



## The audit committee's relationship with the CFO and finance organization

### Introduction

The Pacific Southwest Audit Committee Network (PSWACN) held its 16th meeting on May 13, 2010, in Marina del Rey, CA. Network members, who sit on the boards of more than 25 large-, mid-, and small-cap companies between them, met to discuss their audit committees' relationships with their CFOs and finance organizations. This document reflects a summary of the key points raised during the meeting, along with selected perspectives that members shared before and after the meeting.<sup>1</sup> For a list of network participants, see Appendix 1, on page 9.

In addition, Ken Marshall, Ernst & Young partner and Americas Financial Accounting Advisory Services Markets Leader, ran an education session on potential changes to US GAAP as a result of the joint convergence projects between the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). For a summary of that session, please see Appendix 3, on page 11.

### Executive summary

PSWACN members said the key responsibilities of the CFO and finance organization have grown more complex in recent years, driven by the financial crisis and its economic and regulatory consequences, including increased scrutiny by investors and regulators. Indeed, prior to the meeting, one member said, *"The CFO today has a very difficult job. You have external pulls, a lot of rules, and a volatile risk environment. It's a tougher job than it has been in quite a long time."* In this context, members continue to seek the best ways to enhance their working relationships with their CFOs and finance organizations.

The discussion covered three broad areas summarized below and discussed in more detail on the following pages:

- **Characteristics of an effective CFO and finance organization** (Page 2)

Members said the CEO typically shapes the CFO's remit based on the CFO's capabilities and the need to complement the CEO's own skills and experience. Members also said that increased pressures from investors and the board require that the CFO demonstrates leadership skills, such as the willingness to delegate and the ability to develop talent, and builds and maintains relationships with key stakeholders. The expanded scope of the CFO role demands strong technical capabilities below the CFO.

- **Interactions between the audit committee, finance organization, and external auditor** (Page 4)

PSWACN members establish trusting relationships with the CFO and members of the broader finance team through regular, informal interactions. Members said the audit committee chair may act as an adviser to the CFO on the CFO's interactions with the board, regulators, and investors. Members

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<sup>1</sup> VantagePoint reflects the network's use of a modified version of the Chatham House Rule whereby names of members and their company affiliations are a matter of public record, but comments made during the meetings are not attributed to individuals or corporations. Quotes in italics are drawn directly from comments made by PSWACN members before, during, and after the May 13 meeting.



pointed out that the audit committee must ensure that the CFO is “*maintaining the company’s control environment,*” and they rely on the external auditors to provide candid feedback on the quality and depth of the finance organization.

▪ **The audit committee’s role in succession planning and evaluation** (Page 6)

PSWACN members said that CFO and finance team succession is an important issue in any company. As such, many audit committees are actively involved in finance team succession planning, often interviewing prospective CFOs. Members also said the audit committee should be evaluating the performance of finance executives below the CFO.

For selected questions audit committee members may ask about the audit committee’s relationship with the CFO and finance organization, see Appendix 2 on page 10.

### Characteristics of an effective CFO and finance organization

PSWACN members said the CEO outlines the scope of the CFO’s role based on the skills of the CFO, the needs of the executive team, and the company’s strategic goals. Members said that today’s CFO must be both a financial expert and experienced in developing and maintaining relationships with a broad array of stakeholder groups, such as regulators and investors. One member said, “*In a large, global company, I don’t know how you can get by without a CFO with a broader business background. You need [the CFO] to be well-versed in legal matters, accounting matters, and multinational concerns. The CFO is involved in investor calls, dealing with corporate risk, and going concern issues.*”

#### The CEO is responsible for the scope of the CFO role

Members said that the CEO shapes the CFO’s specific job description, driven primarily by two important factors:

- **The skills of the CFO.** Members said the CEO should play to the CFO’s strengths: “*[The CFO’s role] is people-dependent; it’s driven by the capabilities of the individual.*”
- **The ability of the CEO and other executives to execute the strategy.** Members said the CEO must assess strengths and weaknesses in the executive team, and may shape the CFO’s role to minimize gaps relative to strategic needs. Indeed, members said that the CFO’s role is often “*complementary*” to the CEO’s role. One member said, “*The CFO’s role is dependent on the CEO. Some CEOs want the CFO to do M&A and strategic planning ... The CEO defines [the CEO’s] role and builds the organization around the role.*”

Members said the audit committee may discuss the CFO’s role with the CEO. However, several members said the audit committee only engages in this explicit conversation when the company is searching for a new CFO. One member said, “*Some audit committees have moved deeper into this area and been more vocal about what kind of CFO the company needs.*” In response, one member asserted, “*We should have these discussions [with the CEO] more often.*”



### Ensuring an effective relationship between the CEO and CFO

Members described several red flags that might indicate an ineffective relationship between the CEO and CFO:

- **Mixed messages.** *“You can tell during presentations when [the CEO and CFO] are not on the same page. If there’s a lack of communication between them, it is usually pretty apparent.”*
- **Differences in succession planning meetings.** *“Big differences between the CEO and CFO will come out during succession planning discussions. Are they on the same page [about] the type of person they want to hire?”*
- **Surprises.** Prior to the meeting, one member said, *“If it appears that some of the things that CFO brings up in meetings are surprising to the CEO, [that’s a red flag].”*
- **Personality conflicts.** Prior to the meeting, one member said, *“You don’t want personality tensions. If I have to broker disagreements, that is bad – it may signal the kind of personality tension that is not constructive.”*
- **Concerns from the external auditor.** *“I use the external auditor to gauge that relationship [between the CEO and CFO]. They will give you an objective view. I ask, ‘What’s really happening in that relationship?’”*

### CFOs should demonstrate leadership and relationship management skills

A recent study conducted by the executive search firm Spencer Stuart revealed that CFOs have become more involved in strategy and operations, even as basic financial responsibilities remain critically important.<sup>2</sup> PSWACN members highlighted leadership and the ability to build and maintain trusted relationships with a variety of stakeholder groups as two imperative characteristics for a successful CFO in today’s environment:

- **The CFO must have leadership skills.** Members said that, given the CFO’s expanding mandate, the CFO must be comfortable developing talent and delegating responsibilities to members of the broader finance team. One member said, *“You have to make sure [the CFO is] a leader. Does [the CFO] delegate? Is [the CFO] willing to develop people?”*
- **The CFO must be comfortable representing the company externally.** Observers note that the CFO is often the company’s point of contact for a variety of stakeholder groups seeking information about the company: *“CFOs have become key contacts for the investment community, auditors, and ratings agencies, and are the day-to-day access to shareholders that directors do not have.”*<sup>3</sup> As one member said, *“It’s no longer just enough to make sure that the financials are in order. That’s a must. [The CFO] needs to be facile with investors, facile with the board, and able to explain the business to the*

<sup>2</sup> See Spencer Stuart, *The Global 50: The new finance leader: Lessons from and advice for today’s CFO* (Spencer Stuart, 2009).

<sup>3</sup> Ibid



*external stakeholder community. Because of the economic downturn, the need to develop these relationships has become more acute.”*

### **The CFO should be supported by a team of executives with strong technical capabilities**

Experts argue that as the role of the CFO expands, the CFO’s team must be increasingly capable of providing support: “As the CFO role has become broader based and less exclusively finance focused, it has become even more important that CFOs build world-class teams of direct reports on whom they can rely implicitly.”<sup>4</sup> One member said, “*If the CFO [has] a broader business background, you need a very strong controller and a very strong treasurer, among others.*” Prior to the meeting, one member said: “*This is not a time to learn how to shave [using] my face. You can’t afford to have a big training cycle right now.*”

### **Interactions between the audit committee, finance organization, and external auditor**

Members said the audit committee chair should be able to count on the CFO for candid, comprehensive, timely information about the company’s internal control environment. One member said, “*As the audit committee chair, the CFO is your gatekeeper and your primary source of information. If you don’t have confidence that the CFO is providing that constant stream of information, that can make for an awkward, cumbersome, and inefficient relationship.*” Another noted, “*If the internal control processes aren’t good enough, that is a reputation risk that could ultimately affect your cost of capital. You have to make sure the internal control processes are sound.*”

### **The audit committee chair should establish a trusting relationship with the CFO**

Members said it is important to demonstrate that the audit committee can be relied upon to provide objective advice and counsel. One member said the audit committee chair can help set the tone for the relationship by acknowledging the CFO’s questions and concerns early on, no matter how mundane: “*How you respond to CFO calls is important. You should be engaging when the CFO calls you. That sets up the relationship to work better going forward. It shows that they can reach out to you and ask questions.*”

Several members described their role as advisers to the CFO, and said audit committee chairs are in a position to raise delicate issues in confidence. Prior to the meeting, one member said, “*When the CFO talks to me, I don’t inform the CEO or Chairman.*” The member continued, “*I [recently] had lunch with the CFO and I told him that he needed to make people step up their games. He was so focused on the strategic issues that he wasn’t paying close enough attention to the process responsibilities.*”

Some members said structured calls or meetings with the CFO before audit committee meetings are sufficient, but most said ongoing, informal discussions with the CFO lead to more candid, trusting relationships:

- **Formal interaction.** Members have regular, formal interactions with the CFO around audit committee meetings and quarterly and annual filings. Some members said that, in companies where the CFO has

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<sup>4</sup> Ibid., 2.



been serving for a number of years and the audit committee has a high degree of confidence in the finance team's performance, this type of interaction may be all that is required.

- **Informal interaction.** However, most members said formal interactions alone were insufficient to foster a more trusting relationship. Consequently, most members seek opportunities to engage with the CFO on an informal basis to ensure candor. One member said, *"You can go out to dinner with [the CFO], have a conversation, and get a sense for the kind of pressures [the CFO] is feeling."*

### **The audit committee should have visibility into the broader finance team**

Members said it is essential for the audit committee to satisfy itself that key finance roles below the CFO are filled by capable individuals with a high degree of personal integrity. While members said they can get a feel for the finance team's capabilities in formal audit committee meetings, many agreed with one member who said, *"The chair can be proactive about meeting informally, not only with the CFO, but [also] with the tax director, controller, and the head of internal audit, for instance."*

- **Formal interaction between the audit committee and the broader finance team.** A number of finance executives typically attend audit committee meetings, including the controller, the treasurer, and the chief accounting officer. Most members said the head of internal audit, who often reports to the audit committee chair (directly) and the CFO (administratively), also attends audit committee meetings.<sup>5</sup> Company, industry, market, or other circumstances often dictate which members of the finance organization interact most with the audit committee at a given time. Indeed, members said that during the financial crisis, when audit committees were more concerned with cash and liquidity, they also met frequently with the treasurer. Now, as governments are emphasizing corporate taxes as an important source of revenue, the head of the tax department presents frequently to the audit committee.<sup>6</sup>
- **Informal interaction between the audit committee and the broader finance team.** Members said frequent, informal interactions with the finance team allows the audit committee greater visibility into the finance organization, and demonstrates to members of the finance organization that the audit committee is listening to their concerns. Members said the audit committee chair can establish better relations with members of the finance team through informal meetings during company off-sites, by setting aside time prior to board meetings to meet people, and by attending social gatherings hosted by the finance team. One member said, *"We have about 140 internal auditors at one company. Sometimes they have big dinners, where you can learn from them, and help build relationships. They appreciate you showing up and interacting with them."*

### **The audit committee and external auditor should establish a trusting working relationship**

Members said the external audit firm is a vital, independent source of insight into the quality and depth of the finance organization that can provide an early warning system about potential problems in the finance organization before they fully emerge. Members said that, to encourage candor, the audit committee should

<sup>5</sup> See Sarah Johnson, "Should Internal Audit Report to the CFO?" *CFO.com*, October 13, 2006.

<sup>6</sup> See Ernst & Young and Tapestry Networks, "Regulatory change is driving audit committee agendas," *InSights* for North American Audit Committee Members, April 2010, 6.



ask specific and direct questions of the external auditor: *“If you ask open-ended questions, that gives [the external auditor] options. You want to ask questions that will reveal the [most comprehensive] answers.”*

Members said the audit committee should monitor the relationship between the external auditors and finance organization for signs of tension that could lead to a disruptive working relationship. One member said, *“We do a lot of independent work to test the relationship. Is there something that the external auditor thinks is significant that the CFO does not?”*

Should a poor working relationship between the finance organization and external auditor materialize, members said the audit committee chair can act as a mediator. One member said, *“I had a situation where the CFO was being [disrespectful toward] to the external auditor. I took them both to lunch and we got everything on the table.”*

### **The audit committee’s role in succession planning and evaluation**

Members said that finance function succession is a key risk and the audit committee has a responsibility to ensure succession plans are in place. One member said that *“at [a former company], every executive had a succession plan. It was baked into the performance review. Was it threatening? Yes. But the most demoralizing thing to an organization is when you parachute in a boss.”*

#### **Succession plans for the CFO and key finance executives**

Some members said succession planning and evaluation discussions can be challenging on a personal level. Indeed, members said that even initiating a discussion about succession planning may make the CFO defensive: *“It is threatening [to them] ... they sometimes think you are trying to take their job, or that the conversation is a reflection of their performance.”* Nevertheless, as one member said, *“Succession planning is an agenda item. If not, the audit committee chair should force it on the agenda.”*

Some members said the audit committee is sometimes forced into succession planning decisions by company, industry, or market circumstances, including:

- **Rapid growth.** *“I was involved in a company that outgrew the CFO. We made the case that the company needed to make a change.”*
- **Performance.** *“We made a recommendation to fire a CFO that wasn’t working out. We hired a huge long shot, gave him a mentor, and now he’s doing terrific.”*
- **Market circumstances.** *“Sometimes you have no choice. During a hostile takeover, the CFO may leave. Or you have a liquidity crisis that forces your hand.”*

#### **The audit committee may play an active role in CFO selection**

Members said that, given the complex demands of the CFO, companies are recruiting CFOs from a pool of talent that include business unit heads, treasurers, and executives with more experience in strategy. Indeed, most members agreed with one member, who said, *“In the past, the controller was [typically] promoted to*



*the CFO ... Controllers can't [always] become CFOs anymore." In this spirit, one member observed, "The CFO of yesterday is the controller of today."*

Members said that audit committee members can add a valuable perspective to recruiting discussions. Most members said they often interview the final two or three candidates for the CFO position, and then offer their input to the CEO. One member said, *"I've been involved in assessing the last couple of candidates. I am not afraid in expressing my opinion. If my choice is not hired, I am OK with it if there is sound reasoning behind the decision."*

### **The audit committee has an important role in oversight of finance succession plans**

Members said it is important to evaluate each of the key members of the finance team, and ensure that there are short-term and long-term succession plans for all of them; the head of tax, treasurer, controller, and head of internal audit are particularly critical, given their institutional knowledge and the competitive global market for talent. Prior to the meeting, one member said, *"Your tax structures are so complex, the head of tax position requires massive amounts of institutional memory and knowledge. I look at the CFO and all of his direct reports, and [even] a level below that."*

Another member said, *"I have the CFO review the next level staff and I see those reports. I also have a lot of informal interaction with them throughout the year to get a more candid sense of the development in the organization. At the end of the day, the audit committee has to know how [development] decisions get made at the finance organization."*

One member said the audit committee can assess the development culture based on the number of internal candidates for senior finance positions: *"Sometimes I wonder why we are not looking more closely at internal candidates. Are we not developing talent in the finance organization?"* However, other members said the lack of upward movement in the finance team may not be a failure of talent development but rather a reflection of the narrow characteristics of specific finance roles: *"There are a lot of people in the finance organization that are good at what they do, but it is a struggle to see how they can grow out of that role."*

Prior to the meeting, members described several ways for the audit committee to gauge the bench strength of the finance team:

- **Seek input from the external auditor.** *"Quarterly, the audit committee meets with the external auditor to go over their assessment of the finance organization. This is very helpful, as they work directly with the finance organization. It is important to have a partner from the accounting firm that is prepared to share their feelings in a candid way."*
- **Set hiring mandates.** *"We've gone so far as telling the CFO, 'We are not going to go any further on an acquisition until you hire X, Y, Z.'"*
- **Agree with the finance team on skill gaps.** *"We schedule once a year a meeting to talk about skill gaps in the organization. We make it a point to have senior folks on the CFO's team present once a year. Each of the senior folks talk about priorities, issues, etc., just so I understand what kinds of issues they are dealing with."*



## Conclusion

PSWACN members said the financial and regulatory environment remains fraught with risk, and the pressures on the CFO from the investment community, regulators, and the board will continue to grow. In this context, the audit committee's relationship with the CFO and key finance executives is more important than ever.

Before the meeting, one member said, *"You [push] the agenda ... finesse the personal stuff and get it done. A lot of this comes down to trust. You can't get any of these things done in an atmosphere where you don't trust anyone and where people are skeptical of change."* Audit committees should continue to cultivate deep, trusting relationships with the CFO and finance organization through regular, informal interaction. Indeed, the CFO and finance organization often have an ally in the audit committee, and members implored CFOs to take advantage of their support and experience. As one member noted wistfully, *"I wish I had been an audit committee chair before becoming a CFO."*

## About this document

The Pacific Southwest Audit Committee Network is a group of audit committee chairs drawn from leading companies committed to improving the performance of audit committees and enhancing trust in financial markets. The network is convened by Ernst & Young and orchestrated by Tapestry Networks to access emerging best practices and share insights into issues that dominate the new audit committee environment.

*VantagePoint* is produced by Tapestry Networks to stimulate timely, substantive board discussions about the choices confronting audit committee members, management, and their advisers as they endeavor to fulfill their respective responsibilities to the investing public. The ultimate value of *VantagePoint* lies in its power to help all constituencies develop their own informed points of view on these important issues. Anyone who receives *VantagePoint* may share it with those in their own network. The more board members, members of management, and advisers who become systematically engaged in this dialogue, the more value will be created for all.

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## **Appendix 1: Participants at the network meeting**

The members of the network who participated in the meeting were:

- Doug Ammerman, Audit Committee Chair, Quiksilver and Fidelity National Financial
- Frank Biondi, Audit Committee Chair, Amgen
- Joe Bronson, Audit Committee Chair, Jacobs Engineering Group
- Ray Dittamore, Audit Committee Chair, Life Technologies and QUALCOMM
- David Engelman, Audit Committee Member, MGIC
- Bala Iyer, Audit Committee Chair, IHS
- Lou Lavigne, Audit Committee Chair, BMC Software
- Marty Melone, Audit Committee Chair, Internet Brands
- Roger Molvar, Audit Committee Chair, CapitalSource Bank
- Stephen Page, Audit Committee Chair, Lowe's Companies
- Sue Redman, Audit Committee Chair, The Apollo Group

The following members took part in post-meeting discussions:

- Barbara Alexander, Audit Committee Chair, Allied World
- Steve Frank, Audit Committee Chair, Northrop Grumman
- Mike Stein, Audit Committee Chair, AIMCO
- Dean Yoost, Audit Committee Chair, Pacific LifeCorp

Ernst & Young partners participating in the meeting included:

- Rick Fezell, Partner and Accounts & Business Development Leader, West sub-area
- Ken Marshall, Partner and Americas Financial Accounting Advisory Services Markets Leader
- Pat Niemann, Partner and Assurance Leader for Greater Los Angeles



## Appendix 2: Questions for audit committee members

- ? What expectations does the audit committee have of the CFO and the finance organization? What causes those expectations to change over time?
- ? What are the characteristics of an outstanding CFO? What prior experience or background is particularly useful?
- ? How should the CFO work with the CEO? What are the signs of a productive CEO/CFO relationship? What red flags indicate that the CEO/CFO relationship may be unproductive? Is the CFO considered as a potential successor to the CEO? Is the CFO seen as a balance to the CEO? How does that change the dynamics of their relationship?
- ? In what ways have interactions between the audit committee and the CFO changed in the last few years? What changes would make the relationship between the CFO and the audit committee more effective?
- ? What finance executives are most crucial to the audit committee? How has that changed because of the financial crisis and the state of the economy? Have the expanding responsibilities of the CFO led to a concomitant increase in the workload for the audit committee?
- ? What kind of support or guidance should be given to the CFO? How do you ensure the right conditions for open dialogue? In what other ways can the audit committee assist the finance organization? If you are a former CFO, does that impact the relationship you have with your CFO?
- ? What are the signs of an effective relationship between the finance team and external auditor? What are the red flags that may indicate an ineffective relationship? How do conflicts between the finance team and external auditor get resolved?
- ? What role should the audit committee play in evaluating the CFO and in appointing his or her successor? How has this role changed over the last few years? How might it change in the future?
- ? How should the audit committee be involved in assessing bench strength and succession planning? What types of formal and informal interaction have proved effective in getting to know the finance team beneath the CFO? How reliant are you on the external auditor for a view into the strengths and weaknesses of the finance organization?
- ? What actions should the audit committee take if it suspects a finance executive is underperforming? What if key senior executives don't concur with the audit committee's assessment?



### Appendix 3: Education session on the major FASB-IASB joint convergence projects

The Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) are currently forging ahead with an unprecedented agenda of standards development, in an attempt not only to bring International Financial Reporting Standards (IFRS) and US Generally Accepted Accounting Principles (US GAAP) closer together but also to achieve substantial reform of these standards. As an Ernst & Young brief said, “The boards have been working closely together since 2002, when they entered into the Norwalk Agreement that formalized their commitment to convergence. This commitment was renewed in a Memorandum of Understanding (MoU) in 2006, which was updated in 2008 and reaffirmed in November 2009.”<sup>7</sup>

Prior to the PSWACN meeting, Ken Marshall, Ernst & Young partner and Americas Financial Accounting Advisory Services markets leader, ran an education session on potential changes to US GAAP as a result of the joint convergence projects between the FASB and the IASB. Mr. Marshall said that, regardless of any future decision to require IFRS reporting in the United States, audit committees and their companies should be preparing for what one observer called a “tsunami of accounting change.”<sup>8</sup>

#### The FASB and the IASB are on course to bring about major changes to US GAAP

Mr. Marshall said the FASB and the IASB have committed to complete a significant number of convergence projects by June 2011. The projects most likely to be completed include leases, revenue recognition, and financial instruments. Indeed, the FASB released an exposure draft (ED) on financial instruments in May 2010,<sup>9</sup> and is expected to release EDs on the projects around leases and revenue recognition in June 2010.

Mr. Marshall said the FASB will generally provide a four month comment period for larger projects after releasing the EDs. As an Ernst & Young brief said, “Regardless of any future decision to require IFRS reporting in the US, the projects underway are expected to ultimately result in substantial changes to US GAAP in many areas.”<sup>10</sup> Mr. Marshall said the timeline for the convergence process is ambitious. Indeed, subsequent to the meeting, the chairmen of the FASB and the IASB sent a letter to the G20 acknowledging that a few projects will extend into the second half of 2011, preventing the boards from reaching the earlier target date. However, in the letter, the FASB and IASB chairmen said they will keep the June 2011 target date for many projects where converged accounting rules are “urgently required.”<sup>11</sup> Indeed, Mr. Marshall said that the convergence projects “will happen eventually,” and audit committees should be speaking to their companies’ chief accounting officers and finance organizations to start planning for the potential changes. PSWACN members were taken aback by the scale of the proposed changes, and said they intended to address them with their finance organizations and external auditors.

<sup>7</sup> Ernst & Young, “Hot Topic Update on major accounting and auditing activities: FASB/IASB projects update.” May 14, 2010, 2.

<sup>8</sup> Ernst & Young and Tapestry Networks, “Regulatory change is driving audit committee agendas.” *InSights* for North American Audit Committee Members, April 2010, 3.

<sup>9</sup> Reuters, “FASB proposes financial instrument rule change.” May 27, 2010.

<sup>10</sup> Ernst & Young, “Hot Topic Update on major accounting and auditing activities: FASB/IASB projects update.” 2.

<sup>11</sup> See, Financial Accounting Standards Board, “Joint Statement by the FASB and the IASB on their convergence work.” June 2, 2010



### **Finance executives are urging the FASB and the IASB to ‘slow down’**

Some finance executives believe the timelines are too aggressive, and are asking the accounting standards-setters to slow down. In a letter to the FASB and the IASB sent in May, Financial Executives International (FEI) wrote: “Collectively, we do not believe we have sufficient technical resources in industry to respond effectively to such a large quantity of complex proposals issued over a very short period of time. Even if it were not so, it is not clear to us that the FASB and IASB have the requisite resources to absorb and resolve all of the issues that would be posed by all of these proposed standards in such a compressed time period.”<sup>12</sup>

Members were concerned that the accounting changes might require a massive overhaul of internal controls systems, processes, and procedures, and suggested that companies planning to upgrade major information systems take into account the impact the proposed changes will have on these systems. They also recommended that finance organizations consider submitting a letter to the FASB during the comment period, either alone or in cooperation with industry peers.

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<sup>12</sup> Financial Executives International, [“FEI Committee Files Letter with FASB, IASB on Impact of MoU Standards.”](#) May 10, 2010.