

## Financial Accounting and Reporting Section

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To: Ben Kern, VP-Education and Chair of the AAA Education Committee

From: Stephannie Larocque, President FARS

Re: CPA Evolution Model Curriculum

Date: September 1, 2021

We polled FARS leadership and other constituent members for feedback on the CPA Model Curriculum. This feedback we provide below is not comprehensive nor is it the official position of FARS. But it is a summary of the feedback we received. We hope these comments are useful to you.

1. The overall effort to rethink the coverage of data analytics and technology material on the CPA exam is a positive change. Many departments were already incorporating this as employers appear to value it.
2. The document may reflect a “blueprint” or content of the exam but it should not be labelled a curriculum. Universities design their own Accounting curriculum based on the values and objectives specific to their institutions in order to best meet the needs of their students. The use of the term “Model Curriculum” is potentially misleading and confusing.
3. The proposed topics are very limiting to a broader accounting audience. While some departments have significant CPA-route students, many departments teach Accounting majors that pursue positions for which a CPA designation is not necessary. For example, topics in managerial and cost accounting are quite limited in the proposed model curriculum, yet apply to all Accounting students. A large proportion of students who start in public accounting ultimately seek positions within firms and the lack of background in managerial and cost accounting could be a disadvantage to them later in their careers. Universities prepare students to be successful in the long run, not just in their first job out of school.
4. The representation of some topics also seems inconsistent with Accounting departments providing the best experience for the majority of their students. One topic likely to become very important, Environmental, Social, and Governance (ESG), is left out entirely, while not-for-profit/governmental accounting is likely over weighted.
5. The core knowledge plus discipline for Business Analysis and Reporting (BAR) has an estimate (using the average of the proposed low and high hours for each topic) of 467 hours. With an estimate of 40 contact hours per semester per course, this is approximately 12 courses of Core and BAR knowledge alone (15 courses at the high end). This estimate does not include other knowledge (for example, Business Law) that will also be required for the CPA exam and other courses that universities require for a Bachelor’s degree. More students majoring in Accounting would have to study for a 5th year to meet the requirements, whereas many can currently meet the 150 hour requirement without a 5th year. This may drive more students away from majoring in Accounting, at a time when the number of students majoring is already declining in many programs. This could have an adverse effect on Accounting programs and the profession more generally.

6. The expected timeline (2024) is too short for many programs. The challenges of teaching during the pandemic and ensuring that content was getting to students was all-consuming for department chairs. This upcoming semester appears like it might continue to pose challenges. Chairs may have limited capacity to start addressing curriculum changes. With the current timing, this means that incoming sophomores (or juniors in a 5-year program) will take the new exam leaving little time for departments to ramp up. Curriculum and courses cannot be changed without going through the department faculty and through extensive university processes and approvals at many levels (department, school or college, and university), none of which happens quickly. It could be challenging for many departments to be ready to adequately prepare students for a 2024 rollout.

Respectfully,

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Mary Ellen Carter, Boston College

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Henry Friedman, UCLA

Adam Greiner, University of Denver

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