 Evolution Group.*

## FAST FACTS

1. Remote work no longer counts as an innovative perk and it is not something that is going to fade away.
2. Remote work is low-hanging fruit in the quest for talent.
3. Consider trying out remote work with a 30-day pilot program and see how your staff responds.





# Offices of the 21st CENTURY

By Abigail Draper, OSCPA communication & engagement manager

*White Castle Headquarters*

# Modern firms and companies are moving their office designs toward collaborative and casual meeting spaces to promote morale and productivity.

GBQ's Columbus and Cincinnati offices, Cohen & Company's new Pittsburgh office, and White Castle's new headquarters have all tapped into these modern, forward-thinking office trends. All of these companies are also Ohio CPA Proud organizations that are committed to promoting and strengthening the CPA credential and the accounting profession. To read more about the Ohio CPA Proud program, visit ohiocpa.com/OhioCPAProud.

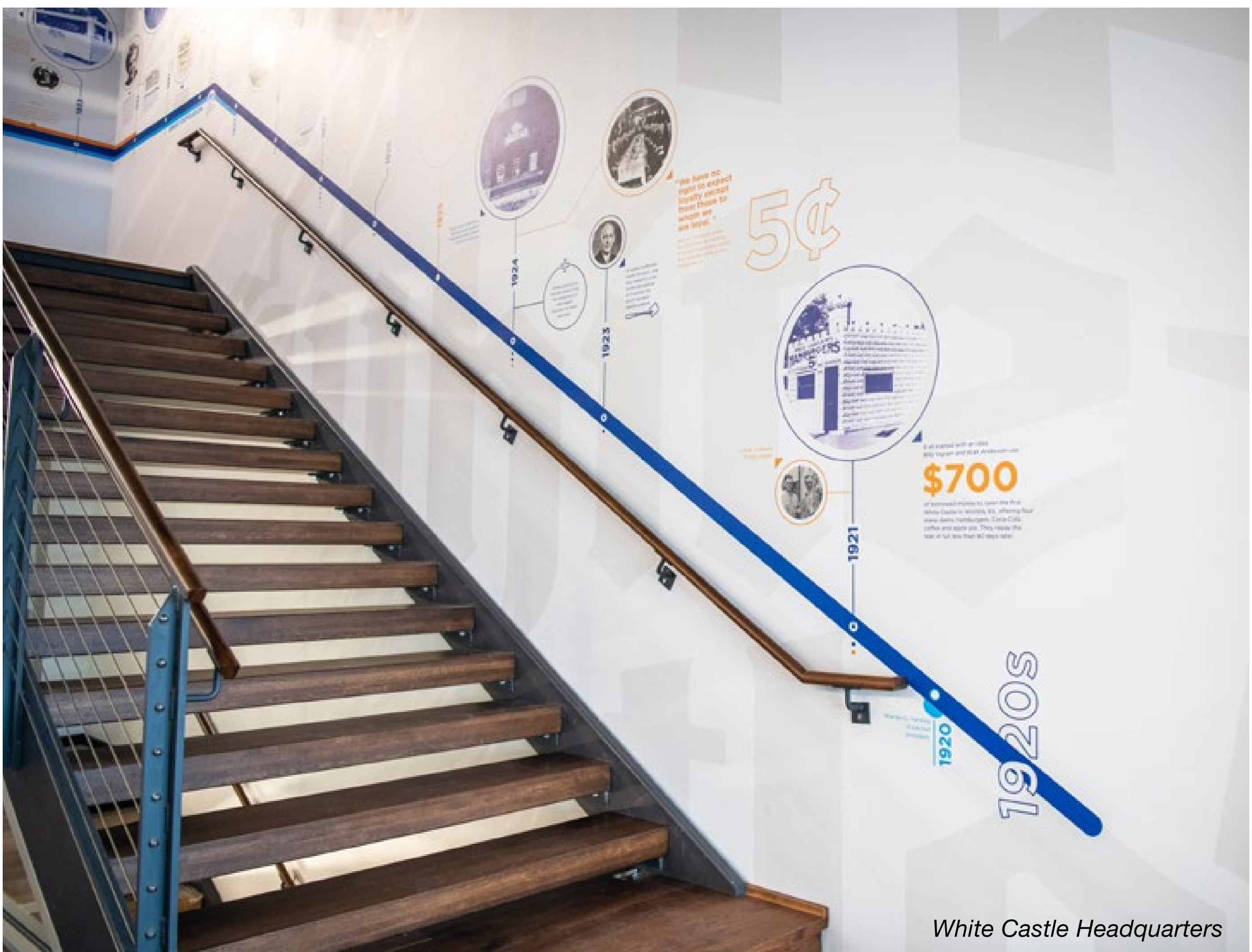
## Physical layout

"Rather than creating large conference rooms, we've created a number of small collaboration areas that center around a large screen TV, where our professionals can take their laptop, cast their screen up to the TV, and a small group of professionals can huddle around, all looking at that same information, ask questions, collaborate, resolve issues and move on very quickly," said Jeff Kovacs, CPA, CGMA, Cohen & Company assurance partner.

GBQ has mixed up employees and department seating to promote communication and collaboration.

Sara Robertson, GBQ director of market strategy, said, "I have an intern outside my office, with an admin next to them, and an assurance person on one side and a state and local tax person on the other side. We did that on purpose from a cross-servicing, cross-selling and cross-collaboration standpoint."

Jamie Richardson, White Castle Management Co. vice president, said they created an open office environment to encourage collaboration at their facility.




*White Castle Headquarters*


*GBQ Partners*

GBQ and Cohen & Company have both moved their employees toward windows instead of being confined to the middle of the office, as professional service firm offices have been historically designed, Kovacs said.

“Now they have a view of the daylight. They have a sense of the world going on around them. They've got beautiful views, because of the height of the office on the 30th floor,” Kovacs said. “All of that lends to a much nicer working environment for them to be flexible and adaptable.”

Kovacs said some employees prefer to work in the dark or in less light, so they also created rooms with dimmers that allow employees to adjust light to their preferences.

## Branding integration

Branding plays a large part in modern office design as well.

“We were rebranding at the time (the office was designed) to the logo you know today,” Robertson said. “We considered how that would be represented in the space and how we brought the brand to life inside the four walls of the office would help people live the brand every single day.”

Richardson said the new White Castle headquarters, opened Feb. 2, represents the company’s devotion to their mission, “creating memorable moments every day.”

“Storytelling about who we are and why we exist is integrated into the entire building,” he said. “Whether it’s the slide from the second floor to the lobby that represents our frozen food division and the sliders we make there, or our White Castle throne with appropriate Latin inscriptions on the arms (when translated, ‘I crave therefore I am,’ and ‘hot, fresh steamy buns’).”

The headquarters also includes a café that features their restaurant menu items, as well as some other choices. Richardson said this space promotes their food, but also encourages employee interaction during lunchtime and breaks.


*GBQ Partners*

## Technology leads

As for Cohen & Company, Kovacs said they encourage each office to portray the personality of their clients and the communities they work in through the design of the office.

“Our client practice here focuses a lot on technology companies, software, robotics and health care. So, the office is a blend of sort of new technology – it feels more like a technology firm office,” he said. “And with a look back to the industrial past of a city like Pittsburgh that was such an important part of the Industrial Revolution over the last 120 years, it fits.”

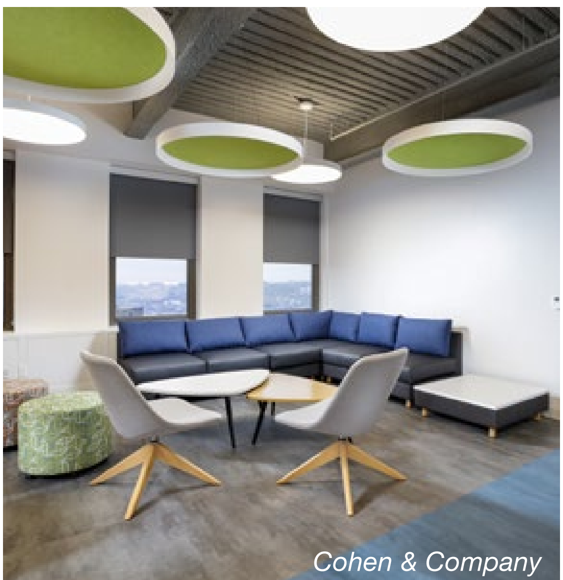
Technology is one of the biggest aspects of these offices, especially for Cohen & Company.

“We're constantly using collaborative technology like Zoom meetings, WebEx meetings, trying to just reduce the amount of travel between offices and collaborate with each other,” Kovacs said. “And that's why we have screens everywhere now. We've really gone away from using any paper whatsoever.”

Why have offices made design changes like these? To meet the needs of 21st century clients, customers, and employees, and foster happiness and contentment in the workplace.

“When you walk into a space that feels lively and bright and open and welcoming,” Robertson said, “you have that vibe at work.”

*Interested in learning more? Hear about the transformation to a digital office at all four accounting shows and Cincinnati & Dayton Spring CPE. Go to* ***my.ohiocpa.com*** *to register.*



*Cohen & Company*

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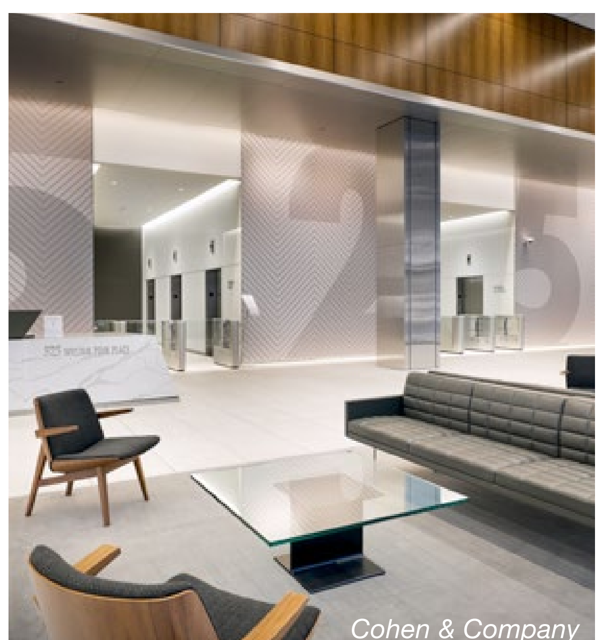

*Cohen & Company*

# Students, professionals prep for the future by creating bots

*By Jessica Salerno, OSCPA senior content manager*

Undergraduate students interested in accounting are discovering it's much more than just debits and credits as they learn how to create bots in Wendy Tietz's classroom.

"It's a lot easier to talk about something that you've actually done than to think it's just a big black box that things go in," said Tietz, CPA, accounting professor at Kent State University, belonging to the University Partner program with The Ohio Society of CPAs.

Tietz's work with robotic process automation (RPA) is meant to expose students to a developing side of the business world that will help eliminate rote, repetitive tasks. The students taking this class aren't all accounting majors, and Tietz uses it as an opportunity to show a different side of the profession that some might not expect.

"All these tools that I'm teaching, they didn't exist five years ago. Or if they did, they were completely different than they are now," Tietz said. "And everything's changing so fast. And we need to have people that adapt rapidly, that aren't scared to get their feet wet to try it."

The students that thrive in accounting are those who are analytical, Tietz said, and are able to adjust to a wide variety of tools while being agile with changing technology.

Changing technology is what inspired Heidi Hanan, a senior accounting major at Kent, to contact Tietz about RPA opportunities at the school. After attending a conference last fall where speakers highlighted the growing impact and value of the technology, Hanan wanted to learn more.

She appreciates the application of these tools, as she can apply them to real-life work situations. Hanan is a nontraditional student who has gone back to Kent to complete her degree while she continues working in the accounting department at Mickey Thompson Tires, a job she's held for 14 years.

After talking more about RPA, Tietz and Hanan decided to partner together on an independent study project where Hanan creates a bot to run daily hypothetical company reports to aid in decision-making, such as needed or missing inventory, freeing up the owner to focus on more analytical tasks.

"It's going to become prevalent in businesses," Hanan said. "And if they bring in automation, I want to be on the forefront of it and if I already know how to do this then I can say 'Let me create the bots for you.'"

Her foresight is already paying off, as she is in the process of working with her managers at Mickey Thompson on a proposal to evaluate if RPA software at the company would be beneficial.

"This is the work environment they're going to face," Tietz said. "I just think it's so important because that's what the workplace is going to look like and it's where we're going very rapidly."

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# ACLA prepares students for business environment

*By Jessica Salerno, OSCPA senior content manager*

The transition from college to the “real world” can be tough, but with programs such as The Ohio CPA Foundation’s Accounting Careers Leadership Academy (ACLA), students can feel prepared for all aspects of professional life.

“We really learned how to connect with individuals within business, with fellow peers, as well as with folks across different generations,” said Kayla Campbell, who attended ACLA in 2018.

ACLA is a conference that engages college students from traditionally underrepresented populations in the accounting careers pipeline. Campbell is a senior accounting major at The Ohio State University and said ACLA helped her become more familiar with the different skills necessary when working in an office environment with a wide range of people.

On the first day of ACLA attendees participated in a tabletop networking session where they sat with people they hadn’t met or interacted with extensively and were given prompts to find commonalities and differences. Campbell said this was useful as a way to practice talking to people with different experiences and backgrounds than her own.

Later at the career fair, attendees had the chance to interact with recruiters from public accounting and the corporate sector. Campbell said talking to recruiters in a supportive environment was good practice for future career fairs and interviews.

Students had the chance to interact with experienced accounting professionals at a luncheon where Campbell said she learned more about varying office environments, business etiquette and transitioning from college into the business realm.

“ACLA helped me to recognize not all offices are the same and business is not a square,” she said.

The exposure to different people and environments has made an impact in her understanding of how to navigate the working world, Campbell said, and more knowledgeable in the type of characteristics needed to be successful.

“It helped me to learn how to navigate different spaces, whether that be a meeting or working on a project,” she said. “And helped me to become more confident in those spaces.”

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# members in motion

## AKRON

**Mark Lapikas, CPA, CGMA, MTax, MBA,** of Apple Growth Partners has been named one of the upcoming National Sales and Marketing Executives Achievements in Excellence Award recipients for 2020.

## CINCINNATI

**Tricia Austing, CPA,** and **Lydia Ritze, CPA,** have been named partners at Cassady Schiller.

**Crystal Faulkner, CPA,** of MCM CPAs & Advisors has joined Alliantgroup Strategic Advisory Board.

## CLEVELAND

**A'Shira Nelson, CPA,** has joined Apple Growth Partners as tax manager.

**Brandon Miller, CPA, CGMA,** has been promoted to CEO at HW&Co.

**Paul Gregory, CPA,** has been named equity principal at Rea & Associates.

**HW&Co.** has successfully merged in Finkler & Company CPAs.

## COLUMBUS

**Azra Nakicevic, CPA,** has been named partner at GBQ.

**Clarus Partners and Blue** and **Co.** have announced their merger effective December 2019.

**GBQ** has acquired Toledo-based firm Weber Clark, Ltd.

**Kaiser Consulting** was honored by The Columbus Foundation for being named the best in the U.S. for accomplishments in the field of accounting during 2019.

## NEW PHILADELPHIA

**Rea & Associates** donated more than 34,000 pounds of food to Ohio nonprofit organizations.

## TOLEDO

**William Vaughan Company** has been named one of the top workplaces by The Blade for the seventh consecutive year.

## WATERVILLE

**Mary Jo Pitzen, CPA,** has been promoted to partner at Gilmore Jasion & Mahler Ltd.

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