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# How Academics and Practitioners Can Work Together: A Perspective from an Educator with Private Industry Experience

Stephen Scarpati

*Sacred Heart University*, [scarpatis@sacredheart.edu](mailto:scarpatis@sacredheart.edu)

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Many attendees and presenters raised concerns about accounting students having inadequate communication skills and wondered why firms don't speak out about the problems with writing, speaking, and reading comprehension at the high school and elementary school levels. By the time the students get to college, it may be too late to develop these fundamentals. Susan Hamlen, from the first panel, reiterated that learning those skills is best done before college. George Victor added that many firms are reticent to tell colleges that their graduates are deficient in certain areas.

PCAOB Board Member Bill Gradison noted that the concern about accountants' writing skills has surfaced in the area of PCAOB inspection reports. He said that the PCAOB has several staff members with writing responsibilities and their skill

in this area is neither underestimated nor taken for granted. He suggested a process of giving accounting students or staff writing tests that would be graded by two people—first on technical merits, and then on the quality of the writing.

Christie Dorsa, from the first panel, stressed that her graduate-school experience was very important in helping her to develop communication, critical-thinking, and other skills. That, she said, is a major benefit of the 150-hour requirement. Although there is no standard for what colleges and universities include in those additional courses, and there will undoubtedly be differences among schools, she believes educators and employers will start to see improvement in those skill sets over time. □

## HOW ACADEMICS AND PRACTITIONERS CAN WORK TOGETHER

### *A Perspective from an Educator with Private Industry Experience*

By Stephen Scarpati

**A**lthough I began my professional life in public accounting, I spent most of my career as an executive in industry, and for the past three years I've been a professor of accounting. In that context, I've observed that the profession's academic side is sometimes separated from its

other constituencies. Yet in a rare assemblage, *The CPA Journal Forum on Education* brought together participants from large, medium, and small CPA firms; business and industry; higher education; regulatory agencies; professional associations; and recruiting firms. In short, the broad spectrum of the profession was represented in one room. Discussions were open, vigorous, relevant, and meaningful. Topics were debated with multiple points of view. In the context of diversity, I offer some personal perspectives on five topics discussed at the forum:

**Shortage of accounting professionals.** Notwithstanding rising enrollments of accounting majors in most business schools, CPA firms are concerned about demand exceeding supply. I can corroborate certain experiences at our universi-

ty with those presented by both practitioners and other professors at the forum. For example, the following trends were noted with respect to accounting majors:

- Recruiting of accounting majors on college campuses is growing;
- Of all college majors, accounting has the highest number of offers for employment at graduation;
- A significant percentage of accounting majors already have jobs in the fall/winter of their senior year;
- College internships for accounting majors are growing dramatically; and
- Starting salaries are steadily rising.

CPA firms of all sizes are responding in a variety of ways, including as follows:

- Expanding the number of college campuses they target for recruiting;
- Increasing their on-campus recruiting visits;
- Implementing or expanding their college internship programs; and
- Offering signing bonuses.

No one at the forum appeared to believe that the shortage of accounting professionals will abate any time soon.

**Advising students.** While my primary role as a college professor is teaching, an important secondary role is advising students. In this capacity, I found the forum particularly helpful. At the school where I teach, each student is assigned an academic advisor to assist in course planning and career counseling. The advisor is a full-time professor in the field of the student's major. For me, encouraging students in the accounting profession is very rewarding. It is particularly pleasing to see a student's excitement upon receiving an accounting internship acceptance, or the exhilaration when a student gets that first job offer.

One daunting issue facing accounting graduates today is the time and cost of the extra 30 credits needed to obtain the CPA license. Some undergraduate students want to "get it over with" right after they graduate. Others prefer to begin



Stephen Scarparti speaks during the forum.

their career first. Advising students on which is the better course of action depends upon their personal preferences, their financial situation, and the state in which they expect to be employed.

The one universal piece of advice that I give students is this: If you're going to take an additional 30 credits over and above what's required for your baccalaureate degree, you might as well earn a graduate degree.

Regarding advice to students on CPA licensing and the 150-hour requirement, the comments from Dan Dustin, Executive Secretary of the New York State Board for Public Accountancy, were particularly helpful:

- For candidates who took the CPA exam: 35% of those with advanced degrees passed, versus 27% without advanced degrees.
- The CPA experience requirement in New York is two years for candidates with a bachelor's degree, but only one year for candidates with a graduate degree.
- The experience requirement does not have to be met before taking the CPA exam in New York.
- New York State does not permit a candidate to take the CPA exam before the 150-hour education requirement is completed.

Dustin also said that the only specific course requirements stated in the New York State regulations are 33 hours for accounting, 36 hours for general business, and whatever liberal arts and sciences hours are required according to the type of degree conferred. He offered that this was done purposely to allow universities flexibility with their curricula for the content of business courses to meet the 150-hour requirement.

State regulatory differences are crucial when advising students. At our university, the highest percentage of students come from New York, followed by Connecticut, New Jersey, Massachusetts, and other Northeast states. Students from across the country and international students compose the balance. Nick Mastracchio of the National Association of State Boards of Accountancy (NASBA) listed some state differences regarding the 150-hour requirement and CPA exam eligibility. From his presentation, I extracted the following list for states in the Northeast:

- Northeast states that require 150 hours to take the CPA exam: New York (effective August 1, 2009).
- Northeast states that require 150 hours but permit taking the CPA exam after 120 hours: Connecticut, Massachusetts, Maine, New Jersey, and Rhode Island.
- Northeast states that do not have the 150-hour requirement (only 120 hours required): Pennsylvania, Vermont, and New Hampshire.

The cost to students for obtaining the MBA degree was also thoroughly discussed. Key issues include the following:

■ The financial burden of MBA tuition and expenses is a real barrier to entry for CPA candidates, particularly those who are already weighed down with student loans from their undergraduate degree.

■ CPA firms are generally not reimbursing full tuition for the MBA. (Note: Some firms are providing tuition reimbursements for a master's degree in taxation.)

■ Financial assistance offered by CPA firms includes limited fixed-sum grants, loans (which may be forgiven at some point), time off, and early leave from work to attend classes.

**International Financial Reporting Standards.** The opening remarks from PCAOB Board Member Bill Gradison concerning International Financial Reporting Standards were particularly important for both academics and practitioners. While the multiyear negotiations over GAAP/IFRS convergence may have given many in the profession the sense that they could safely put off confronting the issue, Gradison's comments served as a wake-up call. He strongly urged universities to integrate IFRS into their accounting curricula. Recognizing that there are few currently available textbooks on the topic, he prodded business schools to locate other resources and noted that many accounting firms in Europe are well-versed in IFRS. He advised college professors to obtain training materials from those accountants who have been using it. At universities, accounting curriculum decisions need to be made regarding whether IFRS should be a separate course, or integrated with existing GAAP instruction.

**College graduates' lack of writing skills.** Although writing skills was not a scheduled topic at the forum, when George Victor observed that his firm's young accountants lacked business-writing skills, a surprising groundswell of agreement emerged. Viewed as a societal problem, there was no shortage of opinions as to its cause, including: over-reliance on, or misuse of, technology; what is (or isn't) taught in elementary and high schools; or insufficient reading assignments. Some CPA firms are trying to cope by providing in-house training. With no universal solution at hand, clearly this issue needs to be addressed at many levels in the education system.

**A common theme.** Despite the diversity of representation at the forum, I sensed a common theme: *We all care about our profession. We care about licensing credentials and ethics, professional standards and accounting education, public confidence in our services and what it means to be a CPA.*

I came away with a sense of confidence that despite all the substantive issues facing the profession, future accountants will find being a Certified Public Accountant as rewarding a career as ever.

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**Stephen Scarpati, CPA, CLU, ChFC,** is a professor of accounting at the John F. Welch College of Business at Sacred Heart University, Fairfield, Conn. He is a member of the NYSSCPA's SEC Practice Committee.

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