Issues and Questions

Thanks to all who gave input to date on these issues and questions.
Preliminary Issue 1

What is the Value Proposition of a Broadly Defined Accounting Profession?

Discussion Leader: Jack Wilkerson
Explanation of Issues/Questions

- Accounting profession’s value proposition ➔
- Required knowledge, competencies, skills ➔
- Educator responsibilities
Resources/References

• *Preparation for the Professions Program*, a systematic comparative study of education across professions, conducted by the Carnegie Foundation for the Advancement of Teaching

• *Work and Integrity: The Crisis and Promise of Professionalism in America 2e*, by William M. Sullivan

• Accounting Educators as the Accounting Profession’s Trustees: Lessons from a Study of Peer Professions, by Jack Wilkerson, *Issues in Accounting Education* (February 2010)
Major Observations

• A profession, classically defined
• Serving a broad public interest
• Operating under the terms of a social contract
• A domestic and global strategic resource
• A variety of roles, from advocacy to attestation
Major Observations
(Implications for Educators)

The profession’s value proposition integrates...

• Personal integrity and intelligence
• Lifelong commitment to highly developed base of technical knowledge and professional skills
• A deep sense of and commitment to the profession’s ethical standards and practices as well as its broad societal and economic purposes
Examples

Technical Knowledge
- Financial reporting
- Managerial accounting
- Assurance services
- Taxation
- AIS
- IFRS
- Financial statement analysis
- Valuation
- etc.

Purpose & Identity
- Overarching purposes and standards
- Ethical standards and practices
- Responsibilities to public, profession, clients
- Habits of interpretation
- etc.

Professional Skills
- Research
- Team
- Project management
- Global context
- “Performance”
- etc.
Open Items about Working Issues

Does the statement describe the accounting profession’s value proposition...

• Clearly?
• Comprehensively?
• Concisely?
• Compellingly?
Our intention is that this statement be a “living” document, that it be revisited periodically as we move through the work of the Pathways Commission
Questions
Preliminary Issue 2

What Are The Skills That Future Accounting Professionals Will Require?

Who/What Are Our Current/Future Markets for Accounting Information And Professionals?

Discussion Leaders: Bill Travis and Melanie Thompson
Explanation of Issues/Questions

• Issue 2 attempts to identify the future demand for accountants and the competencies they will provide to the marketplace
Resources/References

• Competencies- 27 sources found on current competencies, including-
  • AICPA, NASBA, IFAC, IMA, IIA
  • Grant Thornton, Robert Half International
  • CPA Journal; Management Accounting Quarterly; Journal of Public Budgeting, Accounting & Financial Management; CGFM
  • State of Mississippi
  • National Association of Colleges and Employers
• Future Demand- Minimal research found-
  • Department of Labor
Major Observations

• Work in process
• Most sources supported 3 divisions of competencies-
  – Technical knowledge
  – Professional skills
  – Professional integrity, responsibility and commitment
• No significant research found on the future demand for accountants ... in total or by specialization
Working Issues

- Work in process
- Further research sought for the following-
  - Desired competencies of accountants in the future
  - Future demand for accountants ... in total or by specialization
Open Items about Working Issues

• What will be the most likely competencies in the future?
  – Constant change will be the norm with increasing globalization, complexity of business transactions, changing technology, increasing sophistication of frauds, more regulation, etc.
  – Adoption of principles-based standards will require more judgment, possibly leading to wider variability in decisions and, consequently, more risk of litigation
  – Must learn more than technical knowledge ... must develop professional skills and the ability to act ethically in difficult situations

• What will be the future demand for accountants and accounting information?
Items Not Pursued

• We have not initiated research into the future demand for accountants.
  – This is potentially an enormous research project given the breadth and depth of the role of the accountant in today’s business world.
  – Are there specific segments that should be deeply addressed or not addressed at all?
• We have not focused on the competencies required for different levels of responsibility within the profession
Next Steps

• Based upon public feedback-
  – Refine list of competencies
  – Follow up on research suggestions
• Make recommendations on future research studies
• Make recommendations on future competencies
Questions
Question #1

How do we attract adequate numbers of high potential, diverse students/talent into the accounting profession and retain these students throughout their educational and professional pathways?

Discussion Leader: Beth Rescigno
Attracting and retaining adequate numbers of high potential, diverse students and talent to the accounting profession is crucial to the future of the profession.
Resources/References

• AICPA Supply and Demand Survey 2009
• University / K – 12 Partnerships: How One University Impacted High School Career Decision-Making Programs
• A Taxonomy of Difficulties in Career Decision Making
• Decisions without Direction
• Robert Half International: Global Talent Shortage Continues in Accounting and Finance; Report Finds Hiring and Retaining Skilled Professionals Still Challenging
• CPA Journal, August 2010, A New CPA Profile
• The Accounting Pilot and Bridge Project at Kansas State University
• Accounting for the Future: More than Numbers
• How does Contact with Accountants Influence Perceptions of Accounting and Accountants?
Major Observations

• It is not clear what influences students/talent to enter the accounting profession
• Students at all levels are not adequately exposed to the accounting profession
  – Limited numbers of clubs/student organizations that feature accounting
  – Information on accounting profession opportunities is limited
  – High school accounting courses are not broadly offered to college bound students
• Diversity of accounting profession does not mirror population served
• Perception of accounting profession does not attract students/talent
• Curriculum/textbooks/first accounting course need to be enhanced to retain students through their educational pathway
• There are numerous initiatives on this subject by many interested parties taking place, but coordination of efforts is limited
• There is not an adequate bridge/articulation between high school accounting courses and college
Working Issues

• Address triggers for entering accounting profession
• Initiate pilot programs to expose high potential and diverse students/talent to the accounting profession
• Coordinate efforts to attract students/talent to the accounting profession
• Support Accounting Pilot and Bridge Project
Open Items about Working Issues

- Research/survey to determine triggers for entering accounting profession
- Pilot programs
  - Determine scope of pilot programs
  - Initiate pilot programs
- Catalog current efforts to drive students/talent to the accounting profession
  - Research results of past efforts
Items Not Pursued

- Perception of accounting profession
- Curriculum/textbooks/first accounting course
- Retaining talent through their academic and professional pathways
  - Early career experiences
Next Steps

• Integrate feedback from public meeting
• Initiate research regarding why/when the decision to become an accountant is arrived at
• Determine/initiate pilot programs
  – Partnerships to increase diversity in profession
  – Partnerships between colleges and high schools
  – Partnerships between clubs/organizations and high schools/colleges
• Initiate cataloging process of current efforts regarding driving talent to profession
  – Research results of current projects and past efforts
Questions
Question #2

What should be the Accounting Educational Pathways?

Overall Discussion Leader: Karen Pincus
Pathways Commission

• Question #2: What should be the Accounting Educational Pathways?

  ▪ Broadest question examined – key task was deciding the most important areas to focus on
  ▪ Three sub-groups: High School/Community College; University; Career long
  ▪ Presentation highlights major observations and working issues; posted slides include additional information
High School / Community College Contributors:

Del DeVries, Dan Deines, Madge Gregg, Gregory Johnson, Tracie Nobles, Margarita Lenk, Mary Medley, Jack Wilkerson
Major Observations / Working Issues (1 of 3)

• Accounting broadly defined includes Accounting Professionals and Accounting Paraprofessionals.
  – Defining / understanding the supply chain of accounting is essential to formulating educational pathways for
    • Paraprofessional (applied science degree track)
    • Entry level positions with no certifications required
  – Consensus on definitions is needed to define “who are we”? 
• Establishing a strong, accurate accounting brand is essential in high schools to enhance college bound student’s pathways to accounting.
  – Currently many high school accounting courses misrepresent accounting’s value proposition
  – Possible Initiatives: Accounting pilot and bridge project, AP accounting course and exam, Academies of finance, honors accounting, and dual enrollment.
The first course in accounting is the gateway to accounting and business degrees and is important for communicating the accounting value proposition.

– Accounting is the language of business
– Should Accounting become a GenEd requirement for Secondary/Post-Secondary degrees?
– What are the core competencies and pedagogy that will attract students and educate accounting’s users?
University Contributors:

Harriet Maccracken, Martha Doran,
Dan Deines,
Jack Wilkerson, Margarita Lenk, Karen Pincus
Major Observations/Working Issues

- What should be the accounting education pathways for entry-level professional accountants?
- What are the key knowledge, skills, attitudes, and abilities accounting students will need to meet the challenges of the future?
- In studies and reports over many decades, there is general agreement on the competencies for entry level accountants.
Major Observations/Working Issues

- Given the general consensus, the question arises, why haven’t these recommendations been implemented, and what are the impediments to change?
- These skills and attributes are taught to students largely by their accounting professors.
- There is a growing disconnect between academics and practice, evidenced by PhD candidates with little or no experience in the profession of accounting.
Major Observations/Working Issues

• What is the viability of encouraging institutions to develop a course that is part of the PhD curriculum on understanding the accounting profession in the broadest sense?
• What changes should be made in doctoral education to prepare professors for the rapidly changing learning environment?
• What factors have blocked or impeded the various recommended changes in accounting education?
Career Contributors:

Stephen Young, Larry Evans,
Mary Medley,
Kate Mooney, Holly Paul
Major Observations

• The Career Subgroup believes CPE generally serves its purpose and is well understood by the CPA profession.
  – We do not believe a significant change to the method CPE programs work (for example, from an inputs-based to an outputs-based structure) would generate improvements sufficient to warrant the time and resources needed to do so
• The opportunities for improvement include
  – developing learning pathways for various professional roles in public accounting, industry, education, and government to assist CPAs in identifying skill gaps and CPE activities to help them develop skills and competency; and
  – exploring how to achieve greater consistency in CPE requirements among licensing jurisdictions, similar to the uniformity initiative focused on mobility of the CPA certificate, to enable CPAs to meet the spirit and intent of CPE.
Items Not Pursued

• The Career Subgroup believes that the current continuing professional education model works well enough that it should not be a primary focus for change at this time.
Questions
Question #3:

How do we eliminate structural impediments or better align existing systems to enhance effective accounting education?

Discussion Leaders:
Melanie Thompson and Jan Williams
Explanation of Issues/Questions

- **External**
  - CPA licensure
  - Other professional designations
  - Accreditation
    - Institutional accreditation (regional)
    - Business and accounting program accreditation (AACSB & ACBSP)
- **Internal**
  - University structure
  - Business unit
  - Accounting unit
  - High school
Resources/References

- AACSB accreditation standards
- ACBSP accreditation standards
- NASBA’s Accountancy License Library
- Pathways Commission – Issue #2 document
Major Observations

- CPA licensure – diversity of education standards, UAA promotes consistency, less than ideal, impact of IFAC and PCAOB
- Other professional designations – no licensing, requirements vary (CIA, CMA, CGFM)
- Program accreditation – less restrictive
- University/accounting unit – may be more restrictive, primary opportunity for enhancement
- High school - AP and dual credit acceptance
Working Issues

• Curriculum
  – Pre-professional environment teaching and affirming broad responsibilities (value proposition)
  – Better balance between technical content and professional skills

• Faculty
  – Inclusion and rewards for professionally qualified faculty to improve mix of different faculty backgrounds
  – Academic and professional structure to gain experience and retain currency

• Alternative structure – final year in professional school of accountancy
Open Items about Working Issues

- Further development of faculty working issues— incentive structure inconsistencies with professional goals
- Accreditation role - standards and processes (institution, business & accounting program)
Items Not Pursued

- CPA licensure – diversity of education requirements in multiple CPA jurisdictions
- Other professional designations
- High school
Next Steps

- Integrate feedback from public meeting
- Further development of faculty issues – recommendations related to incentive structure
- Consider role of accreditation, both institution (regional) and program (AACSB, ACBSP)
Questions