September 27, 2017

Via Electronic Mail
Suzanne Jolicoeur, Senior Manager
State Regulatory Outreach
American Institute of CPAs

Dear Ms. Jolicoeur,

On behalf of the 22,000 members of the Pennsylvania Institute of Certified Public Accountants (PICPA), we are writing in support of the AICPA/NASBA Uniform Accountancy Act (UAA) Committee’s proposed management accounting exposure draft. The changes proposed are intended to permit non-CPAs to assume or use management accounting designations, such as Chartered Global Management Accountant (CGMA) and Certified Management Accountant (CMA).

Founded in 1897, the PICPA is the second-oldest and the fourth-largest CPA organization in the United States. Membership includes practitioners in public accounting, industry, government, and education. The PICPA preserves the legacy and propels the integrity of the CPA profession by working with state and federal legislative and regulatory bodies and the public to develop sound public policy in the areas of accounting, auditing, and taxation. Affiliation with the PICPA represents commitment to the CPA profession, including adherence to a code of professional conduct and a stringent set of professional and technical standards.

We believe the Pennsylvania CPA Law provides broad legal discretion to the State Board of Accountancy to properly regulate these designations, and would support such changes to our CPA statute. We understand that there are concerns that the UAA prohibits qualified candidates from using any designation or title that includes the word “accountant” or that could easily be confused with the CPA designation. Specifically, there are concerns that the CGMA and CMA designations will lead to public confusion between them and the CPA credential. Specifically, there are concerns that the CGMA and CMA designations will lead to public confusion between them and the CPA credential.

We believe that the CGMA and the CMA designations are easily distinguishable from CPAs, and the use of these designations by nonlicensees is entirely appropriate. For nonlicensees, the UAA and the Pennsylvania CPA Law prohibit use of the “certified public accountant” and “public accountant” titles, as well as other designations that might lead the public to think that the individual holds a license to practice public accountancy. Specifically, the UAA prohibits titles that include the words “accountant,” “auditor,” or “accounting” when those words are used in conjunction with other language, such as language used in a report, that might lead an individual to believe the person is a CPA. It is the use of the word “accountant” in connection with other language, not simply use of the word “accountant” that results in a violation.
Further, while the UAA and the Pennsylvania CPA Law prohibit the titles “certified accountant,” “chartered accountant,” “enrolled accountant,” “licensed accountant,” “registered accountant,” and “accredited accountant” for nonlicensees, there is an extensive list of other titles with modifiers that the UAA and state boards of accountancy currently allow for use in the marketplace, including Certified General Accountant, Certified Internal Auditor, and Certified Management Accountant, among others.

We also appreciate the clarifications that the AICPA has made related to CGMA. The AICPA has stated that while CGMA holders may work in CPA firms, the CGMA is not a public accounting designation and should not be used to solicit or imply competency in relation to the performance of attest services or any other services that encompass the practice of public accounting in the United States.

The CGMA and CMA designations recognize the unique competencies and skills of management accountants, including expertise in areas such as leading strategically to make more informed decisions; helping organizations manage change, risk, and uncertainty; protecting corporate assets; and promoting operational efficiency and effectiveness. As such, CGMA designation holders are primarily found in business, industry, and academia. As employers, we know if the individuals we hire are CPAs, CGMAs, or both.

PICPA supports the proposed management accounting UAA language, as it will clarify existing confusion around the use of titles and will help bring states into uniformity – the main goal of the UAA.

Sincerely,

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