The American Accounting Association (AAA) convened a task force 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. The NASBA recommendations have been motivated in terms of a need for increased attention to ethics, communication, research, and analysis skills. The Task Force agrees that these skills are critical for individuals entering the field of accounting and that quality accounting education is essential for the profession to meet its public protection obligation.

The AAA Task Force’s overarching conclusion is that this proposal would not achieve NASBA’s stated goals and that it would impose significant costs. Moreover, implementation of this proposal would have many negative unintended consequences including a devastating effect on the quality of accounting education and the supply of graduates choosing to pursue CPA licensure.

The AAA Task Force notes the absence of any conceptual underpinnings for this proposal. Related, the academic and professional communities have increasingly recognized the superiority of education based on outcomes or assurance of learning rather than on the input focused, one-sized-fits-all curriculum approach taken by NASBA. Furthermore, the proposed requirements are inconsistent with the body of knowledge developed in accounting over many years including the 1986 Bedford Committee Report, the 1989 CPA Firms White Paper, the Association to Advance Collegiate Schools of Business (AACSB) 2004 Accounting Accreditation Standards, and the core competencies frameworks of the Accounting Education Change Commission (AECC), the American Institute of Certified Public Accountants (AICPA), and the International Federation of Accountants (IFAC). In contrast with these efforts, the NASBA proposal was developed with minimal input from any key stakeholder group.

There are far-reaching implications of this proposal for business schools, accounting programs, accrediting bodies, State Boards, public accounting firms, and State Societies of CPAs. An external agency would dictate curriculum to business schools, thereby bypassing quality control processes that have evolved through decades. A key element of that process is engagement with a wide range of stakeholder groups. New course development in response to the ever-changing needs of the profession (e.g., forensic accounting, internal auditing, risk management, and internal controls) would be stifled by a rigid set of prescribed coursework. The AACSB’s mission-based approach to accounting and business school curriculum design and improvement processes would be over-ridden by the NASBA proposed rules. State Boards of Accountancy would bear increased cost, workload, responsibility, and accountability in evaluating curriculum.

1 This position statement was developed by an AAA task force and does not necessarily represent the views of all members of the AAA.
The new barriers to entry would exacerbate personnel supply shortages for public accounting firms.

The NASBA proposal is sufficiently defective that it cannot provide the basis for improvement to accounting education. The Task Force therefore recommends that NASBA withdraw the current proposal. Failing that, the Task Force recommends that State Boards of Accountancy reject the proposal.

The Task Force recommends initiating a new process with the goals of continuous improvement and responsiveness of accounting education that involves all stakeholders (e.g., AAA, AICPA, NASBA, AACSB, and the Public Company Accounting Oversight Board). This process would examine not only the education provided by colleges and universities during the few years that accounting professionals spend in academic programs, but also their lifelong learning, which includes continuous education and their professional experience.

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For additional information see the AAA Task Force Resource Page at:

http://aaahq.org/temp/NASBA/index.cfm