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Guidance for Accounting Professors

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Guidance for Accounting Professors

By Stephen Scarpati

When reflecting upon their choice of career, many CPAs look back to a particular college accounting professor as a source of influence. In return, many accounting professors warmly recall the assistance they were able to give students. While the benefits of a successful CPA career are obvious to many, from the standpoint of a 19-year-old undergraduate trying to pick a major, the decision is daunting. The demands of a challenging accounting curriculum can be intimidating. Add the complex regulations and rigorous examination for CPA licensing and the expectations can be overwhelming to a young student. Accounting professors can play a vital role in guiding students on a path toward a CPA career.

Accounting educators should be up-to-date on the key aspects of their vocation. They must be knowledgeable of the many changes in accounting principles and reporting. They also need to be alert for the latest developments in teaching delivery to enhance the learning experience in the classroom. In addition, college educators must be well-informed about the most recent professional regulatory changes.

One way accounting professors gain insight into current issues is by attending conferences like the NYSSCPA's Higher Education Conference, which was held in March of this year and gathered educators from colleges across the New York region.

Important topics covered at this conference included—

- accounting curriculum,
- recent regulations,
- social media, and
- recruiting.

Accounting Curriculum

International Financial Reporting Standards (IFRS). The biggest development in the accounting curriculum continues to be IFRS. With IFRS now included in the CPA exam and convergence with U.S. GAAP nearing, IFRS must be incorporated into the college accounting pro-

gram of study. The decision that each college must make is whether international accounting should be taught separately or incorporated into existing accounting courses. The consensus from attendees at the conference was that most colleges are choosing the latter—incorporation of international content into existing courses.

Providing an update on the latest IFRS developments were two directors in the National Professional Services Group of PricewaterhouseCoopers, Nicole Berman and Guilaine Saroul. They reported that more than 100 countries require, permit, or plan

alternative paths could have. Identify and consider the implications of business, accounting, tax structure, financing, long-term contractual commitment, investor, control systems, and workforce-related issues.

Maintain corporate oversight. IFRS adoption for statutory reporting continues in many jurisdictions. It's important to consider transition timing, strategies, and policy decisions of non-U.S. subsidiaries that are increasingly likely to be on some form of IFRS in the foreseeable future. Closely follow international acceptance of IFRS for statutory purposes.

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to converge or convert to IFRS, including Canada. Starting this year, our neighbor to the north now requires IFRS as published by the International Accounting Standards Board (IASB). Early adoption (prior to 2011) was permitted for consolidated and stand-alone financial statements upon application to securities regulators; however, U.S. GAAP is also acceptable for U.S.-listed issuers.

Berman and Saroul offered the following suggestions on what organizations should be doing now:

Focus on the challenge. The next several years will bring major changes to U.S. financial reporting. Whether changes arrive through convergence, an SEC-mandated adoption of IFRS, regulation, or continued IFRS use by subsidiaries and counterparties, the effect on U.S. businesses will be considerable.

Use scenario planning. Incorporate likely convergence and IFRS adoption expectations into strategic thinking and business planning. Consider the effects various

Identify what you can do now. Be mindful of the aspects of convergence and conversion that will take the longest. If highly probable changes can be made efficiently and without waste, get started addressing those challenges. Consider smaller, controlled one-off projects where desirable.

An important contribution to the international accounting dialogue was provided by Jeffrey Mechanick, an assistant director at FASB. Mechanick offered the following key points:

- The focus of FASB is not just on convergence but convergence *and* improvement.
- The issues that are being addressed are not only for accounting practices but also for regulation and enforcement.
- Four convergence topics were identified as high priority: financial instruments, leases, revenue recognition, and insurance.

Forensic accounting. Forensic accounting continues to emerge as a popular sub-

ject in accounting curriculum on college campuses. Students enjoy the real-world events incorporated into the courses. One such case was presented by former FBI Special Agent Joseph Dooley, who led the investigation in the \$3 billion fraud perpetrated by Martin Frankel.

In his presentation, Dooley guided the audience through the complex global investigation. He shared copies of evidence, including charred remains of burned documents, handwritten notes, cancelled checks, and affidavits. He also included newspaper clippings and interviews with Frankel. Eventually, Frankel was arrested, convicted, and imprisoned.

Recent Regulations

Over the years, one of the most popular presenters at the Higher Education Conference has been Daniel Dustin, executive secretary of the New York State Board for Public Accountancy. Dustin continued his contribution this year with much informative guidance as the state continues to implement the Public Accountancy Act of 2008. His commentary addressed the points outlined below.

- Education for professional accountancy content must incorporate—
 - financial accounting and reporting,
 - cost or managerial accounting,
 - taxation,
 - auditing and attestation services,
 - ethics and professional responsibility,
 - business and accounting communications, and
 - accounting research.
- Online courses are allowed in New York State.
- The expectation is that a bill requiring an MBA degree for public accountancy will not be introduced in the legislature.
- Nationally, applications to take the CPA exam have been rising.
- Changes to the CPA exam beginning January 1, 2011, include—
 - updated content, including testing of IFRS;
 - new authoritative literature (codified FASB standards);
 - new research task format;
 - task-based simulations in AUD, REG, and FARE; and
 - written communications in BEC.

- Passing rates for the CPA exam are in the 47% range for each of the four sections.

- The AICPA has not received any complaints about IFRS questions on the exam.

Social Media

College professors are keenly aware of the social media wave enveloping the current generation of students. Tom Hood of the Business Learning Institute and the Maryland Association of CPAs spoke at the Higher Education Conference about the role of social media in the lives of young people. Technology is changing the world, but it is not just increasing the speed, content, and volume of information, it is also changing the attitudes and expectations of those who use it. Hood explained that traditional social networking through Chambers of Commerce, class reunions, and friends has been augmented with Twitter, LinkedIn, and Facebook. Hood also gave interesting examples of how some CPAs dramatically expanded their contacts and grew their businesses through well-developed social media strategies. He offered compelling suggestions for incorporating social media to enhance classroom learning. These included the following:

- Use social media to connect to thought leaders.
- Employ tools that engage and share insights.
- Utilize blogging to support continuous informal learning.
- Draw upon blogs that support training.

Recruiting

It's important for accounting professors to stay current with the job market for accounting majors. To that end, the Higher Education Conference brought in a panel of recruiters representing four different organizations. They were: Heather Cohen, human resources director of WeiserMazars LLP; Mary Kebbe, who is responsible for training and development for controllers at Goldman Sachs; Pamela Krepchin, Northeast campus recruiting leader for Deloitte LLP; and Brendan Molloy, who oversees the campus recruiting team for KPMG's Northeast region. The panel members discussed their current hiring plans as well as their expectations for the

accountants of tomorrow. Their comments included the following:

- Campus hiring is on the upswing after recent flat years, both for full-time employment and internships.

- With New York's new CPA regulations, accounting majors have alternatives to the traditional career start at an accounting firm.

- The firms characterized their young accountants as proactive, adaptable, flexible, and possessing good technical skills.

- On the other hand, the new generation of accountants generally could use improve-

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ment in writing skills, oral communication, and the skills for working in a professional environment.

It's crucial that accounting educators keep up with developments affecting the profession and enhance their knowledge in order to aid their students. Current information in the fields of accounting curriculum, New York licensing regulations, social media, and recruiting will better enable college accounting professors to mentor the CPAs of the future. □

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