

Memorandum

October 8, 2003

To: FSA Board
From: Eileen Peacock (coordinator), Dave Donnelly, Dan Hollingsworth
Re: FSA Comment on Proposed Accounting Accreditation Standards

Attached is a draft of comments to be sent to the AACSB Accounting Standards Development Committee.

The response is in two parts: a general comment outlining broad issues of concern, and a large number of specific issues that create misunderstanding.

We appreciate your review and input. Please respond to Eileen Peacock by October 22, 2003. The AACSB committee requires the critique by October 31, 2003.

Issues of Concern

General issue of detail versus vagueness – a lack of consistency

The student engagement measurement suggests a degree of detail even to the extent of the whole degree (see reference to 2970 hour in basis for judgment), yet with regard to faculty qualifications, there is a requirement of “sufficient faculty”, a description without specificity and sometimes difficult to interpret.

The requirement in the mission to specify which professional certification a school is preparing its students for, is another example of questionable detail. A reasonable assumption is that a mission should be broad, supported by goals and objectives.

There is a tendency for accountants to want detail, to drill down. The notion of measuring engagement hours, a nebulous concept, further confirms that characteristic. The business standards have not set such requirements. Therefore all accounting programs will be encumbered with these additional tasks. In schools where deans make the decision to seek accounting accreditation this may be considered a negative factor.

Diversity

The standards (preamble, p.11) state “the academic unit must first define and support the concept of diversity appropriate to its culture.....”. This may be interpreted in a variety of ways. More specific information is needed on how an academic unit can show how its accounting programs include diverse viewpoints among participants and prepare graduates for accounting careers in the global context. Examples need to be provided as how a unit should demonstrate commitment and actions in support of diversity. Will a diverse student body in the classroom be sufficient? More guidance is needed on how should students be exposed to cultural practices different from their own and what type of documentation is needed?

Student Engagement hours

The Assurance of Learning standard attempts to use a common denominator of student engagement hours. This is confusing and open to differing interpretations. Given the advent of alternative methods of delivery, and the increase in international schools with different ways of “teaching”, how will engagement hours be determined and will those definitions vary by team? As workload data is often captured at the business school level it may not be reasonable or feasible to make this a requirement.

Professional Interaction, Practical Experience and Faculty Qualifications.

There appears to be a slight change of emphasis from the current standards in favor of professionally qualified rather than academically qualified faculty. The evidence for this comes from a noticeable change in the emphasis on the importance of professional interaction and practical experience. The need for faculty to be in touch with developments in practice is not new and has been addressed in prior standards. However the focus, while maybe unintended appears to be away from academically qualified. Also there still seems to be some confusion with regard to what is meant by practical experience and what satisfies that requirement.

Graduate programs

Over the past decade the accounting profession has placed an increasing importance on graduate accounting education. Academics have been charged with providing a more broadly educated and adaptive professionals. Along with providing greater technical expertise, graduate education must emphasize the conceptual underpinnings to accounting practice, our societal role, and the interpersonal and moral challenges that professional face. Yet, the proposed accounting accreditation standards provide little, if any, additional guidance on the attributes of high quality graduate programs. Perhaps the standards should provide answers to some questions: What is necessary to meet the expectations of graduate education? Should there be more specific guidance on the qualifications, intellectual contribution, and development expectations of graduate faculty?

Specific Issues of Concern

Standard 33

The standard indicates accounting programs should demonstrate success by placing students within 3 months of graduation. This is open to interpretation by teams but implies that a school needs data on 100% of their graduates. What types of jobs qualify? What is meant by “success”? The Basis for Judgment lists two “inputs,” whereas the standard refers to outputs. The Guidance for Documentation (p.26) asks for statistics, but leaves the impression that data on all graduates must be maintained for an extensive period of time.

Standard 35

The standard requires the faculty to be actively involved in making intellectual contributions in the areas of basic scholarship, applied scholarship, and the scholarship of teaching and learning. These three areas of intellectual contribution are the same as contained in the current standards; however, the new business standards separate activities into learning and pedagogical research, contribution to practice, and discipline-based scholarship. It is not clear whether the terms, though similar, are intended to be interchangeable.

The standard requires all faculty members to maintain capabilities through contributions in Learning plus Practice or Scholarship. The standard does refer back to the business standards for definition, but technically the business standards do not define these terms. As written, the accounting standards' requirements for contributions require "learning" as

a mandatory requirement. An alternative might be "learning and pedagogical research AND/OR contributions to practice AND/OR discipline-based research."

The standard jumps between the two sets of descriptive terms for intellectual contributions. The first "basis for judgment" uses the business standard terminology and the second uses the current accounting standard terminology.

Does it make sense to require individual faculty to contribute to both learning and one other area when they are already required to demonstrate professional interaction and experience on an ongoing basis and given the heavy teaching responsibility of some faculty (instructors)? The standard seems to give little consideration to the varied responsibilities of faculty across a variety of schools.

Standard 36:

The standard requires that all academic unit faculty demonstrate sufficient ongoing professional interaction to support their role in the department. It is not clear if this requires all faculty to demonstrate professional interaction or does it mean that professional interaction is required if necessary to support your role in the department. If it is the latter, the standard should provide some guidance on what types of roles would require professional interaction or more importantly what roles would not.

The faculty, as a whole, must maintain a portfolio of relevant practical experience consistent with the mission. Although practical work experience is not defined the guidance would suggest it relates to specific work assignments. Prior accounting standards provided guidance on what was meant by practical experience and it was much broader than implied in this proposal. Additional guidance should be provided.

Standard 42:

This standard requires a minimum of 75% of student engagement in the masters program be in classes reserved exclusively for graduate students. As often graduate courses will have students that are not graduate students taking the course, but they are taking it for graduate credit, possibly the wording should be "... a minimum of student engagementin classes that may only be taken for graduate credit."

This standard requires that in cases where students continue from an undergraduate accounting program to a Master's in Accounting Program, a minimum of 30% of the student engagement hours must be at the graduate level. This needs to be clarified. As it currently reads this implies 30% of all engagement hours but it must mean 30% of accounting related engagement hours. If not, no one-year Master's of Accounting Program could meet this standard.