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Why you should join the private companies practice section

American Institute of Certified Public Accountants. Division for CPA Firms

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(1985)

The PCPS of the Division for CPA Firms has taken a number of steps to broaden its focus and to make membership more relevant to firms of all sizes. This leaflet describes benefits your firm can receive from membership.

Founded in 1977, the Division for CPA Firms is an integral part of the American Institute of Certified Public Accountants. The Division consists of two sections, the Private Companies Practice Section and the SEC Practice Section. Together, through the Division for CPA Firms, they have this purpose:

To strive for professional excellence in the manner in which CPA firms practice and to assure the public of the quality of accounting and auditing services through an effective peer review and continuing education program.

Membership in the Division is voluntary and firms may join either or both sections. Many firms have joined both. However, the Private Companies Practice Section—PCPS—is primarily intended to meet the needs of firms serving smaller, nonpublic clients.

Division for CPA Firms

AICPA

Why You

Should Join the

Private Companies

Practice Section

American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, N.Y. 10036-8775

Benefits of PCPS Membership

The benefits of membership in the Private Companies Practice Section of the Division for CPA Firms have grown dramatically. Those benefits, summarized below, are available to *your* firm.

Demonstrated commitment. Through peer review and other membership requirements, member firms publicly demonstrate their commitment to quality service to their peers, their personnel, their clients and their communities. Moreover, the Division's new public information program is communicating actively this important message.

Quality assurance and improvement. Member firms are better firms today because of peer review and the self-examination that it entails. These firms expect to prosper and grow regardless of business cycles or competition.

Support for self-determination. A strong PCPS helps the profession respond to pressures at both the federal and state level for increased regulation of accounting practice.

A stronger voice. Member firms provide strength as well as input to the PCPS and its Technical Issues Committee, which speaks out on behalf of the CPAs who serve private companies.

Member consultation service. Member firm personnel experienced in almost 200 different industries have volunteered to consult by phone with fellow members on those industries' unique accounting, auditing, and tax aspects.

A member services committee. An established committee continues to seek ways in which PCPS can assist and serve member firms. As a member, your input would be encouraged.

Do Small Firms Really Benefit?

Yes!

More than 250 sole practitioners and another thousand firms with five or fewer partners already are receiving the benefits of membership. These numbers should grow rapidly as the public becomes more aware of the significance of membership.

Are There Peer Reviews Suitable for Small Firms?

Yes!

Relevant peer review options. Firms that perform no audits now may elect to meet the PCPS peer review requirements by having a "report review"—a review that does not call for the reviewer to visit the firm. This significantly reduces costs, and the firm still gains assurance as to the general quality of the financial statements and reports that leave its office. Also, all PCPS member firms with up to 20 professionals have been able for some years to elect an "engagement-oriented" approach to peer review that usually is more relevant to their practices.

Consulting reviews. PCPS also can arrange a one-day, confidential consulting review. Conducted by an experienced reviewer, this service is intended to help firms decide whether they are "ready" for peer

review. Half the fee can be applied later to the cost of the firm's first peer review. This offer is available to both members and nonmembers.

A focus on improvement. One peer review out of every seven has uncovered major problems. However, members of the peer review committee and its staff work with these firms to help them make corrections and improvements. For all concerned, the overriding objective is to improve quality and prevent future problems. Firms willing to work towards improvement need have no fear of public sanctions.

What Does Membership Involve?

Annual dues are minimal—\$25 to \$100, depending on firm size. You must carry liability insurance, and each professional in your firm must average 40 hours of continuing professional education per year. You must have a peer review within a year of joining.

Mostly, though, membership involves a real sense of professional satisfaction and pride that will be shared by your partners, personnel, and clients.

For more details, send your business card to:

AICPA Division for CPA Firms
PCPS Information Program
1211 Avenue of the Americas
New York, New York 10036-8775

Or telephone (212) 575-6446.