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Members in Education

April 2000

AICPA

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Highlights

G2

Results of 1999 CPA
Letter Readership Survey
.....

G2

2000 AICPA Accounting
Educators Conference
.....

G3

Top Technologies 2000:
Impacts on Education
.....

G4

New Committee
Application Process
.....

G4

AICPA On-Campus
Champion Program
.....

G4

AICPA Tax Education
Symposium
.....

IFAC Focuses on Quality in Internet and Distributed Learning

The advent of “distributed learning” has put a wide range of educational courses just a click away for many students and professionals. At the same time, it has raised new challenges for educators and educational institutions. A new discussion paper issued by the International Federation of Accountants’ (IFAC’s) Education Committee explores these issues as they pertain to accounting education.

Entitled, *Quality Issues for Internet and Distributed Learning in Accounting Education*, the paper focuses on both the advantages and risks associated with such learning and comments on the critical importance of quality assurance and accreditation.

“The Internet and distributed learning are important forces not only in the pre-qualification education, but also in the continuing life-long education of professional accountants throughout the world,” comments Warren Allen, chairman of IFAC’s Education

Committee. “The paper discusses the environment that encourages the design, development and delivery of Internet and distributed learning in global accounting and includes recommendations for assessing the quality of such programs.”

A primary feature of distributed learning is that it is asynchronous—there is no requirement for teachers and students to be gathered together at the same

time. It allows for easy global interactions and may involve huge—or very short—distances. Consequently, distributed learning enables post-secondary institutions and other educational providers, such as national accountancy organizations, to expand the range of learning opportunities available not only to otherwise distant, under-served populations, but also to well-served regions. Distributed learning shifts to a learning-centered environment, to “learners” rather than students in a “classroom”

continued on page G2

technology

From the Editor’s Desk...

Technology is the driving theme behind most of the articles in this issue.

IFAC is seeking comments to its discussion paper issued on the advantages and risks associated with the growing arena of Internet and distributed learning. Educators are urged to recognize E-business and electronic based financial reporting as two of the AICPA’s Top Ten Technology list items having the most significant impact on accounting education.

The AICPA has implemented a state of the art technological system for committee application. Both the AICPA Accounting Educators Conference (note new date of Nov. 3–4, 2000) and the Tax Education Symposium will include strong emphasis on integrating technology into the curriculum.

Your comments to the recent readership survey are appreciated and will be incorporated into future issues.

—Elizabeth Koch, *Editor*

continued from page G1—IFAC

and to “learning facilitators” rather than “instructors” or “lecturers.”

In expanding such opportunities, educational providers are confronted with a host of challenges, including establishing administration guidelines, developing faculty, safeguarding intellectual property rights and effectively assessing outcomes. Each of these issues is explored in depth in the paper. Broadly speaking, recommendations include ensuring the consistency of distributed learning goals with the mission, goals and objectives of the institution and meeting student expectations.

The Education Committee of IFAC is indebted to two of its members who were responsible for developing the paper: Professor Gary Holstrum, University of South Florida, the U.S. Committee designee and ex-officio member of the AICPA Education Executive Committee and Professor Joseph Lloyd-Jones, Assistant Vice President, University of Ottawa, Ottawa, Canada.

Representatives of IFAC member bodies, academics and others

interested in the Internet and distributed learning programs are invited to submit their comments as well as any noteworthy examples of the application of Internet and distributed learning in accounting education directly to IFAC.

The paper may be viewed on IFAC’s Web site at www.ifac.org/StandardsAndGuidance/Education/DP-QualityIssues.pdf or obtained from IFAC’s offices. Comments on the paper may be submitted directly to IFAC at EdComments@ifac.org.

IFAC is the worldwide organization for the accountancy profession. Its mission is to develop and enhance the profession to enable it to provide services of consistently high quality in the public interest. Its current membership consists of 143 professional accountancy bodies in 104 countries, representing more than two million accountants in public practice, education, government service, industry and commerce.

Results of 1999 CPA Letter Readership Survey: High Ratings in Quality and Usefulness

In Sept. 1999 a total of 4,100 randomly selected members of the Institute, grouped by primary area of employment (public accounting, business and industry, education, government and other) were mailed the fifth CPA Letter Readership Survey. There were 567 respondents yielding a 13.8% response rate. Consistent with the last survey conducted in 1997, *The CPA*

Letter received high ratings in the area of quality of writing and design and its ability to hold the reader’s interest. Both data and written comments confirm that the newsletter provides timely information that is read regularly by the members surveyed.

Members in education sought greater topical coverage of new educational methods and techniques, CPA exam modifications/changes and core competencies for the profession. They are also very interested in articles that address: incorporating IT into the profession, CPA image enhancement, collaborative efforts between AICPA and state societies, efforts to create nationwide reciprocity/uniformity, CPA Vision,

accreditation programs/specialty designations, interviewing and leadership skills.

Educators found articles on the following topics were very useful: AICPA initiatives for education, assurance services, career information, hiring/retention, international standards, minority recruitment/advancement, information technology and women and family issues. In terms of services offered through the Institute, educators find the insurance programs, consulting services membership section and tax membership section very useful.

This supplement will utilize the findings of this survey in planning future issues. Your comments are always appreciated.

conferences

2000 AICPA Accounting Educators Conference

This year’s AICPA Accounting Educators Conference is being held at the Sheraton Hotel in Downtown

Atlanta, on Nov. 3–4, 2000. The theme of the conference is empowering accounting educators to enable student learning. The conference will address topics on the accountant in the new business environment, the AICPA Core Competency Framework as a response to practitioners’ needs, corporate universities, the Internet and the Web as a means to improve the learning experience, and technology-infused and Web-hosted text materials. A discussion will also be held to address updates on the CPA exam. As in previous years, the conference will also include the presentation of the winning cases from the 2000 AICPA Professor/Practitioner Case Development

Program. These cases provide excellent hands-on examples of teaching strategies that address emerging issues in the profession. Other features of the conference are the presentation of the top winner of the 2000 Joint AICPA/AAA Collaboration Award and the special breakfast hosted by the Institute for the AICPA On-Campus Champions.

Additional sessions and the entire conference program, with a detailed brochure, will be finalized in the coming months. Information and a registration form will also be made available online.

The Conference Program Task Force includes Faye Borthick, Chair (Georgia State University), Jill D’Aquila (Iona College), George T. Foundotos (Dowling College), Lynford E. Graham Jr. (BDO Seidman LLP), and Gerald Smith (University of Northern Iowa).

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Top Technologies 2000: Impacts on Education

Dr. J. Owen Cherrington and Dr. Douglas L. Dean, Brigham Young University

Each year the AICPA invites 29 members to participate in a group decision-making process to identify the top developments in information technology that are expected to have the greatest impact on the accounting profession. The top technologies lists represent not only what is relevant to the CPA profession, but also to the educators who prepare the next generation of CPAs. The list of top 10 issues and the list of emerging issues are shown in Tables 1 and 2.

Every item on these lists will eventually impact accounting education. But e-business and electronic based financial reporting are expected to have a very significant impact.

E-Business

E-business is the top issue for 2000. The large majority of the top 10 applications and technologies are an integral part of e-business. Growth in retail e-commerce is impressive. During Nov. and Dec. of 1999, estimates of online retail shopping ranged from \$6 to \$9.5 billion, up from \$3.1 billion for the same two months in 1998. This growth is expected to continue. By 2004, Forrester Research projects that half of all software sales will be made online, as well as 25% of music sales, 12% of car sales, and 9% of apparel sales. Most experts agree that while e-commerce will never totally replace traditional brick and mortar retailers, online buying will continue to increase its share of the retail market.

This growth is impressive but it will be dwarfed by forecasted growth in business-to-business (B2B) e-commerce. A new study of the B2B e-commerce market by the Boston Consulting Group (BCG) projects one-fourth of all U.S. business-to-business purchasing will be conducted online by 2003. BCG estimates that between 1998 and 2003, U.S. B2B e-commerce will grow by 33% per year and reach \$2.8 trillion in transaction value.

A second survey, recently conducted by Deloitte Consulting in Wilton, Conn., also projects a huge increase in B2B e-commerce, with electronic procurement expected to account for the majority of the increase. This study surveyed procurement

managers at 200 global organizations and found that nine out of 10 listed electronic procurement as a key part of their business plans, and 30% had already implemented the hardware, software, and networks necessary to buy and sell everything from supplies to raw materials.

With electronic procurement—buying materials, supplies, and equipment online—firms are finding significant cost reductions. What is behind these cost reductions? Technology—technology is making the world smaller. In the past, buyers contacted only a handful of potential sellers because of geographical boundaries and because it was too much administrative work to contact more. As a result, many potential vendors were never consulted.

Table 3 shows projected cost savings expected by B2B e-commerce for selected industries. This analysis compared B2B techniques with traditional business methods using paper, telephone, fax, or value-added networks.

E-business offers CPA firms the opportunity to expand or completely change their business model for delivering professional services. In addition, as clients adopt e-business models, CPA professionals must adapt their services to this new reality. Educators of tomorrow's accountants must understand e-business and integrate it throughout the curriculum.

Electronic Based Financial Reporting

A new issue to this year's list of top ten issues is electronic based financial reporting. Financial information has typically been provided through traditional financial statements containing only a few lines of very summarized data and these statements are issued several months after year-end. However, financial statement users are asking for more information in a more timely fashion. Users need and want information as soon as possible. Having to wait three months after year-end to have audited financial statements is simply unacceptable in today's financial world. They also want more detailed information. Developments in information technology make it easy to provide a wealth of information almost

Table 1: Technology Issues

- 1 E-Business**
- 2 Information Security and Controls**
- 3 Training and Technology Competency**
- 4 Disaster Recovery**
- 5 High Availability and Resiliency of Systems**
- 6 Technology Management and Budgeting**
- 7 Electronically-Based Financial Reporting**
- 8 Net Issues**
- 9 The Virtual Office**
- 10 Privacy**

Table 2: Top Emerging Technologies

- 1 Subscribed Offerings**
- 2 Continuous Audits/Assurance**
- 3 Portals/Vortals/Wireless Portals**
- 4 Electronic Bill Presentment**
- 5 E-Procurement**

Table 3: Estimated Industry Savings from Business-to-Business E-Commerce

Computing	11–20%
Electronic Components	29–39%
Forest Products	15–25%
Freight Transportation	15–20%
Live Sciences	12–19%
Machining (metals)	22%
Media & Advertising	10–15%

Source: Goldman Sachs

instantaneously. How we do that and the impact it has on the audit of the financial data are critical issues for the profession.

The exact form of electronic based financial reporting is still unspecified. But, it does not mean traditional financial statements posted to a Web site. It could contain much more detail. Also, some of the information may not be financial. The scope of how much of this type of data should be

continued from page G3—Top Technologies

included within the assurance services provided by a CPA is yet to be defined.

Real-time reporting confounds the single point in time audit model as users of the data ask for assurance and seek reliability. With e-based financial reporting comes the

need for continuous auditing methods and procedures—which is emerging issue #2. Relevant questions include, “Will we continue to have traditional financial statement audits?” “What is the objective of the audit?” “Do we audit the data, the system,

or both?” “Which data should be included within an audit opinion?” CPAs will have to demonstrate the value of their services, while learning to use new audit methodologies and tools. Academicians must begin to prepare students for this new environment.


New Committee Application Process

On Jan. 17, a new Web site titled, Volunteer Central, was deployed which allows both members and non-members to apply online to AICPA committees, subcommittees, panels and selected task forces. This new application process is more than simply a replacement for the previous manual application process involving a hardcopy bio-form submitted by a member. The process now requires each prospective volunteer to enter, from a predetermined list of skills, the skills that characterize their professional experience. The goal is to build a database of individuals and their skills so that appointment to volunteer groups can be based more on the skill sets that an individual brings to the table rather than simply applying to a volunteer group. Also, as volunteer efforts increasingly are done by task forces rather than formal committees, this database will allow for individuals who have an interest in certain specialty areas to be contacted proactively throughout the year as new task forces are being formed.

The requirement to have both access to the Internet as well as an e-mail account is now a requirement for volunteer service, first as a means to apply via the Volunteer Central Web site and also to receive various volunteer updates throughout tenure on a volunteer group. Volunteer Central can be accessed at www.skillscape.com/aicpaonline and applications will only be accepted online. Please note, if you are currently serving on a committee in your 1st or 2nd year, your re-application to the committee will be automatically done on your behalf. However, the Institute still encourages all current volunteers as well as prospective volunteers to enter their skills in the new Web site so that we can contact you when new initiatives meeting your skills are created.

Occasionally some task forces will be formed over the course of the year which need to be populated immediately. Various task force announcements will appear on the aicpa.org public site or in various e-mail distributions. When new members are needed for a task force, the Volunteer Central skills database will be searched for qualified candidates and members who have the prerequisite skills will be contacted to determine if they are available and willing to participate on a task force.

If you have any questions concerning the new Volunteer Central Web site or how to apply, contact:

 Andrea Singletary, 212/596-6097 or David Ray, 212/596-6030

 skills@aicpa.org

AICPA On-Campus Champion Program

To date, over 450 faculty serve as AICPA On-Campus Champions and there are over 8,500 student affiliate members. A mailing was sent out in the fall informing champions of how many students have




joined from their schools. The Institute wishes to congratulate Nick Dauber, the AICPA On-Campus Champion at Queens College, for recruiting the greatest number of students! Professor Dauber has had the highest number of student members for each year since the program's launch in 1997.

Professor Dauber has been teaching for 15 years, all of which he has spent at City University of New York—Queens College. He encourages students to get some enthusiasm for the profession before they leave college; he believes recruiters will see that enthusiasm and students will benefit from it in the future. Professor Dauber feels it is an excellent idea that students can become members of the AICPA. “They are exposed to publications, especially the *Journal of Accountancy* and *The CPA Letter*,” said Professor Dauber. He has also made use of the classroom materials champions receive, including videos on various topics. The Institute wishes to take this opportunity to thank Professor Dauber for his commitment to the program and to his students!

If you are an On-Campus Champion and need additional supplies, please contact our Member Satisfaction Team at 888/777-7077 or e-mail at memsat@aicpa.org and ask for specific quantities of No. G30000CPA04 (brochures) and No. G30001CPA04 (highlighters). If requesting by e-mail, be sure to provide a mailing address. We look forward to growing the student affiliate membership and providing you with important tools for use in the classroom.

For more information:

 212/596-6105

AICPA Tax Education Symposium

Mark your calendar for the 2000 AICPA Tax Education Symposium, June 9–10, 2000, Crystal Gateway Marriott, Arlington, Va. This symposium will address “Innovations in Tax Education and Practice for the New Millennium.” Discover contemporary approaches and future trends in tax instruction and technology developments, and gain insights into the state of tax practice. Explore important issues such as class management tools, electronic research tools, e-business, workplace and distance learning, the role of the AICPA and tax educators in implementing the CPA Vision, the CPA exam, and much more. For further information or to register, please call 888/777-7077 and mention brochure code No. G50001CPA04.

The Symposium Planning Group includes: Richard P. Weber, Co-Chair (Michigan State University), Suzanne M. Kopplin, Co-Chair (Ernst & Young LLP), Ellen Dawn Cook (University of Southwestern Louisiana), Dennis E. Sheriff (PricewaterhouseCoopers LLP), Jeffrey C. Totten (Arthur Andersen LLP) and Gerald E. Whittenburg (San Diego State University).