LETTER FROM THE PRESIDENT

The Federation of Schools of Accountancy has a long and rich history. The origin of the FSA is the idea that accountancy is a profession and, like other professions—e.g., medicine and law—additional formal education beyond a bachelor’s degree is necessary for entry into the profession. This additional education serves two purposes: (1) to provide needed knowledge and skills and (2) to develop the individual’s appreciation, understanding, and commitment to a professional mind-set and attitude.

Larson (1978) distinguishes professions from mere occupations as follows: they have “a professional association, cognitive base, institutionalized training, licensing, work autonomy, colleague control… (and) a code of ethics.” In addition, professions have “high standards of professional and intellectual excellence.” More recently, the Pathways Commission has called for greater effort to create a learned profession in accounting, with increased collaboration between practicing and academic accountants.

Full membership in the FSA is currently restricted to accounting programs that have graduate, AACSB-accredited accounting degree programs. The FSA currently boasts a membership of 145 accounting programs: 112 fully accredited member schools, three member schools with AACSB-accredited undergraduate-only degree programs, and 30 schools with graduate accounting degree programs but without separate AACSB accounting accreditation. While these numbers are impressive, the original, 1970s goal of promoting Professional Schools of Accountancy seems to have gotten lost along the way. Out of our 145 total school membership, and 112 full member schools, only 42 accounting programs have separate “School” designation at their university. That means there is the potential to create over 100 new professional schools of accountancy, just in the United States alone!

Why is creating more professional schools of accountancy important? For two reasons: first, and most importantly, is the opportunity to better develop the learned profession of accountancy by exposing accounting students at the beginning of their careers to the concept and meaning of being a professional—e.g., high ethical standards, self-responsibility, continuous-learning and development, collegiality, autonomy and independence. Second, even when the accounting program remains part and parcel of a school of college of business administration, as is the case with 40 current Schools of Accountancy, the designation of an academic accounting department or area as a professional school instantly sets the program apart from other business disciplines and creates a brand awareness of professionalism. This distinction has positive benefits for students, faculty, alumni, and it creates an opportunity for naming and endowing the school—creating additional scholarships, faculty support, funding for continuing education programs, etc., to enhance the school of accountancy as a point of intersection for the academic and practice communities.

During this year, I will be working on an initiative to develop the case for designating accounting departments as professional schools within a college of business. Stay tuned for more details on this initiative as they emerge.

Before closing this letter, I want to call your attention to the great, on-going work of the FSA: (1) I had the privilege last May to attend the annual Deloitte Foundation/FSA Faculty Consortium at Deloitte University, near Dallas, Texas. With cooperation and support from the Deloitte Foundation, the Faculty Consortium will again be offered in 2016. If you have never attended this meeting, I encourage you to consider attending this next May or send a faculty member. This is a high-level meeting of the best minds in the accounting academy and in the practice community. It represents the reality of what accounting as a learned profession can and should be. FSA Vice-President and President-Elect Rebecca Shortridge (Northern Illinois University) is working with FSA Board member Janet Butchko and Kathy Shoziic (Deloitte) on developing the meeting this year. (2) We will again be collaborating with the APLG section of the AAA to present...
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the annual APLG/FSA meeting in Savannah, Georgia in February. FSA Board member Michael Akers (Marquette University) is chairing the meeting from the FSA. (3) We will be presenting the annual Mark Chain/FSA Innovation in Graduate Teaching Award in conjunction with the AICPA.

(4) Fred Mittelstaedt (Notre Dame University) is continuing to chair our Accounting Regulation Committee. This important committee reviews and provides input on potential changes in accreditation standards and other changes important for the accounting academy such as the proposed changes in the Uniform CPA Examination. (5) Lastly, to facilitate better communication and exchange of information within the accounting academy, the FSA will launch an online forum site this year, www.theFSAforum.org. Please consider creating an account and participating in collegial exchanges on teaching, research, academic careers, and topics of interest to the accounting academy and to the profession of accountancy.

Best wishes for a productive and enjoyable 2015-2016 academic year.

Sincerely

Michael L. Roberts
Professor of Accounting
University of Colorado Denver
President, Federation of Schools of Accountancy


FSA Recognizes Innovative Graduate Accounting Curriculum

The Federation of Schools of Accountancy is pleased to announce the winner of the 2015 Mark Chain/FSA Teaching Innovation Award for innovation in graduate-level accounting coursework. This year’s award winner is Patricia A. Johnson from Canisius College, for the curriculum “Detective, Critic, Curator, Investigator - A Novel Approach to Encouraging Student Research and Creativity”.

The Mark Chain Award provides each award recipient $2,500, as well as a plaque which will be presented at the 2016 American Accounting Association annual meeting. The curriculum will also be included in the AICPA Accounting Professors’ Curriculum Tool on the AICPA website.

Honorable Mentions for the 2015 Mark Chain/FSA Teaching Innovation Award will also be recognized at the AAA Annual Conference in 2016.


Honorable Mention: “Bringing an Accounting Case to Life with Trained Actors: Teaching Interviewing and Teamwork Skills” Genevieve Risner, Michigan State University

More information about this award, as well as other AICPA Effective Learning Strategies educator awards, can be found here.
Dear APLG and FSA Members:

Registration is open for the 2016 APLG/FSA Annual Seminar in Savannah, Georgia, February 12-13, 2016. The topics are designed for a broad audience, including experienced chairs and program directors. The program begins with a “Networking Breakfast” open to all attendees at no additional cost.

Similar to the 2015 meeting, we have planned more concurrent sessions than prior years, including some designed specifically for the administrative and faculty directors of your master of accountancy programs. Some of the topics for this year’s program include:

- Best practices for international students in Master of Accountancy (MACC) programs.
- Recruiting students for MACC programs.
- Value of accounting accreditation; recommendations and pitfalls to initial accounting accreditation and continuous improvement reviews.
- Big data—what are professional organizations doing and expecting?
- Big data—what are schools doing to meet professional expectations?
- Forthcoming changes to the CPA exam
- How the CPA exam results can be used as a direct measure of assessment.
- Curriculum management—evaluation of both the undergraduate and graduate curriculum.
- How do we measure the impact of accounting research?
- Business as a force for Good—discussion will be linked to the work of the Pathways Commission.
- Teaching: insights from the survey conducted by the Pathways Commission.
- How does the academy and profession work together to develop and respond to a diverse workforce?
- How do we foster and enhance engagement between faculty and the professional community and how important are professional certifications?
- Comments of American Accounting Association’s Board President, Bruce Behn
- Comments of KPMG Chairman and CEO, Lynn Doughtie.

Please visit our website for additional details about the program. The AACSB seminar will precede the program on Thursday, February 11th. If there are any interest groups that would like to meet during one of the breakfasts, please contact us so that we can designate a table for your group.

Register Online

To Register Online for the conference; you will need your AAA Login ID and password. If you have forgotten your Login ID and/or password, you can request this information be emailed to you by completing the Password Request Form. If you do not receive an email message containing your login information, please contact the AAA Member Services Team at info@aaahq.org.

We know that budgets are tight and travel may be limited, but we believe that the quality of our meeting, the networking opportunities, and the venue will make for an exciting conference.

We look forward to seeing you in Savannah!

William Stout, APLG President
Michael Roberts, FSA President
AICPA taking multipronged approach to lead candidates into the CPA pipeline

By Kim Nilsen

No single statistic can adequately tell the story of the accounting profession’s current health and long-term forecast. But among the many trend lines the AICPA has been monitoring and responding to in recent years is the gap between the number of recent college graduates with accounting degrees and the volume of new candidates sitting for the CPA exam.

Enrollment in accounting programs and hiring by public accounting firms of accounting graduates have reached record highs. But while the number of college graduates with both bachelor’s and master’s degrees is increasing, the number of new exam candidates and examination sections taken annually remains flat.

The gap is evident, but the factors driving it are more complex and harder to see. On the supply side, students are concerned about the cost of preparing for the exam, and the time, to study for and to take the exam. On the demand side, firms are developing specializations and diversifying their workforce with new-hires that are non-accounting majors. Overarching both supply and demand, there is a dampening effect of overregulation on firm culture and firms’ ability to hire and retain the best and brightest.

“We’ve been looking into this issue in great detail and are considering a number of profession-wide initiatives to complement our existing programs and ensure that qualified accounting graduates are earning their CPA license,” AICPA CEO and President Barry Melancon said in August, when the Institute released its 2015 Trends in the Supply of Accounting Graduates and Demand for Public Accounting Recruits report.

“Our focus has always been, and continues to be, moving accounting students to the CPA exam and working to close the gap between the two,” Joanne Fiore, vice president—Professional Media, Pathways & Inclusion for the AICPA, said during a presentation at the AICPA fall Council meeting.

It is also understood that the pipeline cannot be addressed by a collection of one-off initiatives focused on one point in time. The approach must be coordinated and a continuous process that begins at high school and continues through to young professionals.

The Institute’s strategy employs continuous engagement with students, candidates, and CPAs and efforts to build a supportive pro-CPA environment throughout the pipeline.

Below are the AICPA’s key initiatives to address the pipeline:

• The CPA Exam Candidate Success report, slated for release by the AICPA this fall, identifies and shares best practices that drive more students to licensure. The goal of the study and report is to spotlight best practices that can be used on college campuses. The researchers received input from faculty at more than 50 schools that included ideas for creating more positive “CPA cultures” on campuses. Previous AICPA-commissioned research showed that a pro-CPA culture was one of the top three influences on college students’ likelihood to pursue licensure.

• To put more people on campuses to promote CPA, the AICPA and state CPA societies are working on a pilot program on student recruitment, using co-branded materials and ultimately creating a shared student experience. Students would join the AICPA and their state society at the same time and have the support of both on their journey to licensure. The pilot program is expected to launch early next year in a handful of states.

• In an effort to further develop champions on campus, the AICPA is providing resources to its scholarship recipients to spend eight hours each semester holding events on campus to promote the CPA.

• To address demands for accounting faculty, a second iteration of the Accounting Doctoral Scholars Program is being considered. The program’s first iteration moved 108 CPAs from practice into the classroom.

• Ongoing research by the AICPA that will complement the Trends report is examining the hiring of accounting graduates in industry. This is of special interest because many accounting

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graduates who go straight into industry do not sit for the CPA exam. The PcEEC’s membership has been expanded, and subcommittees have been formed to thoroughly address multiple issues, such as the impact of accreditation, simultaneously. Other initiatives include building an academic champion program working with academics at select universities to help them promote the CPA.

• Scholarships: Last year, because of members’ donations to the AICPA Foundation, the dollar amounts of scholarships awarded increased by 46% to students who plan to become CPAs. “By offering scholarships to accounting students, we are showing our support and encouraging the next generation of CPAs,” Fiore said in an interview. “And we have asked them to give back to the profession by holding on-campus events and advocating for the profession.”

• Three unique tools are available to enhance diversity and inclusion efforts. The Accounting Inclusion Maturity Model gives firm and business leaders an opportunity to perform a comprehensive self-assessment of their progress in fostering diversity and inclusion. The Recruitment and Retention Toolkit highlights best practices for attracting, recruiting, and retaining a diverse workforce. And the monthly newsletter Inclusion Solutions curates top news on diversity and inclusion. The tools are available at aicpa.org/diversity.

• To strengthen the CPA brand’s online presence at the high school level, the AICPA relaunched StartHereGoPlaces.com with 60 new resources for faculty to provide them tools to help guide students in their career choices. The site also includes a new game for students, Bank On It, with more than 1,500 questions and tournament functionality, so students can test their knowledge. On the ThisWayToCPA.com site for college students, a new CPA Exam & Licensure Center tool informs students on the process and requirements of becoming a CPA. Because users increasingly visit those sites on mobile devices, both websites are now fully responsive, making them more accessible on smartphones and tablets.

• Recognizing the growing number of future CPAs that start out in community college, the AICPA is beefing up its community college programs by increasing scholarships and developing other resources to help bridge the gap for students transferring from two-year to four-year programs.

This article was first published in the Journal of Accountancy on October 20, 2015.

Comment now on the next CPA exam exposure draft

The CPA exam is evolving to enhance the testing of higher-order skills needed in day-to-day practice, among other things. Find out more and share your thoughts about what’s changing on the exam by responding to the AICPA exposure draft, Maintaining the Relevance of the Uniform CPA Examination. Comments are due Nov. 30. For more information on the development of the next version of the exam and to comment on the exposure draft, visit aicpa.org/nextcpaexam.

Save the Date: Students and Educators Invited to Attend the 2016 Advanced PFP Conference on Jan. 16-18

With the increased demand and need for advisers who provide objective advice to individuals, families, and business owners in the areas of estate, retirement, investment, risk management/insurance, and tax planning, what better way for students to start on the path to becoming a CPA financial planner than to experience the 2016 AICPA Advanced Personal Financial Planning Conference where they can network and learn from the best of the best in this discipline. Students and educators are invited to attend the conference at a substantially discounted rate. To be eligible, students must have a free AICPA student affiliate membership. To take advantage of this offer, email financialplanning@aicpa.org and an AICPA PFP Division representative will respond to your email with next steps and registration information.
AICPA Resources to Enhance Your Curriculum

With the increased demand and need for financial advisers, building the future of the CPA personal financial planning profession is important now more than ever and it starts in your classroom. The AICPA Personal Financial Planning (PFP) Division is developing courses and resources that will help you guide your students in becoming a CPA financial planner through the integration into your existing accounting curriculum. We also invite you and your students to experience the 2016 AICPA Advanced Personal Financial Planning Conference, to network and learn from the best of the best in this discipline, at deeply discounted pricing. Contact Sarah Bradley at financialplanning@aicpa.org for more information.

Accounting Enrollments Continue Upward Trend, Reach All-Time High

Public Accounting Firms Hired Largest Number of Accounting Graduates on Record in 2014

Published August 10, 2015

New York (August 10, 2015) – Enrollments in undergraduate and graduate accounting programs have increased in the 2013-14 academic year, and have combined to cross the 250,000 threshold for the first time. On the recruiting side, accounting firms hired a record number of accounting graduates in 2014, representing a seven percent increase from the previous survey. That’s according to the 2015 Trends in the Supply of Accounting Graduates and Demand for Public Accounting Recruits report, released today by the American Institute of CPAs.

The Trends report found optimism from both universities and firms that the growth of the accounting profession will continue. Ninety-seven percent of bachelor’s programs and seventy percent of master’s programs report that they expect their enrollment to be the same or higher within two years of responding to the survey.

Building upon the record levels of hiring, 91 percent of firms reported that they expect to hire at the same or an increased level in the following year. Larger firms are particularly optimistic about future hiring, with all firms employing over 200 CPAs reporting that their hiring will either increase or stay the same in the next year. This indicates that job prospects for current enrollees in accounting programs as well as recent graduates remains extremely bright.

While the data on enrollments and hiring represent a continued upward trend and increase from the previous survey, the number of degrees awarded for both undergraduate and graduate degrees combined showed a slowing of momentum. Degrees awarded held steady at the previous record high level (less than a one percent decrease), which was driven by a sharp increase in masters degrees awarded (31 percent) and a decline in bachelor’s degrees (11 percent).

“The data in the Trends report is very positive overall, and the outlook for accounting students entering the profession is bright. At that same time, we’ve continued to see a slight widening of the gap between the number of students who are graduating with accounting degrees and the number of candidates sitting for the CPA Exam, although the growth of the gap has slowed,” said Barry Melancon, CPA, CGMA, president and CEO of the AICPA. “It is critical that we’re producing enough CPAs to replace the retiring baby boomers and that the profession is continuing to meet the ever-changing needs of the U.S. capital markets. We’ve been looking into this issue in great detail, and are considering a number of profession-wide initiatives to complement our existing programs and ensure that qualified accounting graduates are earning their CPA license.”

Complementary AICPA research has found that accounting programs that stress the importance of the CPA and on-campus employer recruiting both increase student’s interest in becoming a CPA. Once they graduate, the single greatest influence on sitting for the CPA Exam is support from their employer to pursue their license, including time off to study and financial compensation. Conversely, accounting graduates who are recruited by companies directly out of college, and

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foreign accounting students who return to their home countries after graduation are less likely to earn their CPA license than those who begin their careers in public accounting.

The results of the Trends report are consistent with the findings of the Bureau of Labor Statistics 2014-2015 Occupational Outlook Handbook, which found that employment of accountants and auditors is expected to grow 13 percent from 2012 to 2022, representing an additional 166,700 jobs. The BLS Handbook notes that many accountants become CPAs to enhance their job prospects and gain clients, and that some employers prefer to hire applicants with a master’s degree – which also aligns with the findings of the Trends report.

The report found that the number of accounting students graduating with master’s degrees has continued to increase dramatically. In 2014, public accounting firms hired the largest number of accounting graduates with master’s degrees, reflecting an 11 percent increase from the previous report.

“There has been a growing trend of specialization in the profession, as well as a higher level of performance expected for today’s entry level CPAs,” said Joanne Fiore, AICPA vice president of professional media, pathways and inclusion. “Accounting students have responded to that marketplace demand by increasingly earning master’s degrees and developing specialized skills to complement their strong technical base before they enter the profession.”

The 2015 Trends Report has been redesigned and reorganized and now includes a ‘How to use the Report’ section, to allow stakeholders to more easily understand the information contained in the report.

“For more than 40 years, the AICPA has produced the Trends report to serve as a snapshot of the profession. On behalf of the Institute, I’d like to thank the colleges, universities and accounting firms that took the time to include their information in the report,” said Fiore.

The AICPA has two programs, Start Here, Go Places. (which provides resources for High School educators and students) and This Way to CPA students on the possibilities of a career in accounting and supply them with resources and guidance as they enter the profession. In addition, the AICPA offers many scholarship opportunities for accounting students throughout their academic careers.

The full Trends report is available on the AICPA’s website.