

University of Mississippi

eGrove

---

Guides, Handbooks and Manuals

American Institute of Certified Public  
Accountants (AICPA) Historical Collection

---

1975

## AICPA Fact Book

American Institute of Certified Public Accountants (AICPA)

Follow this and additional works at: [https://egrove.olemiss.edu/aicpa\\_guides](https://egrove.olemiss.edu/aicpa_guides)



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

---

### Recommended Citation

American Institute of Certified Public Accountants (AICPA), "AICPA Fact Book" (1975). *Guides, Handbooks and Manuals*. 1017.

[https://egrove.olemiss.edu/aicpa\\_guides/1017](https://egrove.olemiss.edu/aicpa_guides/1017)

This Book is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Guides, Handbooks and Manuals by an authorized administrator of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

# AICPA Fact Book

American Institute of  
Certified Public Accountants

## **The Organization**

The American Institute of Certified Public Accountants is the national society of CPAs devoted to organizing the body of knowledge, conducting research, and enforcing technical and ethical standards of the profession. Its purpose is to guide the profession's development along lines that serve the broadest public interest. Tracing its origin to 1887, the Institute has grown steadily, increasing its membership at an annual rate of 10 percent. Presently, the Institute serves more than 110 thousand members in public practice, industry, government and education.

The chairman of the Institute is elected from the membership for a one-year term, along with a vice chairman, three vice presidents and a treasurer. The chief executive officer is President Wallace E. Olson, CPA. From its headquarters in Manhattan, the Institute conducts national programs on professional education, technical standards, research, publishing and other activities. Its Washington office is a two-way informational source, providing CPAs with current information on government programs and furnishing officials in the executive and legislative branches with data and analyses useful in the development of agency regulations and legislation.

Institute programs and policies are determined by a governing Council, consisting of 250 members representing every state and U.S. territory. The Council meets twice a year.

Some 160 boards, committees and task forces comprising more than a thousand volunteer CPAs carry on Institute policy-making activities, supported by a full-time staff of nearly four hundred. In the course of a typical year, the Institute holds 650 meetings, ranging from an annual meeting attended by two- to three-thousand members to small committee sessions. Further, the Institute handles more than 90 thousand incoming phone calls, receives over 700 thousand pieces of mail, greets more than 25 thousand visitors and has an annual sales of publications amounting to nearly \$3 million. Annually, the Institute issues 40 million items of information—periodicals, courses, books, brochures, technical pieces, and other materials to members and the public.

## Objectives

The main objectives of the Institute are (1) to provide the accounting profession in the U.S. with a broad series of programs designed to maintain and improve the quality of its services, (2) to promote and maintain high professional standards of practice, and (3) to enable the profession to make its fullest contribution to the public through consultation and cooperation with other organizations active in accounting and related fields.

## Professional Standards

Major emphasis is placed upon the development of professional standards, particularly as they pertain to accounting, auditing, taxation, management advisory services, and ethical conduct. This function is carried out by the following Institute bodies.

**The accounting standards division** consists of an executive committee, subcommittees, task forces and a permanent staff. It presents the Institute's position on current accounting matters to the Securities and Exchange Commission, the Cost Accounting Standards Board, the New York Stock Exchange, the Financial Accounting Standards Board, and other groups having regulatory powers affecting accounting and financial reporting. Prior to the establishment of the FASB in 1973 as the private sector authority on accepted accounting standards, the Institute's Accounting Principles Board carried out this function and, with its predecessor committee, issued some ninety pronouncements on accounting practice over a period of 35 years. The division now issues Statements of Position on accounting matters which serve as guidelines until formal pronouncements are put forth by the FASB.

**The auditing standards division** is the Institute's policy-setting body on auditing matters. Consisting of an executive committee, subcommittees, task forces and staff, it issues Statements on Auditing Standards, Auditing Interpretations and Industry Audit Guides. Institute pronouncements on

auditing have provided authoritative guidance for independent auditors since 1939 when the first statement on auditing was issued. Since then more than sixty auditing pronouncements have been issued. The Institute's Code of Ethics requires adherence by the membership to generally accepted auditing standards, recognizes Statements on Auditing Standards as interpretations of the basic auditing standards, and requires that members be prepared to justify any departure from such Statements.

**The federal tax division**, the Institute's policy-setting body on tax matters, regularly presents its views on tax measures to Congress, and issues tax policy statements. It offers continuous assistance to the Treasury Department and Internal Revenue Service on problems related to the administration of tax laws and maintains liaison with other professional tax bodies.

**The management advisory services division**, with an executive committee, subcommittees, task forces and staff, provides assistance to members engaged in MAS practice — the task of helping management solve either operating or policy questions. It issues guidelines and standards on what are considered to be the best professional practices and publishes technical studies on a variety of specialized subjects.

**The international practice division** implements and coordinates the Institute's increasing commitment to the development of international accounting and auditing standards. It maintains cooperative relations with professional accounting bodies in other countries and represents the Institute on the ten-nation International Accounting Standards Committee which formulates worldwide standards for financial reporting.

**The technical research group**, a staff body, conducts research in financial accounting and reporting, auditing, management advisory services and international practice. It provides a continuing consultation service for members inquiring about technical matters. The group also administers an electronic information retrieval system which provides access to data on many thousands of

corporate financial statements and to accounting literature. With computer terminals located throughout the U.S., the system is a cooperative effort with a number of CPA firms, the FASB, and the SEC. Non-participating firms can use the system through the Institute's facilities.

**The computer services division** develops standards and techniques for the auditing of computer-based financial systems. It monitors developments in data processing and provides information to the members about the impact of EDP on auditing, client services, and the internal management of accounting firms. On an annual basis, the division sponsors a 2½-day computer conference in a major city. In addition, the division is responsible for the Institute's internal computer processing.

**The professional ethics division** interprets and administers the Institute's Code of Professional Ethics, which sets forth members' responsibilities with regard to independence, integrity and objectivity, competence, adherence to technical standards and responsibilities to clients and colleagues. It investigates complaints against members and, if justified, disciplines them administratively or summons them before the Institute's Trial Board, which has the power to acquit, admonish, suspend or expel a member and, if warranted, to seek revocation of his right to practice.

**The financial and practice management division** develops programs, information, published documents and consultative reviews on administrative and technical aspects of accounting practice. This includes *quality review programs* designed to assist firms of all sizes to maintain standards of practice through peer reviews of their professional work and administrative procedures. The division's staff assists a *practice review committee* in evaluating reports and financial statements that appear to deviate from professional standards and in preparing the committee's correspondence with the reporting CPA. The division also studies, recommends and implements programs to meet the professional needs of CPAs in industry, finance and government.

## Major Continuing Services

The Institute staff, working with related committees, offers the following services to the members and others involved with accounting.

**The uniform CPA examination**, prepared and graded by the Institute and administered by each state, is the nationwide qualifying test for CPA candidates. The rigorous 2½-day examination is given in May and November at 91 locations in all the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands and Guam. More than seventy thousand candidates now take the exam each year.

**Continuing professional education** is carried out by a staff division, guided by an executive committee. The division prepares and conducts courses on professional subjects and assists state societies in using these courses and in implementing their own programs. More than sixty thousand persons currently participate in approximately two thousand seminars, training programs or courses held each year.

**The education division** encourages the improvement of educational standards for CPAs through close liaison with colleges and universities. It develops Institute educational policy, prepares forms for accounting personnel testing, and promotes interest in accounting careers.

**Federal government relations** is handled by a special staff in Washington. Agencies of the federal government, such as the SEC and the Treasury Department, frequently consult the Institute in regard to accounting problems. The Institute's *federal government division* makes the profession's services available to the government and, in turn, advises members of governmental developments affecting them. A weekly *Washington Report* on current developments in the capital relating to accounting is published for distribution to subscribers.

**The publications division** administers the Institute's periodicals and other publications. The *Journal of Accountancy*, which first appeared in 1905, has become the leading American monthly journal in the field, with more than 185 thousand sub-

scribers, among whom are practitioners, business managers, government officials, educators and all members of the Institute. Another monthly magazine, *The Tax Adviser*, reports on policies and technical developments in the tax field. *The CPA Letter* provides members and subscribers with a semi-monthly alert on accounting developments. Some thirty-five technical books and pamphlets are published each year, running into hundreds of thousands of copies.

**The AICPA library** maintains the most comprehensive collection in the U.S. of published materials on accounting and related topics. It contains more than 15 thousand volumes and 43 thousand other documents, maintains a reading room and an extensive mail circulation service, and answers some 40 thousand inquiries a year.

**The state society relations division** coordinates program activities of the AICPA with those of state societies of CPAs, including national and regional conferences on implementation of various professional programs. It also administers a program of accounting aid for minority businesses. In addition, the Institute promotes minority recruitment into the profession — providing scholarships and other aids from a \$1 million fund pledged over the last six years by accounting firms, corporations, and individual CPAs.

**The public relations division** disseminates information about the profession, reports on Institute activities and responds to inquiries from the communications media and the general public.

## **A Description of Public Accounting**

Accounting is a discipline which provides financial and other information essential to the efficient conduct and evaluation of the activities of any organization. . . . It includes the development and analysis of data, the testing of their validity and relevance, and the interpretation and communication of the resulting information to intended users. The data may be expressed in monetary or other quantitative terms, or in symbolic or verbal forms. (Statement issued by the Council of the Institute, 1967.)



**American Institute of CPAs**

1211 Avenue of the Americas  
New York, N. Y. 10036  
(212) 575-6200

**Washington office:**

1620 Eye Street, N.W.  
Washington, D.C. 20006  
(202) 872-8190