

Choosing Competency over Compliance



CPAs are most often in the best position to know that a business's success relies on more than just passion and sweat equity. Most important is a successful core business model and sound financial planning that sets one particular business apart from the others.

Luckily for each newly minted CPA, the profession—with its education, experience, and exam requirements—comes with a built-in core business model based on competency. Whether a CPA works as an employee for a company, or as a partner or junior accountant in a public firm, or as a consultant or full time, the CPA credential is a promise that this individual will deliver professional services that can be trusted to be high quality, accurate, and reliable.

Competency: Then and Now

But does competency mean the same thing to CPAs today as it did 20 or 30 years ago? In the 1980s, states began to require each licensed CPA to earn a certain number of continuing professional education (CPE) hours per year in order to ensure a uniformity of continuing competency and further bolster public confidence in the profession. For much of its existence, the accounting profession was largely self-regulated, until the Sarbanes-Oxley Act of 2002 created the PCAOB, which required that—for the first time—a government regulator regularly review public company audits for quality assurance. New York State has also stepped up its oversight of the audit work conducted by CPA firms: in 2012, the state began requiring most New York-based firms to be peer reviewed every three years and for those reviews to be submitted to the state for review.

Prior to the CPE requirement, CPAs pursued continuing education in order to remain competitive and competent, and to gain an understanding of how to apply new standards and rules to their day-to-day work. Reputation was as important as the bottom line. Is that still true today? When it comes to CPE, do CPAs still seek to gain a better understanding of the rules and regulations in order to increase their competency and protect the public interest, or are they more interested in “compliance” (i.e., racking up 24 or 42 credits per year without considering the quality or usefulness of the education)? And where does ethics fall in all of this? A CPA taking the same ethics course, with the same content, taught by the same person, for years might be in compliance without necessarily becoming more competent.

A New Approach to Learning

How are we communicating to the next generation of CPAs what it means to not only be a competent professional, but also an ethical one? How this message is received has a lot to do with how it is delivered. Book learning is a thing of the past. College graduates are learning collaboratively and interactively in real time. Because of mobile technology, the information that they need is always only a few taps away; therefore, their continuing education has to be collaborative, interactive, and mobile friendly in terms of both time and accessibility—which means it's time to revisit our education model.

Some states already have. For example, the Maryland Board of Public Accountancy just approved 10-minute increments of “microlearning,” with .20 credit hours equaling 10 minutes and .50 credit hours equaling 25 minutes, according to the Maryland

Association of CPAs. The AICPA is also developing a new approach to learning. At the AICPA General Council's spring meeting, it adopted a resolution that supports the AICPA's engagement with CPA state societies, the National Association of State Boards of Accountancy, state boards themselves, federal regulators, and other stakeholders in order to “provide leadership to evolve the profession's learning strategies and structure giving due consideration to change management, timeframes and relevant measurement approaches.”

Here at the NYSSCPA, our Foundation for Accounting Education (FAE) is preparing to launch a customized online learning platform this fall. It will give our members and CPE customers access to a new array of course content, available in shorter intervals; it also comes with an online CPE tracker for all FAE users, making recordkeeping easier.

A Reputation to Uphold

We are really just starting to see just how much technology will revolutionize our world and our lives. But whether we learn in 10-minute increments or 8-hour ones, in person or online, what remains critical is how this learning is applied in the real world. Actions have consequences. CPAs have been trading on the profession's “built-in business model” of quality and competency since the profession's inception; that reputation should never be exchanged for easy money and compliance for compliance's sake. □

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