



# FEDERATION OF SCHOOLS OF ACCOUNTANCY

THE ORGANIZATION OF ACCREDITED GRADUATE PROGRAMS IN ACCOUNTING

# NEWSLETTER

VOL. 29, NO. 2

WINTER 2005

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Since the Spring newsletter, several items of importance have occurred that I'd like to share. Of special significance is news that the NASBA proposal which the FSA initially responded to in Summer of 2004 and most recently during Summer of 2005 (a copy of our position is printed in this newsletter) has been "shelved" for further consideration. Thanks to all who expressed concerns over the unworkable implementation dimensions in this proposal. Hopefully, our input and that of other representatives from the academic community will be included in development of NASBA's successor proposal.



Andrew Judd

The FSA continues its service to member schools through presentation of relevant and contemporary professional meetings. First, the FSA and the APLG are pleased to announce that a second annual joint meeting will be held next year. The "Second Annual" APLG/FSA Joint Annual Conference will be presented on February 12 – 14, 2006 at the Hilton Palacio Del Rio in San Antonio, Texas. Thanks to Tim Fogarty who is serving on the program committee. Second, Deloitte continues its support of the Deloitte/FSA Faculty Consortium that will again be held at the Drake Hotel in Chicago. Bruce Behn and Dan Hollingsworth are the FSA's program co-chairs. They are actively working with Kathy Schozitic of Deloitte in developing a theme and program details for next year's event. The dates for this "Fourth Annual" event will be May 18<sup>th</sup> and 19<sup>th</sup>, 2006.

Based on the positive feedback on the joint meeting format with APLG and its likely continuation into the future, the FSA's bylaws need to be modified. Historically, the FSA has conducted its annual meeting in either October or December, and conducted elections at that time. Two inconveniences have been created by shifting the annual meeting to February. First, the President-Elect also serves as the program chair for the Deloitte/FSA Faculty Consortium that is held in May. Having an individual assume this role in February and organize a conference three months later creates an almost impossible task. Second, because of the joint nature of the annual meeting, holding a separate business meeting for the FSA seems impractical. Taking a note from the APLG's bylaws, a shift to online elections seems to be a practical solution. Accordingly, changes to the bylaws are proposed that would shift officer/board membership elections to coincide with the AAA Annual Meeting in August and the use of online voting. Specific details for these changes are presented separately in this newsletter and will be voted on at the "current" election date specified in our bylaws – February in San Antonio.

Also related to elections at our annual meeting will be the consideration of Dan Hollingsworth's nomination to serve as successor to Greg Carnes as President-Elect/President of the organization. Greg has accepted the Dean's position at Lipscomb University in Nashville, Tennessee effective January 2006. As this college is not a member of the FSA and our bylaws are specific in requiring that the President be from a member school, Greg unfortunately cannot serve in this position. To address such transitions, the bylaws require a special election at the next annual meeting. I would like you to join me in thanking Greg for his outstanding service to our organization and to wish him well in his new position! Also, I would like to thank the Nominations Committee for

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## 2005 FSA CALENDAR

### DECEMBER

Final reporting date for FSA  
Committees  
December 1, 2005

**Have a Happy Holiday!**

## 2006 FSA CALENDAR

### JANUARY

First Interim reporting  
date for FSA Committees  
January 31, 2006

**Happy New Year!**

### FEBRUARY

FSA Board of Directors Meeting  
Hilton Palacio Del Rio  
San Antonio, TX

FSA-APLG Joint Annual Meeting  
February 12–14, 2006  
Hilton Palacio Del Rio  
San Antonio, TX

### MAY

FSA Board of Directors Meeting  
May 18, 2006  
Drake Hotel — Chicago, IL

Deloitte/FSA Faculty Consortium  
May 18–19, 2006  
Drake Hotel — Chicago, IL

### AUGUST

Second Interim reporting date  
for FSA Committees  
August 1, 2006

FSA Board of Directors Meeting  
August 6, 2006  
Washington, DC

**For updates visit us at  
[www.thefsa.org](http://www.thefsa.org)**

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presenting Dan Hollingsworth, an active participant and supporter of FSA programs, as a most capable successor to Greg.

I would also like to acknowledge another change of faces. After serving many years as the FSA's administrator, Cecilia Lochin left the AICPA to pursue other opportunities. I would like to thank Cecilia for her contributions to the organization and welcome her successor – Zoe Cheung! Fortunately for us, Zoe has an undergraduate degree in accounting and has provided outstanding support for Beta Alpha Psi. We look forward to similar contributions in her new role with the FSA.

There is one final item I would like to share with you. The FSA will again support Irv Nelson in the fifth administration of the FSA Database Survey, which provides a longitudinal database to examine trends in student characteristics. We will be asking for your support in administering the survey during spring semester/spring quarter to all accounting seniors and Masters' students at certain FSA schools (those that participated in the administration of the survey six years ago). The instrument should be available for distribution early next year, so now may be a good time to share this information with colleagues so they will be able to incorporate this activity into their plans for next term (the survey takes about 15 minutes of classroom time.)

In addition to those schools continuing in the longitudinal study, all other member and affiliate schools will be invited to request their students to participate in a new, web-based survey to provide more global information for assessment of each institution's relationship to organizational norms. This newer, shorter survey will not use class time, and can be completed at the students' convenience. It is anticipated that this new survey will eventually replace the hard copy survey for longitudinal purposes, and that it may also be extended to non-FSA institutions, potentially providing additional comparative value. More information on the two surveys will be forthcoming in the next few months. We thank you in advance for your support of these important studies of student characteristics.

I look forward to seeing you at the Second Annual APLG/FSA Joint Annual Meeting and wish you well for the Holiday Season!



Andrew Judd  
President, FSA

August 16, 2005

## FEDERATION OF SCHOOLS OF ACCOUNTANCY 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.<sup>1</sup> Member institutions of the FSA have a graduate degree program in accounting separately accredited by the AACSB International (The Association to Advance 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.

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 educational 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 effective curricula. 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 outlined to

<sup>1</sup> This does not necessarily represent the views of any single board member or any single member institution or organization.

## THE 2006 DELOITTE/FSA FACULTY CONSORTIUM

will be held May 18–19, 2006, at the Drake Hotel in Chicago, IL. The theme of this year's consortium will be "Perspectives on the New International Financial Reporting Environment." Deloitte will once again provide the funding for this excellent program. Registration invitations will be sent to member schools in early 2006.

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## 2005 MEMBERSHIP LIST

### MEMBER SCHOOL/ASSOCIATE

#### FULL MEMBERS

Arizona State University – Tempe • Auburn University • Baylor University • Belmont University • Bentley College • Boise State University • Bowling Green State University • Bradley University • Brigham Young University • California State University – Fullerton • Case Western Reserve University • Clemson University • Cleveland State University • CUNY – Baruch College • DePaul University • East Tennessee State University • Florida International University • Florida State University • George Mason University • Georgia Southern University • Georgia State University • Idaho State University • Illinois State University • Iowa State University • James Madison University • John Carroll University • Kansas State University • Kennesaw State University • Louisiana Tech University • Loyola College in Maryland • Marquette University • Miami University • Michigan State University • Mississippi State University • New Mexico State University • Northern Illinois University • Oklahoma State University • Old Dominion University • Rider University • Saint Joseph's University • Southeastern Louisiana University • Southern Illinois University at Carbondale • Southern Illinois University at Edwardsville • State University of West Georgia • Stetson University • SUNY Buffalo • Texas A&M University • Texas Tech University • Truman State University • University of Akron • University of Alabama • University of Alabama at Birmingham • University of Arkansas • University of Central Florida • University of Connecticut • University of Denver • University of Georgia • University of Houston – Clear Lake • University of Illinois at Chicago • University of Illinois at Urbana – Champaign • University of Iowa • University of Kentucky • University of Memphis • University of Miami • The University of Mississippi • University of Missouri – Columbia • University of Nebraska – Lincoln • University of Nevada – Las Vegas • University of New Orleans • University of North Carolina at Charlotte • University of North Texas • University of Notre Dame • University of Oklahoma • University of Oregon • University of Rhode Island • University of South Carolina • University of Southern California • University of South Florida • University of Southern Mississippi • The University of Tennessee – Knoxville • University of Texas – Arlington • University of Texas – Austin • University of

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impose how these skills must be developed in accounting and business programs. The NASBA recommendations also do not reflect an understanding of the process used by universities for curriculum change and resource allocation. AACSB International has developed accreditation standards that are consistent with an outcomes or assurance of learning approach to curricula development. This approach is consistent with existing research which indicates that outcomes based curricula are more effective at providing assurance of learning than are input focused approaches such as that proposed by NASBA.

We conclude that this proposal would not achieve NASBA's stated goals and would lead to 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 curricula 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.

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## AACSB INTERNATIONAL ACCOUNTING ACCREDITATION SEMINAR

**February 10 – 11, 2006**  
**San Antonio, Texas**

Perfect for deans, accounting administrators, department chairs, faculty members, and key stakeholders of accounting programs, the seminar focuses on:

- ▶ The Accounting accreditation standards.
- ▶ The importance of continuous quality improvement.
- ▶ The processes leading to initial accreditation and maintenance of accreditation.

A Peer Review Team training session will also be offered.

The seminar will be held just prior to the 2006 APLG/ FSA Annual Meeting in San Antonio. To join us, visit [www.aacsb.edu/conferences/events/seminars.asp](http://www.aacsb.edu/conferences/events/seminars.asp).

***AACSB International accounting accreditation — representing earned excellence, the best accounting programs in the world.***

# PROPOSED ITEMS FOR MEMBERSHIP VOTE AT SAN ANTONIO ANNUAL MEETING

1. Vote on nomination of Dan Hollingsworth to succeed Greg Carnes as President Elect per Article 4. G. of the Bylaws.
2. Vote on nomination of proposed Board Members:  
Ross Jennings of Texas to serve as a Board member in Ruth Epps' current position.  
Tom Linsmeier of Michigan State as a Board member in David Donnelly's current position.  
John Wilguss of Oklahoma State as a Board member in Don Deis' current position.
3. Vote on nomination of proposed Officers:  
Bruce Behn of Tennessee to serve as President-Elect (succeeding Dan Hollingsworth).  
Paul Shoemaker of Nebraska to serve as Secretary (succeeding Bruce Behn).  
Casper Wiggins of North Carolina-Charlotte to serve as Treasurer (succeeding Tom Schaefer).
4. Vote on changing the effective date for Board Members and Officers terms to an effective date corresponding with the FSA Board Meeting at the AAA Annual Meeting.
5. Vote on extending the terms of current officers until the AAA Annual Meeting with new officers and board members terms beginning then.
6. Vote on changing the FSA's voting process from an in-person process at the annual meeting to an online process to be administered 45 days after the issue of the FSA's Spring newsletter.
7. Vote on having an open process of nominations for Board or Officer positions from the general membership during the 45 day period between the publication of the FSA's Spring newsletter and the date of electronic administration for the ballot.

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Texas – El Paso • University of Texas – San Antonio • University of Virginia, McIntire School • Utah State University • Virginia Commonwealth University • Virginia Polytechnic Institute and State University • Wake Forest University, Calloway School • Weber State University • Western Michigan University • Wichita State University • Wright State University

## **ACCREDITED AFFILIATE**

Arizona State University – Phoenix • Central Michigan University • Creighton University • Drake University • Eastern Illinois State University • Lehigh University • Oakland University • Ohio University • Pacific Luthern University • Towson University • University of Dayton • Villanova University

## **AFFILIATE**

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## **NON-PROFIT ASSOCIATE**

AACSB • AICPA • Alabama Society of CPAs • Florida Institute of CPAs • Institute of Chartered Accountants of Ontario • NASBA • New York State Society of CPAs • North Carolina Association of CPAs • Ohio Society of CPAs • Society of Louisiana CPAs • Southern Carolina Association of CPAs • Texas Society of CPAs

## **PRIVATE ENTERPRISE**

Deloitte • Ernst & Young • Grant Thornton, LLP • KPMG, LLP

# ACCOUNTING PROGRAMS LEADERSHIP GROUP FEDERATION OF SCHOOLS OF ACCOUNTANCY

## Annual Seminar February 12–14, 2006 — San Antonio, Texas

### *Accounting Department Chairs 2006: Calm or Chaos?*

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#### Preliminary Program

##### Sunday, February 12, 2006

|          |          |   |
|----------|----------|---|
| 7:00 am  | 5:00 pm  | <b>Registration</b>   |
| 8:00 am  | 12:00 pm | <b>New Chairpersons' Program</b><br>James Rebele, Robert Morris University  |
| 12:00 pm | 1:00 pm  | <b>New Chairpersons' Luncheon</b>   |
| 1:00 pm  | 1:15 pm  | <b>Welcome and Introduction</b><br>Kent St. Pierre, University of Delaware, APLG President<br>Andrew Judd, University of Central Florida, FSA President |
| 1:15 pm  | 3:15 pm  | <b>AACSB Update and Current Issues</b><br>Jerry Trapnell, AACSB International<br>Jan Williams, University of Tennessee                                  |
| 3:15 pm  | 3:45 pm  | <b>Break</b>  |
| 3:45 pm  | 4:45 pm  | <b>External Influences on Accounting Programs</b><br>Bob Gray, Consultant   |
| 4:45 pm  | 5:00 pm  | <b>Information and Feedback from Members</b>  |
| 6:00 pm  | 8:00 pm  | <b>Welcome Reception</b>  |

##### Monday, February 13, 2006

|          |          |   |
|----------|----------|---|
| 7:00 am  | 5:00 pm  | <b>Registration</b>   |
| 7:00 am  | 8:30 am  | <b>Breakfast</b>  |
| 8:30 am  | 9:30 am  | <b>Assessment Philosophy and Concepts</b><br>Susan Wolcott, WolcottLynch  |
| 9:30 am  | 10:30 am | <b>Assessment Implementation Issues and Guidance</b><br>Thomas G. Calderon, University of Akron   |
| 10:30 am | 11:00 am | <b>Break</b>  |
| 11:00 am | 12:00 pm | <b>Ethics in the Classroom</b><br>Dan M. Guy, consultant and author on professional issues; former educator and vice president of the AICPA |
| 12:00 pm | 1:30 pm  | <b>Luncheon</b><br>Judy D. Rayburn, President of AAA  |
| 1:30 pm  | 2:30 pm  | <b>Strategies for Dealing with Ph.D. Shortage</b><br>Tim Fogarty, Case Western University<br>David E. Greene, Indiana University            |
| 2:30 pm  | 3:00 pm  | <b>Break</b>  |

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|         |         |   |
|---------|---------|---|
| 3:00 pm | 4:00 pm | <b>Big 4 Perspective on Current Employment Issues</b><br>Big 4 Panel  |
| 4:00 pm | 5:00 pm | <b>Identifying and Dealing with Issues Critical to Accounting and Business Education</b><br>Jerry Strawser, Texas A & M University<br>Jack Wilkerson, Wake Forest University<br>Lynda Y. de la Vina, University of Texas at San Antonio |
| 5:30 pm | 7:00 pm | <b>Reception and Awards</b>   |

**Tuesday, February 14, 2006**

|                           |          |  |
|---------------------------|----------|--|
| 7:00 am                   | 11:30 am | <b>Registration</b>  |
| 7:00 am                   | 8:00 am  | <b>Breakfast Buffet</b>  |
| 8:00 am                   | 9:00 am  | <b>Concurrent Session #1</b><br>1A. <i>Annual Faculty Reviews: The Role of Student Evaluations, Publications, and Service</i><br>1B. <i>Meeting the AACSB's Recent Relevant Experience Requirement</i><br>Jack Wilkerson, Wake Forest University<br>Ira Solomon, University of Illinois<br>1C. <i>Current and Future Role of AICPA in Accounting Education</i><br>Beatrice Sanders, Vice President of Academic and Career Development, AICPA |
| 9:00 am                   | 10:00 am | <b>Concurrent Session #2</b><br>2A. <i>Annual Faculty Reviews: The Role of Student Evaluations, Publications, and Service</i><br>2B. <i>Meeting the AACSB's Recent Relevant Experience Requirement</i><br>Jack Wilkerson, Wake Forest University<br>2C. <i>Current and Future Role of AICPA in Accounting Education</i><br>Beatrice Sanders, Vice President of Academic and Career Development, AICPA  |
| 10:00 am                  | 11:00 am | <b>Concurrent Session #3</b><br>3A. <i>Advanced Placement Course and Exam for Accounting</i><br>George W. Krull, Jr., Chair, AICPA<br>Pre-certification Education Executive Committee<br>3B. <i>Benefits and Problems of Beta Alpha Psi, Accounting Societies, and Other Student Organizations</i><br>3C. <i>Managing and Motivating High and Low Performing Faculty</i>   |
| 11:00 pm                  | 12:00 pm | <b>Concurrent Session #4</b><br>4A. <i>Advanced Placement Course and Exam for Accounting</i><br>George W. Krull, Jr., Chair, AICPA<br>Pre-certification Education Executive Committee<br>4B. <i>Benefits and Problems of Beta Alpha Psi, Accounting Societies and Other Student Organizations</i><br>Kent St. Pierre, University of Delaware<br>4C. <i>Managing and Motivating High and Low Performing Faculty</i>                           |
| <b>Program Co-Chairs:</b> |          | Tim Fogarty, Case Western University<br>Lee G. Knight, Wake Forest University  |

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## INSTITUTE FOR FRAUD PREVENTION ANNOUNCES NEW GRANTS

The Institute for Fraud Prevention (IFP), a consortium of organizations and companies committed to multi-disciplinary research, education and deterrence of fraud and corruption, is offering academic grants for the study of different aspects of fraud. IFP's primary goal is to improve the ability of business and government to combat fraud and to educate the general public on effective methods for recognizing and deterring it.

### Grants are available for the following research:

- 1. Assessing the Role of Control Overrides in Financial Statement Fraud (pdf)** — The objectives of this research project are to (1) explore how frequently issuers of fraudulent financial statements use management override of controls as their method of conducting fraud, and (2) help IFP design best practices to reduce the risk of fraudulent financial statements through management control overrides. (\$70,000 through December 31, 2006.)
- 2. Assessing How Identity Thieves Obtain Identities for Exploitation (pdf)** — This project seeks to (1) provide research into the relative frequency of how identities are stolen, and (2) help IFP design best practices to reduce the risk of identity theft without imposing undue costs on the public. (\$40,000 through December 31, 2006.)
- 3. Assessing How Procurement Fraud Suborns Officials (pdf)** — This research project will (1) explore how procurement officials are suborned, (2) explore whether the means of suborning procurement officials vary in any characteristic by sector (public, private, not-for-profit) or field (defense, medical) and (3) help IFP design best practices to reduce the risk of procurement fraud without imposing undue costs on the public and contracting body. (\$60,000 through December 31, 2006.)

A list of potential research issues related to the IFP's objectives are presented in the Requests for Proposal. Most recognized research methodologies are acceptable if properly justified by the researcher. Successful proposals will include a description of research stages with periodic reporting on progress. Funding and timeline details vary under each of the three proposed projects.

**Contact: Dr. William K. Black, PhD, (408) 551-6025, [b.black@mail.utexas.edu](mailto:b.black@mail.utexas.edu)**

*The non-profit Institute for Fraud Prevention (IFP) was founded by the Association of Certified Fraud Examiners and the American Institute of Certified Public Accountants in conjunction with the University of Texas at Austin's LBJ School of Public Affairs. IFP is a consortium of monetary partners and intellectual contributors, including Grant Thornton, the Government Accountability Office, the Federal Bureau of Investigation, and U.S. Postal Inspection Service.*