LAW SCHOOL AS A MODEL FOR PROFESSIONAL SCHOOLS OF ACCOUNTANCY

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Public Comments by
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Accounting is an Academic Discipline and a Profession

- Accounting is recognized as a profession primarily through the certified public accountant (CPA) designation.
Criteria for a Profession

- A body of specialized knowledge
- A formal educational process
- Standards governing admission to the profession
- A code of ethics
- Status recognized by a license or a special designation
- Public interest in the work of the profession
- Recognition by the profession of a social obligation.

(Carey, *The Rise of the Accounting Profession: From Technician to Professional, 1896-1936*)
Accounting Deficiencies in Respect to Criteria for a Profession

- A formal educational process (Very diverse)
  - It has been noted that a primary concern of an organized and skilled profession is control over the training and education of members admitted to practice the profession. (Chroust, *The Rise of the Legal Profession in America, Volume 2*)
- Standards governing admission to the profession (No standards to be an accountant)
- A code of ethics (No code for accountants in general)
- Status recognized by a license or a special designation (Not required for most accountants)
Educational Process for Noted Professions

- Professional schools
  - Medicine – undergraduate plus at least four years of medical school
  - Law – undergraduate plus at least three years of law school
  - Engineering – engineering school
  - Pharmacy – pharmacy school
  - Education – school of education
Benefits of Professional Schools

- Better focus on knowledge and skills needed to enter the profession
- Provide distinction for the profession
- Elevate the status of the profession
Current Structure of Accounting Education

- Undergraduate programs in schools of business
- Undergraduate programs in schools of accountancy
- Master programs in schools of business
- Master programs in schools of accountancy.
- Undergraduate department or part of an undergraduate business department
- Community college accounting courses with undergraduate degree other than accounting
Accreditation of Accounting Programs

- Accounting programs are less likely to be accredited in comparison to business programs
Leadership of Accounting Programs

- Many accounting programs are merged with other business programs.
- Some of these merged programs are headed by nonaccountants.
- Leaders who are not accountants may fail to promote the needs and interests of accounting programs.
Characteristics of Accounting Programs in North Carolina and Virginia

- Tables 1 – 4 summarizes some select characteristics of accounting programs in public universities of North Carolina and Virginia and the Federation of Schools of Accountancy.
Table 1
Characteristics of Accounting Programs in Public Universities in North Carolina

<table>
<thead>
<tr>
<th>Structure¹</th>
<th>Undergrad²</th>
<th>Masters Target³</th>
<th>Accredited⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>SD</td>
<td>CD</td>
<td>M</td>
</tr>
<tr>
<td>0</td>
<td>8</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>0.00%</td>
<td>53.33%</td>
<td>46.67%</td>
<td>86.67%</td>
</tr>
</tbody>
</table>

¹S = School, SD = Separate Department, CD = Combined Department
²M = Major, C = Concentration
³A = Accounting Undergraduates, NA = Non-Accounting Undergraduates, E = Either Accounting or Non-Accounting Undergraduates
⁴BA = Business Accredited, AA = Accounting Accredited
Table 2
Characteristics of Accounting Programs in Public Universities in Virginia

<table>
<thead>
<tr>
<th>Structure¹</th>
<th>Undergrad²</th>
<th>Masters Target³</th>
<th>Accredited⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>SD</td>
<td>CD</td>
<td>M</td>
</tr>
<tr>
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<td>5</td>
<td>7</td>
<td>11</td>
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<tr>
<td>7.69%</td>
<td>38.46%</td>
<td>53.85%</td>
<td>84.62%</td>
</tr>
</tbody>
</table>

¹S = School, SD = Separate Department, CD = Combined Department
²M = Major, C = Concentration
³A = Accounting Undergraduates, NA = Non-Accounting Undergraduates, E = Either Accounting or Non-Accounting Undergraduates
⁴BA = Business Accredited, AA = Accounting Accredited
Table 3
Characteristics of Members of the Federation of Schools of Accountancy

<table>
<thead>
<tr>
<th>(1) Structure&lt;sup&gt;1&lt;/sup&gt;</th>
<th>(2)</th>
<th>(3) &amp; (4) Undergraduate&lt;sup&gt;2&lt;/sup&gt;</th>
<th>(5) Masters Target&lt;sup&gt;3&lt;/sup&gt;</th>
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</thead>
<tbody>
<tr>
<td>S</td>
<td>SD</td>
<td>CD</td>
<td>Separate</td>
</tr>
<tr>
<td>15</td>
<td>15</td>
<td>11</td>
<td>3</td>
</tr>
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<td>36.59%</td>
<td>36.59%</td>
<td>26.83%</td>
<td>7.32%</td>
</tr>
</tbody>
</table>

<sup>1</sup>S = School, SD = Separate Department, CD = Combined Department
<sup>2</sup>D = Degree, M = Major, C = Concentration
<sup>3</sup>A = Accounting, B = Business, NB = Non-Business
Table 4
Leadership of Members of the Federation of Schools of Accountancy

<table>
<thead>
<tr>
<th>(6) Title</th>
<th>(7) Report To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean</td>
<td>VP/Provost</td>
</tr>
<tr>
<td>Chair</td>
<td>Dean</td>
</tr>
<tr>
<td>Director</td>
<td>Head</td>
</tr>
<tr>
<td>Head</td>
<td>Coordinator</td>
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</tbody>
</table>

<table>
<thead>
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<th></th>
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<th>Head</th>
<th>Coordinator</th>
<th>Dean</th>
<th>VP/Provost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean</td>
<td>1</td>
<td>21</td>
<td>13</td>
<td>4</td>
<td>2</td>
<td>40</td>
<td>1</td>
</tr>
<tr>
<td>Chair</td>
<td>2.4%</td>
<td>51.2%</td>
<td>31.7%</td>
<td>9.8%</td>
<td>4.9%</td>
<td>97.6%</td>
<td>2.44%</td>
</tr>
</tbody>
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150-Hour Issue

- The 150-hour requirement has been a failure.
- For instance, the states of North Carolina and Virginia allow CPA candidates to sit for the CPA examination with just 120 hours, although 150 hours are needed to be licensed.
- A 2008 NASBA report notes that 28 states allow sitting for the CPA exam before earning the 150 hours. (National Association of State Boards of Accountancy (November 2008). Education and Licensure Requirements for Certified Public Accountants: A Discussion Regarding Degreed Candidates Sitting for the Uniform CPA Examination with a Minimum of 120 Credit Hours (120-Hour Candidate) and Becoming Eligible for Licensure with a Minimum of 150 Credit Hours (150-Hour Candidate).
- Instead of moving forward, the profession is moving backward.
- If candidates for the CPA examination can take the examination with 120 hours, why is there a 150-hour requirement?
Law School As a Model for Accounting Education

- Accounting and law have much in common
  - Origins in England
  - Tax law
  - Commercial law
  - Individuals holding both the lawyer and CPA designation
The Rutgers MBA in Professional Accounting promotes accounting at the graduate level. It is for individuals with undergraduate degrees in the arts and sciences.

- It is a 14-month program that has been offered since around 1955.
- One of the authors, Mary F. Jackson-Heard, is a 1971 graduate of the program.