

## **Accounting Program Review - April 2014**

**School of Accounting  
College of Business  
Florida Atlantic University**

### **Review Team:**

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### **Documents Examined:**

1. SOA Self Study - 2014
2. SOA Executive Programs Self Study - 2014
3. College of Business AACSB 5<sup>th</sup> Year Maintenance Report - January 2013
4. Accounting Journals List
5. Accounting Overload Assignments Summary (Executive Programs)

### **Review Team Visit Schedule:**

See attached

## **Overview**

The School of Accounting (SOA) is an academic unit within the College of Business at Florida Atlantic University. The Director of the SOA reports to the Dean of the College. The College of Business is one of the largest business programs in the United States and based on number of accounting undergraduate students graduated, the SOA is one of the largest undergraduate accounting degree programs in the country.

The SOA currently has 19 tenure track faculty members, two of whom are administrators (SOA Director and Associate Dean) and nine of whom are assistant professors, and 8 full-time lecturers. The faculty are highly committed to the program and their students. And on one very important external measure, CPA exam pass rates, FAU accounting graduates are performing exceptionally well. However, it is not clear, due to lack of data availability, where these students are being placed upon graduation. Some, particularly those going through the Accounting Scholars program, are clearly taking positions at major public accounting firms. It would be invaluable to know much more about the outcomes for the more typical accounting graduates (attending Master's program at FAU or elsewhere, full-time employment with bachelor's degree, etc.).

The SOA has a number of very positive attributes. The SOA Director, Kim Dunn, is respected by her colleagues and is well-regarded by the Dean's office and FAU upper administration. She has already undertaken a number of initiatives that are even now greatly improving the FAU accounting programs as well as the faculty morale. She seems, in particular, to be doing an exceptional job.

The SOA has a cutting edge, first of its kind forensic accounting executive master's program, a well-regarded Accounting Scholars undergraduate program, and strong specialty masters programs, including the Masters in Taxation. The newly adopted accounting entrance exam minimum score and the focused research journal list are both evidence of the SOA's work toward increasing program quality on several dimensions.

## **SOA Self Study Questions for Reviewers**

1. Is the SOA mission and related strategies well-articulated and reasonable? Please comment on the relative importance of the strategies identified in this self-study. Please identify any strategies that are not included that should be considered.
2. Are recommendations proposed in this self-study essential for achieving the mission of the SOA? Please comment on your perception of the relative importance of the recommendations and suggest any recommendations that are not included that should be considered.

3. Given that the SOA has not previously completed a comprehensively documented self-study or program review, do you have any suggestions for improving the content or format of the information provided?
4. Based on your review, do you think that the SOA is poised to seek separate AACSB accreditation? What factors need further development prior to application? What advantages and disadvantages would result from the SOA pursuing AACSB accreditation?

**Mission:** Based on our discussions with faculty, reading of the self-study report, and the mission statement itself we think that the School, in actuality, is operating under multiple, often conflicting missions. These include: a university mission to raise its stature, a mission to improve student quality, a mission to be inclusive of students from diverse backgrounds, a mission to produce public accounting professionals, a mission to meet faculty niche teaching preferences, a mission to reward all research efforts (broadly defined), and a mission to provide equitable compensation to faculty.

**Q1.1 SOA Mission Articulation:** The school's mission statement identifies three specific objectives: (1) provision of comprehensive accounting education (opportunities) to a diverse student body; (2) publication of relevant accounting research, (3) active engagement of students and faculty in leadership, professional, and service activities. We think that (1) is clearly articulated and is something that the school is currently achieving. We found (2) to be vague and in many respects the school's research profile seems overly broad without a clear notion of what is meant by "relevant." Objective (3) seems to be ill-suited for a mission statement. On the faculty side it seems more related to the notion of FAU having academic, external community, and within university visibility (in a good way). On the student side it seems more related to producing graduates who are leaders in the profession and the community. These appear more connected with achieving some mission, but they are not identifying what this mission happens to be.

**Q1.2 SOA Mission Reasonableness:** With respect to (1) it seems to us that "comprehensive" encompasses the idea that the school sees itself as responsive to any group of accounting-needy potential students. Hence, it has developed multiple programs and program modifications in response to the needs of a variety of accounting student constituencies. Examples here include providing three separate graduate tax programs, special supplemental undergraduate courses specific to students needing to meet CPA exam requirements, and honors/scholars programs that are modified to accommodate both full and part-time students. Our point here is not that all of these program choices are undesirable, only that they appear to exist in over-abundance. Perhaps the mission statement should encompass some notions about selectivity in its accounting education offerings.

With respect to (2) we think that the mission statement needs to be more in alignment with the fact that the School has a Doctoral program that, in part, is connected with University level objectives to improve its research stature. "Relevant" is simply not the right adjective to be used in describing one's research mission under such conditions.

As we note above we did not view (3) as identifying or clarifying the mission.

Further comments: The items identified in the mission as strategies are, in fact, “goals.” And in providing our above comments on the mission statement itself we used them, as pertinent, in developing our understanding of the mission statement. We identify some suggested strategies that the School might consider later in this report.

**Q2.1** As we raise significant issues with the mission statement here we focus on evaluation of the proposed recommendations based on our sense of what the School is trying to achieve. We found all of the recommendations with respect to undergraduate and master student “success” as constructive in terms of improving the quality of FAU accounting graduates with the possible exception of adding career placement services within accounting. While we agree that career planning services are not what they should be at FAU, it would seem more productive to push for career services at the College of Business level. We would also note that, in particular, implementing the entrance exam, requiring Intermediate 2 and auditing as required courses, and collecting data about student success, particularly about graduate placements are all excellent ideas.

Evaluating the Ph.D. program recommendations presented a particular challenge for us. The Ph.D. program is inherently intertwined with the School’s research mission. However, as we note above, there is a distinct lack of clarity about this mission at the School level that seems, to some degree at least, to be echoed at the College and University levels. For instance, the current salary structure and teaching loads are inconsistent with a high order research mission. And, if the research mission is not high order then it makes little sense for the Ph.D. program to strive to produce a high order product. So, providing 5 years of guaranteed funding to students, which is a norm for high order Ph.D. programs, does not seem that important of a thing to do. On the other hand, providing support for conducting survey based research seems like a very good idea, as one would expect a good number of students to gravitate toward such research in a lower tier Ph.D. program. Similarly, spending money to recruit/screen-in “suitable” students makes a good deal of sense. Spending it to recruit “high quality” applicants does not really fit that well. (In particular, think about this issue from you as an objective advisor to a strong accounting Ph.D. program applicant perspective. Given the applicant is choosing between FAU and some other program. How many and what sorts of programs come to mind that you would be comfortable advising that student to pick FAU over?)

We want to reemphasize that the above thoughts are conditional on what the School ultimately settles upon in terms of its research mission. So, if the mission ultimately chosen does lead to a significant ramping up of the School’s research profile, perhaps in targeted niche areas, then the above statements would differ accordingly. The point here is to set down a feasible research mission, then think about the sort of Ph.D. program that is consistent with this mission and implement the changes needed to get to that program.

We were surprised here at the absence of any recommendations about research and research quality in the report itself. During our visit we did learn of several important steps

that are being taken on this dimension. Specifically, the adoption of a streamlined target journal list and proposals to tie annual performance evaluations, teaching loads and summer research funding to publication in this list seem to be very productive steps to be taken to clarify the research goals of the School. We would further suggest that the School use external information sources such as the BYU rankings to benchmark how it is performing relative to peer and aspirant schools. While the BYU list does not cover all of the journals on the School's streamlined list it does cover around half of them and so should provide at least a ballpark idea of how the School is performing.

Also, in general, we think efforts should be taken to have teaching loads set that are consistent with demonstrated research performance. We know that the SOA has been given recent approval for reduced teaching loads based on publication in the new journal list. This is a step in the right direction.

**Q3** The report was quite comprehensive and analytical in its coverage of the teaching side of the School's activities. Its coverage of research was basically descriptive. A more complete report would provide more analysis of the faculty's research productivity and ideas about what steps can be taken to improve it. The only recommendation in the current report is with respect to faculty compensation structure, which is only one aspect of this question. However, if such a structure is, in fact, a permanent condition then perhaps the entire research mission of the School needs to be adjusted accordingly. That is, appropriately incentivizing research productivity will likely require substantive changes in faculty salaries. Such changes may or may not be achievable. Should such changes be contemplated, we suggest that the SOA obtain benchmarking data on accounting salaries from the AACSB for a set of peer and aspirant schools in order to better determine the appropriate salary structure. This information will be particularly helpful with any new faculty hires, and there are numerous tenure cases and 3-year review cases in process or taking place in the near future that may set the stage for future hiring.

**Q4:** Based on the report material and information we learned during the visit we think that obtaining separate accounting accreditation is a feasible endeavor for the School. The mission statement would require substantial work to better capture the underlying drivers of the School's activities and policies. The School also may need to pay careful attention how its Doctoral program fits within such a mission.

*Advantages of Separate Accreditation:*

1. Provides a mechanism for the School to periodically evaluate itself and its strategic mission.
2. Puts in place a substantive formal communication format through which the School can communicate its goals, plans, and objectives to higher levels of administration within the University.
3. Provides objective insights about the School's programs, performance, and mission from outside evaluators.

4. Qualifies the accounting program director to participate in accreditation reviews of other institutions which provides in-depth information about how other program deal with challenges that are often similar to those encountered by the director's program.

*Disadvantages of Separate Accreditation:*

1. Cost to reputation if accreditation is not maintained.
2. Preparation for initial and subsequent reviews is time consuming.
3. Provides a communication network through which upper administrators may learn things about your program that you prefer they not know.
4. Some new accounting-specific standards must be complied with (e.g., the new "Data Analytics" standard).

**Other Recommendations:**

1. The Business law minor does not seem productive. Business Law is not typically a reputation enhancing activity for a business school or accounting program. Becoming a "mini-law school" takes resources away from more important initiatives. Also combining undergraduate and graduate students in the same physical Business Law classroom but assigning them to separate graduate and undergraduate course sections seems problematic to us. We understand that the proliferation of Business Law courses is already being addressed by the SOA.

2. Currently several 4000 level accounting classes are being offered primarily, it seems, as providing a service to individuals seeking to fill out their CPA-qualifying coursework by taking a few additional undergraduate courses. The nature of these courses (Fraud, Cost Practice, Tax Practice) seem better suited to graduate level offerings rather than undergraduate offerings. Providing this "extra undergraduate" option seems to dilute the accounting education focus of the FAU accounting programs in general, with such offerings competing with the School's masters programs. This issue is part of the "streamlining" of the School's programs that we discussed during our visit. If the SOA tries to be all things to all people, it dilutes their overall mission.

3. The graduate tax programs are high quality and useful. But there seems to be too many options. The SOA should consider consolidating the regular MTAX program into the executive MTAX program, while leaving a "taxation track" in place within the regular Masters of Accounting program.

4. Clarify ability of how to contact Alumni either by obtaining mailing lists or having the Alumni association send out mailings on behalf of the School. The SOA (and perhaps the College as well) needs a much more focused development mission to improve the financial

resources available to support the School (and College) mission. Discussions with SOA Advisory Board members (who are also involved with the FAU Foundation) suggest that much more can be done if all parties involved evolve from what appears to be a “turf protection” mode.

5. Clarify what the exact policies of the University are with respect to individuals with Master’s degrees and CPA certificates teaching graduate accounting courses. We note that many high quality universities, including those with SACS accreditation, use faculty with such credentials in delivering professional master’s degree coursework such as master’s in accounting, master’s in taxation, etc. Indeed, based on our discussions, there seems to be some indication that this issue extends beyond just accounting and business program staffing and is, in fact, a University-wide issue. So, it may be advisable for a formal memorandum of understanding sort of document to be put in place at the University level with respect to appropriate staffing requirements in professional master’s degree programs. Such a document would provide authoritative guidance that would allow such programs to better make long-term staffing commitments as its existence would provide some protection against casual idiosyncratic administrative actions.

6. Given the number of research active senior faculty, the Ph.D. student count seems high. Two faculty members have chaired all but one of the dissertations completed since 2009. It is unlikely that newly promoted assistant professors will make up much of this deficit in the short run. Hence, absent adding more senior level faculty directly (which seems unlikely given the current salary structure) it seems advisable for the School to consider decreasing its Ph.D. student intake until it has built up a critical mass of senior research active faculty.

7. The director position of a sizable accounting program or department typically is viewed as a full-time job that largely precludes maintaining much in the way of research productivity. Placing an associate professor in such a position is likely to severely impair her future research productivity. Hence, we think it is admirable that Kim Dunn would undertake such a role at FAU. We also think, and we do not appear to be alone in this thinking, that she is doing an outstanding job in leading and guiding the SOA. Moreover, in our own casual examination of Kim’s research record it does not seem that it is an unreasonable record for promotion at FAU.

8. If an upgraded outside speaker program is implemented for the Ph.D. program such speakers should be chosen strategically. That is, they should fit the level at which the Ph.D. program is operating. So, they may well not be selected based on their being “star” researchers but rather for how they fit with the School’s research strategy. Second, you may want to think of having such speakers visit for a week or so which will allow them to conduct a couple of research seminars in addition to any paper presentations. (Think of it as providing them with a working vacation opportunity in Boca.) The Asian schools, in particular do this a lot, and it seems to work very well for them in terms of building up connections and furthering their research. (And, the fact that so many schools are offering 3-0 teaching loads makes this an easy thing for many faculty to do.)

## Program Review – School of Accounting

### Tentative Schedule

#### Wednesday, April 2nd

6:30 PM	Seasons 52	Review Team Dinner
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#### Thursday, April 3rd

7:30 a.m. - 9:00 a.m.	Renaissance Hotel	Review Team Breakfast
9:30 a.m. - 10:30 a.m.	KH 138	Tenured Faculty
10:30 a.m. - 11:30 a.m.	KH 138	Curriculum Committee
11:30 a.m. - 12:00 p.m.	KH 138	Instructors
12:00 p.m. - 12:30 p.m.	KH 138	PhD Students
12:30 p.m. - 2:00 p.m.	FAU Club	Lunch with undergraduate and master students
2:00 p.m. - 3:00 p.m.	BU 323	Tenure Track Faculty
3:00 p.m. - 4:00 p.m.	BU 325	College of Business Dean, Dr. Daniel Gropper
4:00 p.m. - 5:00 p.m.	KH 119A	School of Accounting Director, Dr. Kim Dunn
		Review team working dinner

#### Friday, April 4th

7:30 a.m. - 8:45 a.m.	Renaissance Hotel	Breakfast with members of School of Accounting Advisory Council Jay Levine, EY Retired; Seth Siegel, Grant Thornton, FAU Alumnus; Randy Justice, EY Retired, FAU Alumnus; Tom Workman, Thomas Workman & Associates, FAU Alumnus, FAU Board of Trustees Member
9:15 a.m. - 10:00 a.m.	BU 325	College of Business Dean, Dr. Daniel Gropper and School of Accounting Director, Dr. Kim Dunn
10:00 a.m. - 10:45 a.m.	SU 216	Dean of Undergraduate Studies, Dr. Ed Pratt
10:45 a.m. - 11:30 a.m.	SU 101	Dean of Graduate Studies, Dr. Deborah Floyd, Susan Fulks to sit in on Dr. Floyds behalf
11:30 a.m. - 12:15 p.m.	ADM 322	Associate Provost, Dr. Michelle Hawkins
12:15 p.m. - 1:00 p.m.	ADM 392	Interim V.P. for Research, Meeting with Dr. Jeff Anderson
1:00 p.m. - 2:00 p.m.	BU 323	Lunch with School of Accounting Director, College of Business Dean, Associate & Assistant Deans