Pathways Commission Update

Charting a National Higher Education Strategy for the Next Generation of Accountants

Sponsored by the American Accounting Association (AAA) and the American Institute of CPAs (AICPA)

(AAA, Teaching, Learning Curriculum Section, February 4, 2011)
Official Statement

- All views presented today are our own and do not reflect the official views of the Pathways Commission, our organizations, AAA, or AICPA.
Polling Question #1

How would you describe your knowledge of the Pathways Commission and its goals?

- Have not heard of it
- Have attended a presentation
- Have read about Pathways Commission
- Participated in a Pathways Commission meeting or other information sharing
- More than one of the above

Pathways Commission (AAA and AICPA)
In 2008, the U.S. Department of Treasury Advisory Committee on the Auditing Profession (ACAP) made a number of recommendations. Part VI. Human Capital recommendation #5 was:

“Encourage the AICPA and the AAA jointly to form a commission to provide a timely study of the possible future structure of higher education for the accounting profession.”
Sponsoring Committee

- **AAA – Gary Previts**, Case Western Reserve University, Former AAA President
- **AAA – Tracey Sutherland**, Executive Director
- **AICPA – Denny Reigle**, Former Director Academic and Career Development Team
- **AICPA – George Krull**, Grant Thornton (Retired)
Pathways Commissioners

- **Bruce Behn** – Chair (University of Tennessee)
- **Bill Ezzell** (Deloitte)
- **Leslie Murphy** (Murphy Consulting, Inc.)
- **Judy Rayburn** (University of Minnesota)
- **Jerry Strawser** (Texas A&M University)
- **Mel Stith** (Syracuse University)
Supply Chain Leaders

- Supply Chain #1 –– Susan Crosson, (Santa Fe College)

- Supply Chain #2 –– Mark Higgins, (University of Rhode Island)

- Supply Chain #3 –– Scott Showalter, (Retired KPMG partner and N.C. State University)
## Supply Chain Organizations

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<thead>
<tr>
<th>Supply Chain 1</th>
<th>Supply Chain 2</th>
<th>Supply Chain 3</th>
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<tr>
<td>Ernst &amp; Young</td>
<td>KPMG Foundation</td>
<td>PricewaterhouseCoopers</td>
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<td>Wake Forest University</td>
<td>Dixon–Hughes</td>
<td>Bailiwick Data Systems</td>
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<td>Belmont University</td>
<td>DiSanto, Priest &amp; Co.</td>
<td>CitiGroup</td>
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<td>Austin Comm. College</td>
<td>Univ. of Arkansas</td>
<td>Univ. of Memphis</td>
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<td>Kansas State Univ.</td>
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<td>DeVry University</td>
<td>Creighton University</td>
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<td>National Business</td>
<td>Financial Executives International</td>
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<td>Colorado State Univ.</td>
<td>Association of Government Accts.</td>
<td>Institute of Management Accountants</td>
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<td>Beta Alpha Psi</td>
<td>National Association of Black</td>
<td>Institute of Internal Auditors</td>
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<td>Professionals in F&amp;A</td>
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<td>Colorado State Society</td>
<td>Assoc. of Latino Professionals in F&amp;A</td>
<td>Minnesota State Board</td>
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## Supply Chain Representatives

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<tr>
<td>Susan Crosson (L)</td>
<td>Mark Higgins (L)</td>
<td>Scott Showalter (L)</td>
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<td>Ken Bouyer</td>
<td>Bernard J. Milano</td>
<td>Holly Paul</td>
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<td>Jack Wilkerson</td>
<td>Larry Evans</td>
<td>Bill Travis</td>
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<td>Del DeVries</td>
<td>Ernie Almonte</td>
<td>Steve Young</td>
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<td>Tracie Nobles</td>
<td>Karen Pincus</td>
<td>Carolyn Callahan</td>
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<td>Dan Deines</td>
<td>Harriet Maccracken</td>
<td>Martha Doran</td>
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<td>Beth Rescigno</td>
<td>Jack Krogstad</td>
<td>Jan Williams</td>
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<td>Madge Gregg</td>
<td>Robert Walker</td>
<td>Melanie Thompson</td>
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<td>Margarita Lenk</td>
<td>Jim Taylor</td>
<td>Dave Burritt</td>
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<tr>
<td>Cindy Cruz</td>
<td>Gregory Johnson</td>
<td>Paul Sobel</td>
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<td>Mary Medley</td>
<td>Manny Espinoza</td>
<td>Kate Mooney</td>
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Overall Pathways Statistics

- 639 Years of Practice Experience
- 585 Years of Education Experience

- Many people wear different hats (examples)
  - Ernie Almonte, past AICPA chair, former Rhode Island Auditor General, now DiSanto, Priest & Co.
  - Jack Krogstad, Creighton University, former Academic Fellow at the Office of the Chief Accountant

Pathways Commission (AAA and AICPA)
Challenges

- Globalization of business and markets
- Escalating complexity of business
- Lack of financial literacy
- High profile frauds eluding regulatory scrutiny
- Increasingly sophisticated technology
- Increasing need for fair value, predictive and non-financial information
To meet these challenges we need to develop strategies and then structures to ensure that we have an adequate supply of the best, diverse talent to sustain the accounting profession, broadly defined, over the long-term.
These strategies and structures may include (at a minimum):

- (1) Developing the interest of those students with the potential to excel in careers in the accounting profession;
These strategies and structures may include (at a minimum):

(2) Incorporating a challenging higher education experience that leads to higher levels of financial literacy, with academicians who incorporate effective, practical and conceptual teaching approaches, curriculum that evolves with the changing needs of the business world, and research vital to the progression of the discipline and practice of accounting;
These strategies and structures may include (at a minimum):

- (3) Including systems in the workplace dedicated to experiential learning and on-the-job training post graduation, as well as continuous learning models for all professionals; and
These strategies and structures may include (at a minimum):

- (4) Supporting professional employment practices that are dedicated to sustaining professionals for the long-term through world-class training and development, career opportunities and innovative workplace culture.
A Collaborative Process

- Three Supply Chains each to focus on several different aspects of the challenges
- Work Groups within and across Supply Chains
- Information gathering and sharing to level-set all participants
- Development of key questions for exploration
- Build-out of perspectives on key issues
- Leading to implementable recommendations
Status To Date

- Initial ground work by sponsoring organizations
- Establishment of initial directions and process by the Commissioners
- All-hands meeting in October 2010 to get work of Supply Chains started
- Virtual and viral ongoing issue development among work groups and supply chains
- Weekly webinars and conference calls
- Open website with constant activity updates
Additional Planned Activities

- Commissioner, sponsoring group, supply chain leaders meeting in January 2011
- Additional February Pathways Update webinars
- Public meeting February 26–27, 2011 to obtain additional input beyond groups represented in Supply Chains
- Initial recommendations by Summer 2011
- Final recommendations by November/December 2011
Initial Issues

- What is the value proposition for a broadly defined accounting profession?

- Who/what are our current/future markets for accounting information and professionals?

- What are the skills that future accounting professionals will require?
Initial Questions

- 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?

- What should be the accounting education pathways?
Initial Questions

- How do we eliminate structural impediments or better align existing systems to enhance effective accounting education?
Polling Question #2

- Which of these issues/questions is the most important to you?
  - Issue #1
  - Issue #2
  - Question #1
  - Question #2
  - Question #3
Need Your Input

- Send your input via the Pathways Commission space:
- [http://pathwayscommission.org](http://pathwayscommission.org)
- Or send your input to Bruce Behn ([bbehn@utk.edu](mailto:bbehn@utk.edu))
Polling Question #3

Because of today’s Pathways presentation...?

- I am more knowledgeable about the project
- I will add my feedback on website
- I am looking forward to participating
- I will need to read more about the Pathways Commission
- More than one of the above