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Activities of the Private Companies Practice Section



Reporter

Published by and for the Members of the Private Companies Practice Section of the AICPA Division for CPA Firms

Editor: John R. Mitchell

Your Printed Image

A particularly well received feature of the 1982 PCPS Conference was a presentation by Norman S. Rachlin on "Your Printed Image—You Never Have a Second Chance for a Favorable First Impression." In a lively and fast paced hour and a quarter, Mr. Rachlin emphasized the importance of "hard copy" in projecting a favorable and lasting image of a firm.

He illustrated opportunities that a CPA firm has in connection with its daily accounting, auditing and tax practice. The presentation also covered the development and use of firm brochures and newsletters, and the techniques that member firms have used to publicize their peer reviews.

During his presentation Mr. Rachlin led the registrants page by page through a portfolio of materials that his firm (Rachlin & Cohen) and others have used to enhance their image. Even without Mr. Rachlin's incisive commentary, this portfolio and the materials cited in its bibliography could be helpful to almost any PCPS firm. To receive a copy, write the Director, Private Companies Practice Section, at the AICPA.

PCPS Committee Profile

The Section's activities are conducted by or under the direction of three committees. The Executive Committee establishes the Section's general policies and oversees all its activities. It is appointed by the Institute's incoming Chairman of the Board with the approval of the Board and the existing Executive Committee. The committee consists of representatives of 21 member firms, with staggered three-year terms.

The Peer Review Committee (PRC) establishes standards for conducting reviews and administers the peer review program. It consists of 15 persons from member firms, appointed by the Executive Committee. The AICPA's Council established these two committees and prescribed their respective responsibilities and functions.

In late 1979 the Executive Committee created the PCPS Technical Issues Committee (TIC) and charged it with identifying and developing substantive comments on major technical issues that would have a significant effect on private companies and the CPA firms that serve them. (Earlier, a task force composed of Executive Committee members performed this function.) Several months later the TIC was authorized to present views, on

behalf of the Section, to other divisions of the Institute without prior approval. The TIC now consists of 12 partners of member firms, with about four being appointed each year by the Executive Committee.

All 48 members of these committees come from different firms. They are based in 29 different states. By design, the composition of the committees is reasonably well balanced geographically, although to date all members have been from the 48 contiguous states or the District of Columbia.

Twenty-seven of the firms represented are members of the PCPS only, and 21 are also members of the SEC Practice Section. Fourteen of the firms have a total of 27 SEC clients. Seven of the firms with SEC clients have only one such client each.

The 48 firms represented have a total of 349 partners, including one sole practitioner. Here is an analysis:

Number of Partners	Number of Firms			
	All Three Committees	Exec	PRC	TIC
1	1	1	—	—
2-5	21	7	9	5
6-10	17	9	4	4
11-25	9	4	2	3
	<u>48</u>	<u>21</u>	<u>15</u>	<u>12</u>

Twenty-five of the firms have just one office. Five firms have six or more offices.

All told, the firms have 1,717 professionals, which include 1,065 CPAs. Four of the firms have just two to five professionals each, and six of them have two to five CPAs each.

Averages can be misleading because of the distortion introduced by a few relatively large firms. On average, the 48 firms represented on the three PCPS committees have two offices, seven partners, 22 CPAs and 36 professionals each.

Each year the Section writes to the managing partners of all member firms requesting nominations or volunteers for service on PCPS committees. To achieve an appropriate balance, nominations of individuals from smaller member firms would be particularly welcome.

These statistics are based on data in the PCPS files in mid-summer. One committee member's firm has since merged with a much larger firm.

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PCPS Committee Rosters

Here are the rosters of the three PCPS committees. The abbreviations following the names of each Executive Committee member indicate the states assigned to that member for liaison purposes.

These committee members are your representatives, and they will welcome your suggestions, comments and questions. (If you want to bring something to the attention of a full committee, address your communication to the committee in care of the Director, Private Companies Practice Section, at the AICPA.)

Executive Committee 1982-83

- W. Thomas Cooper, Jr.*, Chairman, Potter & Co., Suite 2000, Commonwealth Bldg., Louisville, KY 40202. (KY)
- Thomas L. Aman*, Toothman Rice & Company, P.O. Drawer 2408, Goff Bldg., Clarksburg, WV 26301. (VA, WV)
- R. Phillip Baker*, Baker Baker and Baker, PC, 13747 Montfort Drive, Ste. 310, Dallas, TX 75240. (AZ, NM, OK, TX)
- Dennis R. Baumert*, Marvin E. Jewell & Co., 405 Executive Building, Lincoln, NE 68508. (KS, NE, SD)
- Claude E. Blankenship*, Blankenship Summar & Associates, Suite A, Parkway Towers, Nashville, TN 37219. (NC, SC, TN)
- Monte R. Bluske*, Bertelson Company, 713 Kenney Avenue, P.O. Box 690, Eau Claire, WI 54701. (MI, WI)
- Bruce S. Botwin*, Botwin & Co., PA, 1060 Kings Highway North, Cherry Hill, NJ 08034. (DE, NJ)
- James A. Butchart*, Butchart & Associates, P.O. Box 629, Canton, MS 39046. (AL, MS)
- Robert H. Jenne*, Murphey Jenne & Jones, 240 N. Church Street, P.O. Box 1360, Decatur, IL 62525. (IL, MO)
- Thomas A. Mahoney*, Mahoney Cohen & Company, 330 Madison Avenue, New York, NY 10017. (NY)
- Charles McMonigle*, Monroe Shine & Co., P.O. Box 1407, New Albany, IN 47150. (IN, OH)
- Howard A. Mesh*, Mesh Dick Cherkas & Co., 2121 Ponce de Leon Blvd., Coral Gables, FL 33134. (FL, GA, PR, VI)
- L. Martin Miller*, Cogen Sklar Levick & Company, 225 City Line Avenue, P.O. Box 1000, Bala Cynwyd, PA 19004. (PA)
- Bert N. Mitchell*, Mitchell Titus & Co., Two Park Avenue, New York, NY 10016. (CT, RI)
- Karen M. Moody*, Own Account, P.O. Box 765, Sheridan, WY 82801. (CO, MT, UT, WY)
- Kikuo Nakahara*, Greene Nakahara & Arnold, 1939 Harrison Street, Ste. 500, Oakland, CA 94612. (CA, GU, HI, NV)
- John T. Schiffman*, Smith Batchelder & Rugg, Lyme Road, Hanover, NH 03755. (MA, ME, NH, VT)
- Donald L. Schoedel*, Schoedel & Schoedel, 1420 Old National Bank Bldg., Spokane, WA 99201. (AK, ID, OR, WA)
- Richard D. Thorsen*, Thorsen Campbell Rolando & Lehne, 5353 Gamble Drive, Ste. 300, Minneapolis, MN 55416. (IA, MN, ND)

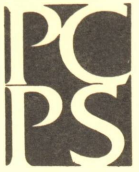
- Alfred M. Walpert*, Walpert Smullian & Blumenthal, The Lafayette Building, Ste. 300, 40 West Chesapeake Avenue, Baltimore, MD 21204. (MD, DC)
- C. Cody White, Jr.*, Heard McElroy & Vestal, P.O. Box 1607, Shreveport, LA 71165. (LA, AR)

Peer Review Committee 1982-83

- Morris I. Hollander*, Chairman, Siegel Bible, 2401 Dutch Valley Road, P.O. Box 5099, Knoxville, TN 37918.
- David J. Bailey*, Bailey & Taylor, 760 First International Bank Bldg., San Antonio, TX 78201.
- Jon A. Barrows*, Bolan, Vassar & Barrows, 222 West Osborn Road, Ste. 400, Phoenix, AZ 85013.
- Francis J. Candia*, Holtz, Rubenstein & Co., 445 Broadhollow Rd., Melville, NY 11747.
- Robert C. Dahla*, Hood and Strong, 555 California Street, Ste. 3280, San Francisco, CA 94104.
- Arthur W. Hoffman*, Mayer Hoffman McCann, 420 Nichols Road, Kansas City, MO 64112.
- Ronald S. Katch*, Katch, Tyson & Company, 221 North LaSalle Street, Ste. 863, Chicago, IL 60601.
- Ray W. Markham*, Smoak, Davis & Nixon, 1514 Nira Street, Jacksonville, FL 32207.
- George E. Marucci*, Marucci, Ortals, Annett & Company, 133 Long Lane, Upper Darby, PA 19082.
- Fred G. McCulloch*, Boyd, Olofson & Co., Chinook Tower, Box 4085, Yakima, WA 98901.
- Charles H. Millsaps*, Payne, Miller & Oliphant, 715 Market Street, Ste. 250, Chattanooga, TN 37402.
- David E. Peeler*, Vilmure, Peeler & Boucher, 13215 East Penn St., Ste. 615, Whittier, CA 90602.
- James L. Pioso*, Nankin, Schnoll & Co., 700 West Michigan Street, Milwaukee, WI 53233.
- Clinton J. Romig*, LaPorte, Sehrt, Romig & Hand, 2475 Canal Street, New Orleans, LA 70119.
- Richard L. White*, Grimsley, White & Company, 605 North Ninth, Rocky Ford, CO 81067.

Technical Issues Committee 1982-83

- Sandra A. Suran*, Chairman, Suran & Company, 1600 SW Cedar Hills Blvd., Suite 100, Portland, OR 97225.
- J. Frank Betts*, Ross Eubank Betts & Co., P.O. Box 16090, Jackson, MS 39236.
- James G. Castellano*, Rubin Brown Gornstein & Co., 230 South Bemiston, St. Louis, MO 63105.
- Steven N. Fischer*, Urbach Kahn & Werlin, PC, 66 State Street, Albany, NY 12207.
- Paul J. Fouts, Jr.*, Finn & Company, 9595 N. Whitley Drive, P.O. Box 40806, Indianapolis, IN 46240.
- Michael W. Houston*, Mauldin & Jenkins, P.O. Box 3069, Albany, GA 31708.
- Kenneth W. Huffman*, Keeler Phibbs & Company, 306 East Market Street, Harrisonburg, VA 22801.
- Al Iverson*, Dee Gosling & Company, 118 S. Clinton Street, Iowa City, IA 52240.
- Charles D. Lindley*, Greene Lindley & Company, P.O. Box 1406, Anderson, SC 29622
- Curtis M. Lund*, Larson Allen Weishair & Co., 1560 Shelard Tower, Minneapolis, MN 55426.
- Robert S. Mickey, Jr.*, Danielson Schultz & Co., PC, P.O. Box 15038, Lansing, MI 48901-5038.
- Melvin A. Steinberg*, Laventhol & Horwath, 6677 N. Lincoln Avenue, Chicago, IL 60645.



Doors are Open at PCPS Committee Meetings

The PCPS Executive and Technical Issues Committees invite attendance at their meetings by AICPA members interested in the Section's activities, up to the meeting room's reasonable capacity. These meetings provide opportunities to hear current PCPS concerns, and also give CPAs a first hand look at what committee service involves.

Attendance at certain portions may be restricted to committee members—for instance, during discussions of possible disciplinary actions. (Since pre-acceptance consideration of peer review reports occupies a major portion of the Peer Review Committee meetings, these meetings are usually restricted to committee members only.)

Before attending a committee meeting you should contact George E. Hoffmann of the PCPS staff, at (212) 575-7642. Mr. Hoffmann will determine whether space is available, give you the details of time and place, and if practicable send you a copy of the agenda and supporting documents.

Here are the meeting schedules:

Executive Committee

December 6-7, 1982	Denver
March 19, 1983	Chicago
May 4	New York
June 23-24	Boston

Technical Issues Committee

January 20-21, 1983	Salt Lake City
April 29-30	New York
June 20-21	San Diego
August 22-23	Denver

These committees are meeting just before or after the May 1-3 PCPS Conference in New York. With just one trip you could attend a meeting, enjoy the Conference, and visit the "Big Apple!"

Institutional Notes

DIRECTORY NOTICE. As previously announced, the directory of members of the Division for CPA Firms is being mailed this month. It includes members in good standing at September 1. Each firm will receive one copy for each of its offices, with all these copies being mailed to the individual, usually the managing partner, listed in the Division's membership records as the person to contact.

Some states reportedly plan to issue listings of member firms based in a particular state. The Division is cooperating by providing state listings to each state CPA society. A firm that has offices in more than one state is included just in the listing for the state in which it has its main office. Such firms may want to notify the other state(s).

While the Division plans to send Directory copies to a number of interested parties, the PCPS Executive Committee encourages each member firm to distribute additional copies within its own business and financial community. Additional copies are available at a list price of \$.50 apiece by calling the AICPA order department at (212) 575-6426.

PUBLIC RELATIONS. Representatives of Hill and Knowlton presented their findings and recommendations to the Executive Committee in September. The findings were based on in depth telephone interviews with Division members, former members, nonmembers, and the AICPA leadership. The recommendations consisted primarily of a detailed proposal for an ongoing public relations program.

The same report had been presented a few days earlier to the SECPS Executive Committee. A special task force has been appointed to evaluate the reports and develop a specific plan of action. The task force consists of representatives of both sections and of the AICPA Board of Directors.

PEER REVIEW POLICY. Both Sections' executive committees adopted a policy statement recommended by their respective peer review committees. The policy's primary purpose is to eliminate delays in processing peer review reports.

The statement reaffirms certain deadlines for submitting peer review reports. Peer reviewers are ordinarily expected to issue the reports and any accompanying comment letters to the reviewed firm within thirty days of the exit conference. The reviewed firm should then submit the report, comment letter and response thereto within another thirty days. The policy statement outlines expediting procedures and possible disciplinary actions to be considered when these deadlines are not adhered to. It also covers the Division's policy when a firm attempts to resign from membership rather than accept a modified report or take appropriate corrective action. A copy of this "Statement of Policy on the Peer Review Program" has been distributed as a supplement to the *Peer Review Manuals*. The policy is to be effective November 1.

PCPS Reporter

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