

## COMMENTS ON PRE-CERTIFICATION EDUCATION WHITE PAPER

*By the NYSSCPA's Higher Education Committee*

**A**s educators, we understand the challenges that confront our students as they prepare to enter the profession of Certified Public Accounting. We believe that guidelines that will inform educators when making curricula decisions can benefit all stakeholders. The Higher Education Committee supports the Quality Enhancement Policy Committee (QEPC) in its examination of pre-certification education; however, we would like to offer several specific comments regarding the QEPC's white paper.

The Committee's most important recommendation is that the expanded 150-hour curriculum should culminate in a graduate degree. We suggest that a graduate degree be recommended rather than required. The requirement of a graduate degree would limit the flexibility of students, and place another barrier of entrance to the profession, without necessarily yielding any increase in the quality of the educational results. In the absence of evidence that "graduate-level work [would] promote critical thinking that would enhance the profession's ability to perform the complex activities that the public expects" (white paper), in a manner different from 150 hours of education at the baccalaureate level, there is little justification for initiating the requirement of an advanced degree. Many states, including New York, do not include the criterion of a graduate degree in their current 150-hour requirements, and a change in that requirement would result in another dramatic shift in accounting curricula. Scholarly research involving partners, managers, and other representatives of accounting firms has indicated that there is not a strong desire on their part for a graduate degree per se.

In order to strongly encourage the pursuit of a graduate degree, perhaps the experience criteria could be altered to reflect a reduced time requirement for those with graduate degrees, consistent with pre-150-hour program requirements.

Neither financial planning nor valuation nor forensic accounting are elements of the Uniform CPA Examination; therefore, we suggest clarification of the mention of these topics as part of accounting education. Few, if any, accounting programs include all of these topics, and the majority of accounting programs do not include extensive coverage of any of those topics. Including them in curricula would require a significant change to both the content and goals of academic programs. We do acknowledge that these are, indeed, emerging fields within the profession, but strongly believe that the 150-hour accounting curriculum cannot accommodate significant additional required content without eliminating existing content. It must be recognized that training and education in specialized fields needs to occur outside the parameters of the traditional academic degree program.

It should also be clarified that the question of whether accounting resides in the realm of the liberal arts or the professions has not yet been resolved. Under the Carnegie Classification system, most widely used in academe, accounting is not considered one of the five professions (which

include clergy, engineering, medicine, education, and law), and is, therefore, still considered a social science in the realm of the liberal arts. There are a number of commentators that claim that accounting is a social institution designed for measurement and recordkeeping, which is consistent with its classification as a social science. In this white paper, and in many other sources, the need for accountants to possess strong liberal arts skills, such as communications and information technology skills, is emphasized. The need for a strong liberal arts component in accounting education is reflected in many of the 150-hour program requirements in various states, as well as in the AACSB's accounting program accreditation requirements. Therefore, care should be taken to not imply that this issue has been resolved.

We strongly agree with the QEPC that "the doctoral training of academics combined with the 'real world' experience of practitioners would provide the most effective learning environment for accounting students" and that "[teaching employment] criteria should be set for both practitioners and academics alike." Many educators have expressed interest in exploring opportunities with CPA firms and businesses as a way to obtain meaningful, current practical experience.

The Higher Education Committee also suggests expanding the section titled "requisite knowledge" to include International Financial Reporting Standards (IFRS) in addition to GAAP. This inclusion would be consistent with the comment made in the white paper: "Future CPAs may be expected to be as conversant in international standards as they currently are in U.S. GAAP." In light of numerous recent comments made by SEC and FASB representatives that indicate GAAP as we know it is likely to disappear within 5 years, as well as the SEC's movement toward accepting reporting based on international standards, it seems timely to include IFRS as well as GAAP.

We appreciate the work done by the members of the QEPC to address the concerns voiced by many in the profession and introduce possible solutions to these issues.

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