

*An exclusive interview with*

**Barry C. Melancon, CPA, CGMA**

**President and CEO**

**American Institute of Certified  
Public Accountants (AICPA)**

**What achievements are on your credit as the President American Institute of Certified Public Accountants?**

We have worked on a number of initiatives to benefit not only the profession, but also investors, business owners, lenders and the general public. These initiatives include audit quality centers; an Audit Committee Effectiveness Center; private company reporting standards; eXtensible Business Reporting Language (XBRL); the computerized CPA exam; and two consumer financial literacy education programs. Most recently, we launched the new Chartered Global Management Accountant (CGMA) designation with the Chartered Institute of Management Accounting (CIMA) to elevate management accounting globally.

**AICPA and CIMA-UK has last year issued a new Chartered Global Management Accountant (CGMA) professional credential beginning from 2012. Could you tell us more about this joint venture?**

The AICPA and CIMA have partnered to elevate the profession of management accounting by establishing global quality standards through the Chartered Global Management Accounting designation. Business is in flux amid unprecedented economic, technological and social change, and business leaders need a new breed of professional who can bridge the gap between strategy and finance. CGMA is a global management accounting designation that demonstrates the skill-set needed to meet these challenges. CGMAs have a strong grounding in their own area of expertise and a multidisciplinary perspective. They understand how different parts of a business need to come together to create value; can communicate and influence colleagues to drive success; and have the agility and adaptability to manage the business opportunities and risks in today's fast-paced business world.

**What are the pre-requisite for becoming a good accountant?**

First and foremost, accountants must have unimpeachable integrity. We recently released a report with CIMA that found management accountants face increasing pressure around the world to compromise their organizations' ethical standards. The pressure is especially pronounced in developing economies; 51 percent of those in Pakistan, for instance, said they sometimes or always feel this pressure from their colleagues or manager. Management accountants guide critical, strategic decisions that must not be compromised by ethical lapses. In addition to a strong ethical compass, management accountants must have analytical rigor, a commitment to lifelong learning and thrive in uncertain, complex environments.

**How does your Institute maintain a balance between theoretical, practical and balanced education?**

Most of our education on theoretical subjects occurs in university, prior to new professionals entering the accounting profession. Once



Barry C. Melancon is the President and Chief Executive Officer at the American Institute of Certified Public Accountants (AICPA), the national professional association of CPAs, with more than 377,000 members worldwide. He directs the Institute's operations in New York; Durham, N.C.; and Washington, D.C.

As head of the largest body of CPAs in the world, Melancon is called upon to represent the Institute with state, national and international organizations and is sought after by key opinion leaders for his expertise.

Under Melancon, the Institute has spearheaded a number of initiatives designed to benefit not only the profession, but also investors, business owners, lenders and the general public. These include audit quality centers; an Audit Committee Effectiveness Center; private company reporting standards; eXtensible Business Reporting Language (XBRL); the computerized CPA exam; and two consumer financial literacy education programs.

Under Melancon's leadership, the AICPA and the Chartered Institute of Management Accountants (CIMA) developed a joint venture to establish the Chartered Global Management Accountant (CGMA) designation to elevate management accounting globally.

Prior to joining the AICPA, Melancon served for eight years as Executive Director of the Society of Louisiana CPAs. He began his accounting career in 1979 at a small CPA firm in Louisiana. In 1984, he was elected a firm partner. Melancon graduated in 1978 from Nicholls State University in Louisiana, majoring in accounting with a minor in government. He also earned an MBA in 1983 from Nicholls State University and subsequently served as an adjunct professor of accounting at his alma mater for four years.

CPAs begin practicing, they are much more interested in the practical application of theoretical concepts and in any changes in professional standards, laws and regulations that occur. In the United States, theoretical changes tend to occur infrequently, and as a result, the majority of our continuing professional development offerings focus on practical application of established standards.

A greater challenge for us is whether to offer education to our members on proposed standards and regulations before they are enacted. Historically we have chosen to train our members on the new standards, rules, and regulations only after they are finalized. Increasingly, however, we have found that our members find great value in learning about many regulatory and professional standards developments during the drafting process prior to final release. This information allows them to be more responsive to client requests and to structure planned transactions to comply with the latest standards.

**Don't you think that development of automated-computer based accounting systems will contribute to unemployment?**

On the contrary, technology is creating great opportunity for CPAs by making them more productive and better able to meet their clients' needs. Most business owners want a trusted advisor to help them with critical decisions, and CPAs who make use of cloud computing, mobile applications and other innovations are able to provide better information and guidance to their clients. Smaller firms that may not be able to afford a chief financial officer, for example, can rely on a CPA if he or she makes use of the right technology solutions to provide forward-looking analyses and financial insight. For their part, accounting professionals benefit by performing fewer repetitive tasks and spending more time on higher-margin services.

**How do you see the role of public accountants in good governance of government organizations?**

Around the world, citizens are demanding more transparency and accountability from their governments. These trends underscore the critical role that public accountants play within government organizations. In the U.S., CPAs serve the public interest and are trained to ensure the complete, unbiased and accurate disclosure of information to help taxpayers and leaders make better informed decisions. CPAs are a linchpin of good government and the demand for their skills will only continue to grow.

**Which is the most challenging element in today's world for the emerging Accountants?**

Two words: Speed and complexity. We face unprecedented complexity in a world that can change at the speed of a Tweet. Those entering the profession must be agile and adept, able to quickly translate voluminous data from across an organization into actionable insight that drives better decision making. This requires deep functional knowledge and broad business acumen, a global perspective to connect the dots and a commitment to ongoing education. These attributes are a cornerstone of the CGMA designation and why it is so important now.

**With the advent of so many options of profession in the present era, what do you think which profession would be in great demand and how do you see the**



**profession of accounting in particular?**

The demand for CPAs and CGMAs will increase for the foreseeable future. CPAs help make sense of complexity. And every day the world grows more complex. This translates to growing demand for the skills that CPAs bring to bear across the financial spectrum -- in the boardroom, in the C-suite and in the lives of people through tax and financial planning services. No matter how you choose to use the CPA, the opportunities are nearly limitless.

**It is said that Accountants never die, they just loose their balance. Is this statement still valid?**

While this is an old joke about accountants, the reality is that the accounting profession provides numerous and growing opportunities for professionals at all stages in their career. In fact, we're seeing those who could retire choosing to keep working because of the passion they have for their work.

**Both AICPA and ICMA Pakistan are the members of IFAC. How can both partner to promote the profession of public and management accountancy?**

IFAC plays an important role in establishing global auditing and ethics standards. With other members of IFAC we can work to be responsive to public interest concerns, effectively prepare accountants for the future and work to ensure auditing and management accountants have high levels of competency to deliver on our goal of meaningful and transparent financial reporting.

**Anything you would like to share with our readers.**

While the future is bright for accountants, we must work in order to evolve our role as well, embracing technological changes and public demands and to be committed to evolving our competencies. We must also embrace the notion of changing the financial reporting model through efforts like the IIRC (International Integrated Reporting Council).

**What message you would like to give to the accounting community in Pakistan?**

The concept of globalization in business is no longer something for the future, it is here today. Accounting, accounting professionals and financial reporting are key enablers to a truly global business environment.

*The interview ended with a vote of thanks to Mr. Barry C. Melancon, CPA, CGMA, President and CEO, American Institute of Certified Public Accountants (AICPA) a distinguished professional who spared his valuable time and gave his candid views. – Editor*

