

Program Review Executive Summary

Accounting

Majors Reviewed:

- *Accounting (BSA), B.S.*
- *Accounting (BA), A.A.S.*

August 2011



Accounting degrees at Penn College fit well with the college's mission of providing education and training leading directly to employment in the field and opportunities for continuing education through professional licensing and credentials upon graduation and work experience. Although not traditionally focused specifically on the public accounting sector, the BSA degree was designed to provide preparation for a diverse range of public, governmental, tax, and private accounting positions and potentially a number of professional certifications (e.g., CPA, CMA, more recently and the CFP). The addition of courses like financial accounting (ACC113), Income Taxation for Individuals (ACC331), and payroll tax course (ACC210) in other degrees over the years like Business, Financial Planning, Hospitality, IT, and Construction has resulted in increasing service course obligations for our accounting faculty. Graduate placement among BA and BSA graduation rates remain high averaging well over 80%. Incoming placement scores especially in math do differ between the two degrees with the BSA seeker being generally more academically prepared than his/her BA counterpart. Both degrees enjoy a fairly low cost delivery model with the majority of the costs coming from salaries. Counting both its major courses and an average of nearly twenty sections of its ACC113 service course per year, the program annually appears to cover its cost of delivery.

The Accounting profession is experiencing rapid change due to technological advances, the imminent pending convergence of U.S. Generally Accepted Accounting Principles and International GAAP, the impending 150 credit requirement in Pennsylvania, the increased complexity of tax laws, the impact of the Sarbanes-Oxley legislation (SOX), and the increased emphasis on financial planning and services within the accounting profession. Through it all, employment of accountants and auditors is still expected to grow by 22% from 2008 to 2018 and "much faster than average"; particularly favorable for those with professional certification, especially CPAs. Likewise, favorable job prospects and expectations for baccalaureate preparation for introductory accounting positions stimulated a decided shift from associate's degree seeking students to bachelor's degree seeking students. At Penn College, that shift began around 2005; we now have nearly twice as many BSA majors as we do BA's. That trend will continue as educational entry requirements climb with most accounting and auditing positions requiring at least a bachelor's degree in accounting or a related field. Some employers even prefer applicants with a master's degree in accounting, or with a master's degree in business administration with a concentration in accounting.

Despite major revisions in 2004 to the bachelor's degree to include more technology courses and add the CFP minor option, accounting enrollments still lag national trends. Major revisions to this B.S. program to address career field changes and the impending 150 hour rule in Pennsylvania could raise its status to that of "unrealized potential" program for 2011-12. Likewise, finding its roots back when Penn College was still a community college in 1966, our associate's degree remains a terminal degree for many students with only about 7% annually matriculating into our accounting bachelor's degree upon graduation. The number of BSA accounting majors pursuing the CFP minor is however on the rise.

Considerable growth has occurred in the online learning environment enabling adult learners to take courses anywhere at any time, giving them the flexibility needed to balance their work, academic and family responsibilities. We are currently not prepared to deliver a substantial number of accounting courses online. Another area for consideration is more flexibility in the delivery of instruction. Most accounting courses are delivered through a traditional two semester, Monday-Friday program supplemented by some distance learning courses. Enrollments have resulted in a number of courses being offered only during the fall or spring semester and few electives are consistently offered. Weekend classes are rare and no accelerated degree or degree completion programs exist. Likewise, hot new accounting jobs

are emerging in the fraud and forensic accounting areas which combines accounting, finance and legal knowledge. Also, more firms are focusing on activity-based management and business process analysis as well creating increased demand for accountants who are knowledgeable in management accounting. Demand here is expected to remain especially high in the education and health care areas.

As confirmed by our Accounting Advisory Committee and research, the demand is high for graduates who can go beyond mere accounting content and technical skills and display good interpersonal abilities, legal knowledge, the ability to write and present persuasively, financial acumen, team work skills, and critical thinking and decision-making abilities. Accountants are broadening as business globalizes and becomes more team-oriented. CPA and CMA certifications are both highly valued; a recent survey found that over half of corporations which hire accountants feel that the CPA (Certified Public Accountant) designation and the CMA (Chartered Management Accountant) are very important. Accountants have also needed to broaden their skills in the financial planning arena over the past decade particularly in estate planning, retirement planning and 529 and college savings plans. The CFP credential is becoming increasingly popular and can broaden an accounting graduate's career horizons. Proposed BSA curriculum revisions would address the 150 hour requirement as well as many of the emerging issues in accounting raised in this program review.

As for the associate's degree in accounting, we offer students a basic educational background combined with a specific investigation of modern accounting practices. We have noticed that our associate degree in accounting is becoming more and more popular with professionals who are looking for a career change or were laid off, but who don't possess the economics and finance background required to attain their professional certificate. A necessary characteristic of any accounting associate's program is the technical aspect. Modern accounting involves a variety of specialized computer programs like TaxACT, QuickBooks, and Peachtree used in accounting and small business. In order to be successful in the modern accounting environment, AAS graduates must have a concrete background in this technical side of the practice. An accounting associate degree needs to offer at least one or two courses designed specifically to deal with computerized accounting; we currently do not offer anything other than an overview course Accounting Information Systems for associate's degree seekers. Curriculum revisions would address these technology issues.