

FSA Position Statement on NASBA Exposure Draft of Proposed Changes to the Uniform Accountancy Act, Rules 5-1 and 5-2

The Board of Directors of the Federation of Schools of Accountancy (FSA) has developed the following response to address the National Association of State Boards of Accountancy (NASBA) Exposure Draft of proposed changes to Uniform Accountancy Rules 5-1 and 5-2.¹ Member institutions of the FSA have a graduate degree program in accounting separately accredited by the American Assembly of Collegiate Schools of Business. Programs which do not hold or do not plan to secure accounting accreditation for their graduate programs, or which do not offer post baccalaureate accounting programs, can become affiliate members of the FSA. The FSA currently has approximately 100 full member institutions and approximately 50 affiliate institutions. FSA also has approximately 25 non-profit and private enterprise members. A list of all members is attached.

The FSA serves the profession by promoting accounting accreditation among students and employers as an indicator of quality. The FSA also assists schools in achieving and maintaining accredited graduate accounting programs. The FSA is also a leader in shaping accreditation standards and processes. We have thoroughly reviewed the recommendations in the NASBA Exposure Draft and have concluded that if these recommendations take effect, the quality of accounting education will decline dramatically. This NASBA initiative will lead to significant negative consequences for the accountancy profession, including a decline in the number of individuals who will qualify to sit for the CPA Exam. We further suggest that the process used to develop these proposed changes was flawed from its genesis as it excluded many organizations that play a key role in accounting education.

Curriculum development is clearly a vital component to the development of effective education programs. We strongly believe that while the NASBA proposals focus on the inputs into curriculum development, they were developed with a narrow view that did not appropriately consider the multi-faceted process which should be used to develop excellent curriculums. For academic programs to successfully prepare students for the accountancy profession well defined learning objectives must be formulated and then a process must be developed to achieve those learning objectives. While we agree with many of NASBA's proposed learning objectives (i.e., communications, ethics, research and analysis skills), we strongly disagree with the process NASBA has outline to impose how these skills must be developed in accounting and business programs. AACSB International (The Association to Advance Collegiate Schools of Business) has developed accreditation standards that are consistent with an outcomes or assurance of learning

¹This position statement was developed by the FSA and does not necessarily represent the views of any single board member or any single member institution or organization.

approach to curricula development. This approach is consistent with existing research which indicates that outcomes based curriculums are more effective at providing assurance of learning than are input focused approaches such as that taken by NASBA.

We conclude that this proposal would not achieve NASBA's stated goals and would lead to many negative unintended consequences, including a devastating effect on the quality of accounting education -- an unanticipated result of the input focused approach recommended by NASBA. If adopted, NASBA would dictate almost the entire accounting curriculum and a high percentage of the common business curriculum for business schools. Advice from faculty, advisory councils, and other important stakeholders on curriculum structure would not be necessary, which would stifle the innovation and new course development that is necessary to meet the needs of an ever-changing profession.

We recommend that NASBA rescind its exposure draft, and that a new process be initiated that includes input from all appropriate accounting education stakeholders. Failing that, we recommend that State Boards of Accountancy reject the proposal.