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Accounting Educators: FYI, Volume 6, Number 3, January 1995

American Institute of Certified Public Accountants. Academic and Career Development Division

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Accounting Educators:

Volume VI, Number 3 — January 1995

Jenkins and Kirk: Implications for Accounting Educators

by Rick Elam

In this issue...

Please call to get more information on programs or materials of interest to you.

Recruitment

(212) 596-6220

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**CPE Educator Workshops/
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Women & Family Issues

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**AICPA Resource Database on Women &
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(800) 862-4272, dept. 7

150-Hour Education Requirement

(800) 596-6225

Accounting professors need to take a close look at two recent reports which illuminate future changes in accounting, financial reporting and auditing likely to be demanded by financial statement users and accounting practitioners.

The Jenkins Committee was formed as the natural next step from the white paper issued by the AICPA Board of Directors during 1993 which, in effect, promised that the AICPA would move aggressively to enhance utility of financial reporting, improve prevention and detection of fraud, assure independence and objectivity of the independent auditor, discourage unwarranted liability which inhibits innovation, and strengthen the auditing profession's disciplinary system.

The report of the AICPA Special Committee on Financial Reporting (Jenkins) made recommendations in four broad areas. These recommendations are to: "improve the types of information in business reporting,

improve financial statements, improve auditor involvement, and facilitate change."

Two points in the Jenkins report seem to differ greatly from what is traditionally taught in financial accounting and auditing courses. The first is the suggestion that, in order to meet users' needs, external business reports must be more closely aligned with information reported to senior management. If this change is required, how will future accountants be taught to draw the line between what users should know and giving away the farm to the competition?

The second surprising point is the recommendation that standard setters should not study the following: value-based accounting, accounting for intangibles including goodwill, forecast financial statements, accounting for business combinations, and alternative accounting principles. Does this rec-

continued on page 2 ►



From the Editor's Desk...

The AICPA held its 107th annual meeting on October 24-25, 1994, and launched the new committee year. This issue of FYI lists all **AICPA Academic and Career Development Division (ACD) committees** (pages 2, 4). To get more information on programs and activities of the ACD Division, please call the numbers provided to your left. The start of a new year is a great time to get involved and participate.

In this issue, you will also find information on the **Jenkins and Kirk** reports (above), the **AICPA Professor/Practitioner Case Program** (page 2) and upcoming **CPE Workshops for Accounting Educators** (page 3). For those of you who attended our Mini-Conference in Portland, Oregon, I hope you found it to be informative. The next AICPA Mini-Conference will be held on November 3-4, 1995 in Tampa, Florida. I look forward to hearing from you soon!

Elizabeth Scifo Koch
Editor

Case Program Prepares Students for Jobs in Industry

1994 Professor/ Practitioner Case Materials Available this Month

A recently issued report from the Institute of Management Accountants and the Financial Executives Institute stressed the importance of teaching students the skills unique to accounting positions in private industry. One way educators can expose students to real-world topics occurring in industry is to utilize and/or participate in the AICPA Professor/Practitioner Case Development Program.

The program selects several cases, based on actual incidents each year, which are developed jointly by a professor and practitioner. Cases are presented at the annual AICPA Accounting Educa-

tors Mini-Conference each November, copyrighted by the AICPA and distributed to accounting program administrators across the United States in January.

Please see your accounting program administrator to get a copy of the cases, so you can use them in the classroom. You are also encouraged to submit case proposals for 1995. An invitation letter was mailed to all AICPA educator and AAA members in December. If you did not receive the letter and would like to submit a proposal, dial (201) 938-3787 from a fax machine and request document 247. The deadline for case submissions is February 1, 1995. □

► Jenkins and Kirk

continued from page 1

ommendation mean that these subjects should no longer be the subject of classroom discussion or academic research?

In the auditing area, a special advisory panel on auditor independence created by the Public Oversight Board and chaired by Donald Kirk has issued a report that calls for a new level of candor from the auditor. "Auditors would not only apprise the board of directors of what is *acceptable* accounting, they would be expected to express their

views, as accounting experts, on the *appropriateness* of the accounting principles used or proposed by the company, the clarity of its financial disclosures and the degree of aggressiveness or conservatism of the accounting principles and underlying estimates reflected in the company's financial statements." What changes will be needed in auditing curricula to prepare students to identify, but also communicate to a board of directors, the "appropriateness" and degrees of "aggressiveness" among accounting alternatives?

Everyone who teaches or researches

accounting subjects needs to carefully review the Jenkins and Kirk reports. The reports are a very good indication of the types of changes that financial statement users and practicing accountants will demand over the years to come. While it is doubtful that all the recommendations will become GAAP or GAAS, many certainly will, and it is today's college students who will implement those changes. □

Reminder: See your accounting program administrator to obtain materials to help you teach the Jenkins Report in class.

1994-95 AICPA Academic and Career Development Committees

150-HOUR EDUCATION REQUIREMENT COMMITTEE

OBJECTIVE: To develop a program for legislative implementation of a 150-hour education requirement to sit for the CPA examination; to give advice and assistance in achieving a 150-hour education requirement to the states; and to seek the support, cooperation and participation of the state societies, of the state boards of accountancy, and of other professional organizations in developing and implementing the program.

Raymond E. Howard, CPA, Chair (Copeland-Gibson Corporation, MI). Kay C. Carnes, CPA (Gonzaga University, WA). Daryl J. Hill (Okla-

homa Society of CPAs, OK). T. Edward Hollander, CPA (Rutgers University-Newark, NJ). Ray C. Hunt, Jr., CPA (University of Virginia, VA). Martha S. Marshall, CPA (UNC-Asheville, NC). Eugene J. Miller, CPA (Broan Manufacturing Company Inc., WI). B.J. Schwieger, CPA (St. Cloud State University, MN). Charles Hugh Smith, CPA (Pennsylvania State University, PA). Jenice P. Stewart, CPA (University of Missouri, MO). Janice I. Vincent, CPA (Ernst & Young LLP, CA). Staff Aides: Rick Elam, Bea Sanders, Sheri Bango.

ACADEMIC AND CAREER DEVELOPMENT EXECUTIVE COMMITTEE

OBJECTIVE: To formulate and recommend to

the Board of Directors AICPA policy on recruitment, pre-certification education and the career development of Certified Public Accountants, and to coordinate the implementation of projects and programs that support the policy.

Belverd E. Needles, Jr., CPA, Chair (DePaul University, IL). Mary Beth Armstrong, CPA (California Polytechnic State University, CA). L. Gary Boomer, CPA (Varney Mills Rogers Burnett & Associates, KS). Joseph L. Boyd, CPA (Norfolk State University, VA). Miguel A. Cabrera, Jr., CPA (M.A. Cabrera & Company, FL). Mark M. Chain, CPA (Deloitte & Touche LLP, CT). Nita J. Clyde, CPA (Clyde Associates, TX). Edward Earl Milam, CPA (Mississippi State

continued on page 4 ►

1995 CPE Workshops for Accounting Educators

INTEGRATING FRAUD DETECTION AND PREVENTION SKILLS INTO THE ACCOUNTING CURRICULUM

in cooperation with the Southeast, Southwest, and Western Regions of the American Accounting Association

- March 1 in Houston, Texas
- April 6 (1:00 p.m. to 5:00 p.m. and April 7 (8:30 a.m. to 12:00 p.m.) in Fort Lauderdale, Florida
- May 11 in Palm Desert, California

This brand-new workshop covers the timely topic of fraud detection and prevention. The recent proliferation of fraudulent acts makes this topic a crucial issue for CPAs.

Integrating fraud detection and prevention skills into the accounting curriculum is a task all educators must face. This workshop will define the different types of fraud, specify the types of environments susceptible to the occurrence of fraud, provide techniques to prevent and detect fraud, review an auditor's responsibility for fraud, and illustrate ways to integrate these topics into the curriculum.

The session will be co-presented by Professor Kevin D. Stocks, PhD, and Associate Professor James D. Stice, PhD, both from Brigham Young University.

COOPERATIVE LEARNING

in cooperation with the Mid-Atlantic and Northeast Regions of the American Accounting Association

- March 23 in Huntington, West Virginia
- April 20 in Hartford, Connecticut

Upon your request, this workshop is being presented as a full-day session instead of a half-day session. This highly interactive workshop will cover class management techniques and team-building skills that enhance learning in the accounting classroom. Participants will learn how to implement specific and practical cooperative learning structures at the basic and advanced levels through actual practice.

Presented by Phillip G. Cottell, Jr., DBA, and Professor of Accountancy at Miami University, Oxford, Ohio. Dr. Cottell is a recognized leader in group learning processes.

All Programs: 8:30 am – 5:00 pm
 except as indicated
Recommended CPE: 8 hours

DESIGNING STUDENT-CENTERED PERFORMANCE ASSESSMENT

in cooperation with the Midwest and Ohio Regions of the American Accounting Association

- April 6 in Dearborn, Michigan
- May 4 in Toledo, Ohio

Accounting educators who want to develop or refine assessment processes within their courses or as broader comprehensive student learning experiences will benefit tremendously from this innovative program. Topics include: assessing in the accounting major, in-class and outside-class assessment, faculty designed criteria, self-assessment for students, teaching/assessing to develop student outcomes and using results for improvement.

Participants are encouraged to bring classroom materials (i.e., syllabi, assessments, simulations, cases) to stimulate group discussion.

This hands-on workshop is presented by William McEachern, an Associate Professor of Alverno College. He is the current Chair of the Division of Business and Management.

Registration and General Information

Please check workshop(s) you plan to attend in the boxes () provided above.

Registration: \$90/AICPA Members
 \$120/Non-members

Check one:

Please bill my credit card: MasterCard Visa \$_____ Amount

Fax **only** credit card registrations to: 201-938-3169

Complete the following information:

Card # _____

Exp. Date _____

Signature _____

My check for \$_____ is enclosed. (Full payment must accompany registration.)

Mail to: AICPA Meetings Registration, P.O. Box 2210, Jersey City, NJ 07303-2210

Fee includes the workshop session, materials, lunch (except for Integrating Fraud Detection, April 6 & 7), and two refreshment breaks. Hotel accommodations and other meals are not included. Full payment must accompany your registration. A confirmation letter will be sent to you upon receipt of your registration form and payment. If you pay by credit card, and approval is declined, we reserve the right to cancel registration if alternate payment is not supplied. *These workshops are expected to fill quickly, so register early.* The AICPA is not responsible for checks or letters lost or delayed in the mail.

HOTEL INFORMATION: Please reserve your hotel accommodations directly. You will be informed of the specific location for your meeting upon registration.

CANCELLATION POLICY: Full refunds will be issued on written cancellation requests received by three weeks before the specific workshop for which you are registered. Written cancellations received up to one week before the workshop will be issued a refund less a \$25 administrative charge. No refunds will be issued on cancellation requests received within the seven days immediately preceding the workshop for which you are registered.

AIRLINE DISCOUNT: Consult the AAA at (813) 921-7747 for regional airline discounts.

For further information, call the AICPA at (201) 938-3232.

Registrant's Last Name _____ First _____ MI _____ Nickname _____

College or University Name or Affiliation _____

Street Address _____ Suite _____

P.O. Box _____

City _____ State _____ Zip Code _____

Total Amount Enclosed _____ Area Code & Business Telephone _____

AICPA Membership Number – (Required for Discounted Registration) _____

Please provide information pertaining to services for the physically disabled.
 What is the nature of your disability? Audio Visual Mobile

Bates # _____
(AICPA use only)

► 1994-95 Academic and Career Development Committees

continued from page 2

University, MS). Frank R. Rayburn, CPA (University of Alabama at Birmingham, AL). Dennis Reigle (Arthur Andersen & Company LLP, IL). Virginia Robinson, CPA (Joint Financial Management Improvement Program, D.C.). Leroy C. Schmidt, CPA (Wisconsin Institute of CPAs, WI). D. Gerald Searfoss, CPA (University of Utah, UT). Paula B. Thomas, CPA (Middle Tennessee State University, TN). Joseph G. Walsh, CPA (Golden Gate University, CA). Staff Aides: Bea Sanders, Rick Elam.

CURRICULUM AND INSTRUCTION IN ACCOUNTING EDUCATION SUBCOMMITTEE

OBJECTIVE: To maintain channels of regular communication with and increase the supply of qualified CPA educators; to encourage professional interaction; to recognize outstanding scholars through several award programs; and to encourage curricular and faculty development.

Paula B. Thomas, CPA, Chair (Middle Tennessee State University, TN). Leonard E. Berry, CPA (Georgia State University, GA). Charles Elliot Davis, CPA (Baylor University, TX). Richard H. Fern, CPA (Eastern Kentucky University, KY). Mary K. Giannini (Coopers & Lybrand LLP, NY). Gary L. Lawrence, CPA (GA). Kevin A. Michel, CPA (Merrill Lynch & Company, NJ). L. Martin Miller, CPA (Cogen Sklar Levick, PA). Loc T. Nguyen, CPA (California State University, CA). Linda M. Nichols, CPA (Texas Tech University, TX). Kevin D. Stocks, CPA (Brigham Young University, UT). Jack Edward Wilkerson, Jr, CPA (Wake Forest University, NC). Staff Aide: Elizabeth Koch.

ACCOUNTING CAREERS SUBCOMMITTEE

OBJECTIVE: To develop programs and activities to attract the best and brightest into account-

tancy and to assist the state CPA organizations in developing student recruiting programs.

Nita J. Clyde, CPA, Chair (Clyde Associates, TX). Maryan Ackley, CPA (Frank, Rimerman & Company, CA). Robert L. Brown, CPA (Price Waterhouse LLP, PA). Chrislynn Freed, CPA (University of Southern California, CA). Cindy M. Gray (Virginia Society of CPAs, VA). Bennie L. Hadnott, CPA (Watson Rice & Co., P.C., NY). Robert Hickman (McGladrey & Pullen, IA). Dieter M. Kiefer, CPA (U.S. General Accounting Office, KS). Sean D. Windsor, CPA (Brooklyn Union Gas Co., NY). Mary Wood, CPA (KPMG Peat Marwick LLP, FL). Staff Aide: John Daidone.

JOINT AAA/AICPA ACCOUNTING LITERATURE AWARDS COMMITTEE

OBJECTIVE: To select for recognition those articles, monographs or books, published in English, which in the view of the committee make outstanding contributions to the literature of accounting.

Jack Edward Wilkerson, Jr., CPA (AICPA), Chair (Wake Forest University, NC). Mary Beth Armstrong, CPA (AICPA) (California Polytechnic State University, CA). Barry J. Brinker, CPA (AICPA) (Warren Gorham & Lamont, NY). Richard A. Lambert (AAA) (Stanford University, CA). Baruch Lev (AAA) (University of California Berkeley, CA). Robert Libby (AAA) (Cornell University, NY). Ella May Matsumura (AAA) (University of Wisconsin-Madison, WI). D. Gerald Searfoss (AICPA) (University of Utah, UT). Terence Shevlin (AAA) (University of Washington, WA). Kevin D. Stocks, CPA (AICPA) (Brigham Young University, UT). Staff Aide: Bea Sanders.

MINORITY INITIATIVES COMMITTEE

OBJECTIVE: To implement the 1969 resolution of council to integrate the profession in fact as well as in ideal by encouraging and assisting young men and women from minority groups to prepare themselves for careers as CPAs and encouraging public accounting firms and other business organizations to take special affirma-

tive action to recruit and promote qualified members of minority groups.

Miguel A. Cabrera, Jr., CPA, Chair (M.A. Cabrera & Company, P.A., FL). Carmen J. Aguiar, CPA (Carmen Julia Aguiar, WA). Beverly L. Everson-Jones, CPA (National Association of Black Accountants, Inc., MD). Hubert Darnell Glover, CPA (Clemson University, SC). Ruth C. Harris, CPA (Virginia Union University, VA). David B. Harrison, CPA (Empress Cruise Lines, FL). Michael James Hill, CPA (Proctor & Gamble, OH). Ladelle Marie Hyman, CPA (Texas Southern University, TX). Terence L. McGuire, CPA (Price Waterhouse LLP, NY). Kenneth L. Paige, CPA (Duquesne University, PA). John R. Plymyer (Washington Society of CPAs, WA). George Sill, CPA (Arthur Andersen & Company LLP, DC). Ralph Albert Thomas, CPA (Citibank N.A., NY). Staff Aide: Gregory Johnson.

WOMEN AND FAMILY ISSUES EXECUTIVE COMMITTEE

OBJECTIVE: To influence the accounting profession to effect the necessary change for developing and retaining a more competitive workforce, including representation of women at all levels of leadership, and assisting both males and females in balancing their work, personal and family responsibilities.

Karen L. Hooks, CPA, Chair (Arizona State University, AZ). Jeanne Sizoo-Bennett, CPA (Securities and Exchange Commission, VA). Patti Bissell, CPA (Potomac, MD). Sharon Sabba Fierstein, CPA (PW Funding Inc., NY). Ellen P. Gabriel, CPA (Deloitte & Touche LLP, MA). James Purcell Hayes, CPA (Coopers & Lybrand LLP, MI). Nancy Heimer, CPA (Ocel, Heimer & Associates, Ltd., MN). Richard P. Kearns, CPA (Price Waterhouse LLP, NY). Richard Layne, CPA (PG&E, CA). Michael D. Levy, CPA (Lozier Homes Corporation, WA). Mary E. Medley (Colorado Society of CPAs, CO). Daniel Charles Shogren, CPA (BDO Seidman, NY). JoAnn Byrne Wittenbach, CPA (Crowe, Chizek & Company, IN). Staff Aides: Bea Sanders and Cecelia Manley. □