The American Accounting Association (AAA) Task Force responding to the NASBA exposure draft developed talking points indicating unintended consequences of proposed changes in the Uniform Accountancy Act, addressed to Business School Deans, Accounting Department Heads, Public Accounting Firms and members of State Boards of Accountancy.¹

State Boards of Accountancy:
The Exposure Draft of Uniform Accountancy Act, Rules 5-1 and 5-2 offered by the National Association of State Boards of Accountancy (NASBA) has numerous implications. Some of the most salient ramifications for State Boards of Accountancy are:

- It would significantly increase the cost, complexity, workload, and accountability of State Boards. If NASBA envisions accepting the responsibility to keep curriculum responsive to the changing needs of the public accounting profession and to continually revise standards with this level of specificity, there would be a significant increase in the workload of State Boards. Because of the complexity of curriculum design and course development, the responsibility to monitor compliance with these standards will be very difficult. State Boards’ responsibility to continually examine the syllabi of specific accounting and business courses to determine compliance will significantly increase.

- It would lead to degradation of the quality and relevance of accounting education. It mandates curricula with excessive specificity and rigidity that is a major step back from the curricular innovations that have been a response to the public and profession. For schools complying with these standards, these proposals will reduce their ability to offer or develop courses that are currently providing significant benefits to the students (and therefore the profession) such as forensic accounting, internal auditing, risk management, and internal control. Consequently there would be fewer students qualified to meet the diverse needs of the profession.

- It would cause a significant decline in the number and quality of students who are qualified to sit for the CPA Exam because students will select majors other than accounting that provide more flexibility in designing an acceptable program of study (such as Finance) and students in specialty areas (such as tax, information systems, and internal audit) may not qualify to sit for the exam within 150 hours. In addition, many schools may not change their curricula to comply with these standards. Rather, these schools may choose to prepare students for the many career opportunities that accounting students have other than the auditing of public companies (such as corporate accounting). In the current environment of declining number of students sitting for the CPA Exam and an increasing demand for accounting students, adding more barriers to entry will have devastating effects for the profession.

All of these issues taken together are likely to cause significant friction between State Boards in their interactions with key partners. The American Accounting Association Task Force convened to address the NASBA proposal recommends that NASBA withdraw the current proposal. Failing that, the Task Force recommends that State Boards of Accountancy reject the proposal.

For additional information and contact details see the AAA Task Force Resource Page at http://aaahq.org/temp/NASBA/index.cfm.

¹ These talking points were developed by an AAA task force convened to address the NASBA exposure draft and do not necessarily represent the views of all members of the AAA.