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# Fountainhead Forum

## September 2011

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### Trivia Questions

- 1. What type of gun did John Wilkes Booth use to assassinate U.S. President Abraham Lincoln?**  
a. Colt Peacemaker  
b. Winchester Rifle  
c. Derringer Pistol  
d. Smith & Wesson Revolver
- 2. The World's first adhesive postage stamp was introduced in what year?**  
a. 1910  
b. 1840  
c. 1760  
d. 1690
- 3. What novel ends with the following line?**  
"It is a far, far better thing that I

**Dear Nina,**

Ahhh, the kids are back in school, the vacation suitcases are unpacked, and it's down to business again in Arizona! Year-end close is just around the corner, so be prepared this year with a full staff of dedicated employees who won't leave you hanging for the holidays. Give us a call to discuss how we can help you find the right candidates for your open positions. It's never too early to start looking, but can be too late if you delay. Thank you for reading - enjoy!

## MANDATORY AUDIT FIRM ROTATION

**Will it pass this time around?**

Recently, the Public Company Accounting Oversight Board (PCAOB) voted to issue a concept release to solicit public comment on whether companies should be required to change their auditors every few years, otherwise known as, "Mandatory Audit Firm Rotation". The practice would limit the number of consecutive years that an accounting firm could audit the books of a publicly traded company.



The purpose of the concept is to provide measures that meaningfully enhance auditor independence, objectivity, and professional skepticism. The overall goal is to give investors greater certainty that auditors are in fact doing their job and providing a quality audit

**do, than I have ever done; it is a far, far better rest that I go to, than I have ever known."**

**a. A Tale of Two Cities**

**b. The Sound and the Fury**

**c. Wuthering Heights**

**d. Moby Dick**

**4. An earthquake that measures 8 on the Richter Scale would be how many times stronger than an earthquake that measures 4 on the same scale?**

**a. 2 times stronger**

**b. 4 times stronger**

**c. 1000 times stronger**

**d. 10,000 times stronger**

**5. In poker, what is known as the "Dead Man's Hand"?**

**a. Aces and Queens**

**b. Aces and Fours**

**c. Aces and Jacks**

**d. Aces and Eights**

**Answers**

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We'll Do Our Best to Help

with the fundamental responsibility of obtaining reasonable assurance about whether the financial statements are free of material misstatements.

Some supporters say they believe that a mandatory auditor change would strengthen the independence and objectivity of accountants that inspect corporate ledgers for accuracy. PCAOB Chairman, James R. Doty, states: "One cannot talk about audit quality without discussing independence, skepticism, and objectivity. Any serious discussion of these qualities must take into account the fundamental conflict of the audit client paying the auditor."

There are continued pressures facing auditors in order to protect their long-term client relationships that took time and money to develop in the first place. Should they publish to the detriment of investors and the capital markets, they may potentially lose the companionship of their client. This could create incentives for the auditor to render a favorable, yet misleading, opinion.

The Sarbanes-Oxley measures had failed to eliminate "The strong incentives that lead some auditors to serve the interests of the company paying the bill rather than those of investors," said Steven B. Harris, a member of the accounting oversight board.

However, the concept would add a significant burden to both the company being audited with the cost increase of paid time to the accounting firms (because of the need to continually get new auditors up to speed on large companies every few years), and to the firm itself with the need for a lower hourly rate of pay and increased staff levels (due to the ever increasing need for training and changes to management). Daniel Goelzer, board member, notes that there are already powerful forces built into public company auditing to foster and maintain independence.

Additional doubts regarding the concept are that the



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## Attention all Candidates

**Please remember to keep us informed should anything change with your job search status. We are always keeping an active eye out on the market for you, even if you don't hear from us all the time. Please let us know when you get a job and we always enjoy hearing from you either way!**

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quality of the audits may suffer in the early years of an engagement and a regulatory rotation could exacerbate this phenomenon. The board is also examining whether it might require rotation only for a subset of publicly-traded companies, like the largest companies, whether there are enough qualified auditors to permit giant multinational companies to change regularly, and whether the practice would lead to unwanted opinion shopping in the long run.

Audit firm rotation has been discussed at various times with the overlying objective being to allow the auditors freedom of pressure from the client or management and to offer the investing public an opportunity for a fresh look at the company's financial reporting. Comments are due December 14, 2011. We'll keep you posted on details.

Source: [Public Company Accounting Oversight Board \(PCAOB\)](#), August 16, 2011

## ASWA MONTHLY MEETING FEATURE

### Staying Competitive in the Job Market

Join members of the American Society of Women Accountants (ASWA) East Valley Chapter for their October 25th meeting. The evening will include networking with other accounting professionals in the valley, dinner, and a CPE program for those needing credits for their CPA. Nina Cormier from Fountainhead Staffing will present a session on "Staying Competitive in the Workplace", which will highlight some information on how to have a successful interview, provide tips on maintaining an up-to-date resume, and guidance on how to land the job of your dreams, based on current trends in the job market. The session will cover insights on the accounting job market and how to make the most of your job search and your long-term career.

This month's meeting also happens to be ASWA's annual "Student Night", which means that any current

## Attention all Candidates

***"I predict future happiness for Americans if they can prevent the government from wasting the labors of the people under the pretense of taking care of them."***

**- Thomas Jefferson**

## Get your Game Face On



## Trivia Answers

1. c
2. b
3. a
4. d
5. d

**Questions**

accounting students are welcomed to attend (for a discounted cost of \$13). You will gain an opportunity to meet other professionals in the accounting field, ask questions about their jobs, and network with a number of potential hiring managers in the valley!

Of course you don't just have to be a student to come to a meeting and learn what opportunities being a member of ASWA can bring. Visit ASWA's [website](#) to learn more about the organization and/or to RSVP for the October meeting.

Monthly meetings are held at:

The Landmark Restaurant  
809 West Main Street  
Mesa, AZ 85201

Total cost for dinner and the presentation: \$26 for Members, \$30 for Non-Members, \$13 for Students  
RSVP's are due by Friday, October 21st

If you have any questions, feel free to email Shelby Williams, Membership Director at [shelby\\_williams@yahoo.com](mailto:shelby_williams@yahoo.com).



**American Society of Woman Accountants**

## NEWS HIGHLIGHTS

### National

### **Voter Discontent Deepens Ahead of Obama's Plan**

President Barack Obama this week will try to launch a political comeback amid the lowest approval ratings of his presidency and a growing sense of economic foreboding among voters.



A new Wall Street Journal/NBC News poll found that

44% of Americans approve of the job Mr. Obama is doing as President, while 51% disapprove -- rising above half for the first time since his inauguration. Some 73% say the country is headed in the wrong direction, a level of pessimism not seen since late 2008, when the financial crisis struck.

The Wall Street Journal, Jonathan Weisman, September 6, 2011

### **U.S. Economy Failed to Add Jobs in August; Unemployment Rate Holds Steady at 9.1%**

The U.S. economy failed to add jobs for the first time in almost a year, while the unemployment rate was stuck at 9.1%, putting pressure on policymakers to revive a moribund labor market.

Nonfarm payrolls were unchanged last month -- the worst result since a small decline in Sept. 2010 -- as the government sector continued to shed jobs, the Labor Department said Friday. The private sector added only 17,000 jobs.

The Wall Street Journal, Sudeep Reddy, September 3, 2011

### **Buffet to Invest \$5 Billion in Bank of America**

Bank of America said it will receive a \$5 billion investment from Warren Buffett's Berkshire Hathaway as doubts have grown in recent days about the Banks's capital position. BofA shares surged 26% to \$8.76 in premarket trading.

The Wall Street Journal, Dan Fitzpatrick, August 26, 2011

### **Steve Jobs Resigns as CEO of Apple**

Apple's ailing chief executive Steve Jobs is officially stepping down from the helm of the company, a historic shift that hands the reins to Chief Operating Officer Tim Cook.

The company said Mr. Jobs submitted his resignation to the Board of Directors on Wednesday and strongly recommended that the Board name Mr. Cook as his successor. Mr. Jobs has been elected Chairman of the Board and Mr. Cook will join the Board, effective

immediately.

The Wall Street Journal, Yukari Iwanti Kane, Augst 25, 2011

### **Bank of America Set to Slice Jobs**

Bank of America is cutting 3,500 jobs in the current quarter and working on a broader restructuring that could eliminate thousands of additional positions.

The 3,500 positions are spread across the nation's largest bank by assets, including investment banking and trading, and the cuts are expected to be completed by the end of September.

Thousands of additional reductions are expected as part of an aggressive overhaul known as "Project New BAC," after the Charlotte, N.C., bank's ticker symbol. Executives at the bank are still discussing the possible range of cuts, but one person familiar with the situation said at least 10,000 jobs are likely to be eliminated.

The Wall Street Journal, Dan Fitzpatrick, August 19, 2011

### **Hewlett-Packard to Spin Off PC Business, Plans Acquisition**

Hewlett-Packard, the world's biggest computer maker, is expected to announce a spin off of its PC business and is also close to a \$10 billion deal to acquire U.K. data-analytics firm Autonomy Corp., said people familiar with the matter.

The Wall Street Journal, Ben Worthen, Justin Schech, and Gina Chon, August 19, 2011

## **Local**

### **Arizona Metros Lagging in Economic Growth**

Three-year economic growth rates in Arizona's metro areas are among the weakest in the nation. According to On Numbers, new data from the U.S. Bureau of Economic Analysis shows that Phoenix ranked just 317th among 366 U.S. metros areas in Gross Metropolitan Growth from 2007 to 2010. The GMP declined in Phoenix over that time by 2.3 percent.

GMP is the total output of goods and services in a given area during a given year -- a smaller-scale version of the nation's gross domestic product.

Phoenix Business Journal, Adam Kress, September 19, 2011

### **Phoenix New Home Sales Up 26 Percent in August**

New-home sales improved in August, according to the Phoenix Housing Market Letter produced by RL Brown Reports. There were 632 new closings in August, compared with 500 in August 2010.

The numbers were down for the year to date, however: There were 4,186 new home closings from January through August, compared with 5,657 for the first eight months of 2010.

The same trends held true for building permits. They were up from 504 in August 2010 to 692 in August 2011, but for the year to date they were down from 5,170 to 4,612.

Phoenix Business Journal, Jan Buchholz, September 19, 2011

### **Arizona Adds Jobs in August, Unemployment Rate Drops**

Arizona's economy added 52,600 jobs in August as many of the gains were credited to the public sector, where schools and universities were back in session.

The state's unemployment rate went down to 9.3 percent in August from 9.4 percent in July, according to the Arizona Department of Administration. The Phoenix metro area's jobless rate went from 8.7 percent in July to 8.4 percent in August.

Most of the state's August job gains also occurred in the Phoenix area, where 34,800 jobs were added to the labor market, according to the Department of Administration.

Phoenix Business Journal, Mike Sunnucks, September 15, 2011



Please continue to keep us in mind for your company's hiring needs for both direct-hire and contract employees. Have a great month!

**Sincerely,**

The team at Fountainhead Staffing



**Editor: Nina Cormier**

