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# Integrating the AICPA Core Competencies into Classroom Teaching

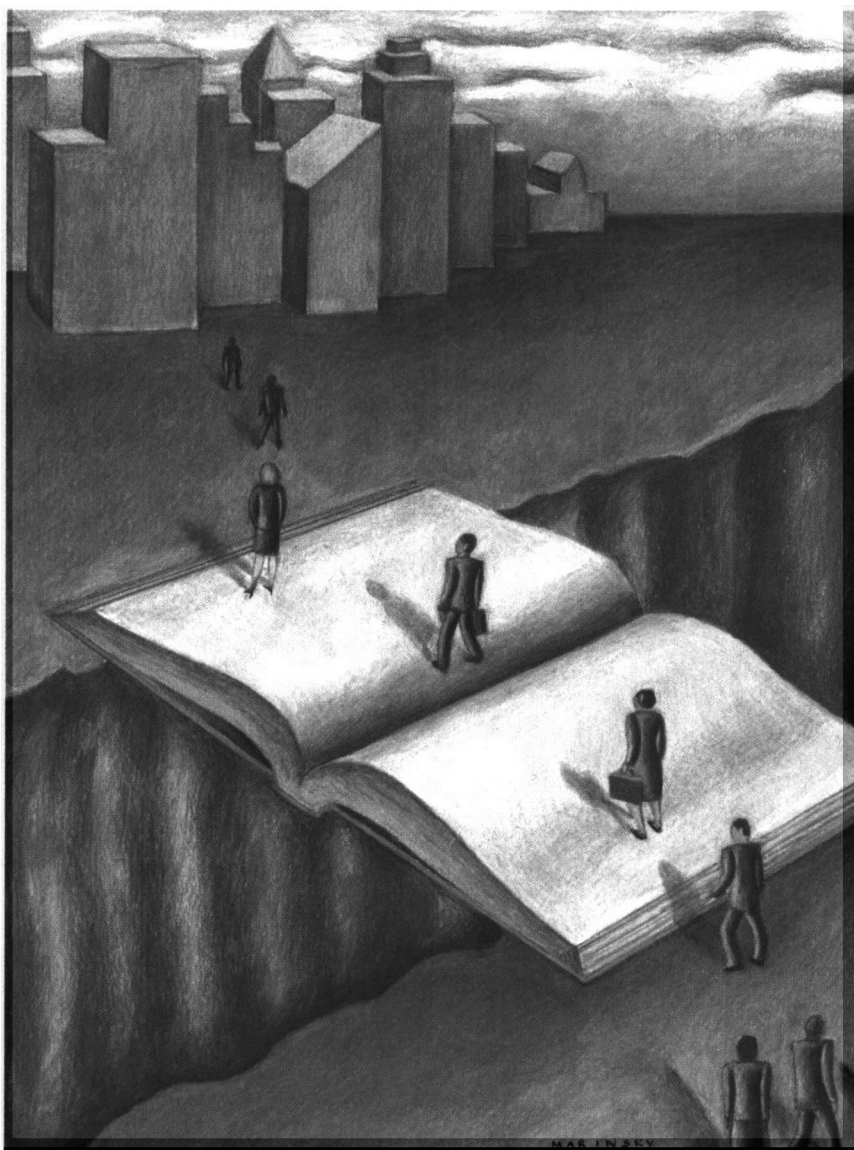
## *A Practitioner's Experiences in Transitioning to Academia*

By Angela Jing Wu

In 2004, after working at two Big Four firms and an investment bank, and after starting a business specializing in global opportunities, I became a college professor, teaching introductory and intermediate accounting. During the transition, I noticed differences between practice and the classroom environment. For example, college students are judged by test results, while accounting firm employees are judged by the "results" they deliver to their employers.

Not only are employees required to comprehend concepts; they are judged by three measurements: quality, efficiency, and productivity. Quality means the individual's work requires little or no correction, is error-free, and reflects a professional presentation of the final product. Efficiency measures how fast one delivers the work. (Faster is better: Someone who spends less time than his peers is considered a top performer.) Productivity involves how much one contributes to a firm within a specified timeframe. Billable hours are one measure of employees' performance at the entry level: The more billable hours one logs, the more one is contributing to the firm. The most highly regarded entry-level employees are those who contribute the largest quantity of high-quality work in the least amount of time.

The AICPA defines competency as a set of requisite skills for all students preparing to enter the accounting profession. Since 1999, the AICPA has been providing resources to help educators integrate the skills-based competencies needed by entry-level accounting professionals. These competencies are always evolving over time,



as the accounting profession positions itself higher on the information value chain. The AICPA core competency model ([www.aicpa.org/edu/corecomp.htm](http://www.aicpa.org/edu/corecomp.htm)), issued in 2006, is one source for identifying the determinants of professional success. The framework categorizes competencies as

functional (technical competencies most closely aligned with the value contributed by accounting professionals), personal (individual attributes and values), and broad business perspective competencies (understanding internal and external business contexts).

This article reflects upon my experiences as a CPA in both public practice and academia, and my realization of the great importance of certain AICPA core competencies, such as the leverage of technology, lifelong learning, communication, leadership, and teamwork. To help my students develop and enhance these skills, I have adjusted my accounting courses and designed a new accounting pedagogy based on the AICPA core-competencies model. My hope is that, by sharing my industry and teaching experiences, other accounting educators will benefit.

### Technology Competency

At one Big Four firm where I worked, employees used sample templates in the "repository," an electronic, firmwide global database of standardized work documents. Before starting an engagement, one retrieved from the repository sample workpapers developed by experts in the firm. The project executors later customized a sample workpaper, based on the client's information, and prepared a final presentation to be delivered to the client. Upon completion of a new project, the project executors modified, perfected, and submitted the revised workpapers to the repository. In this way, successors and colleagues from other offices could leverage work done by the project executors. The repository significantly improved work quality, efficiency, and productivity for the firm as a whole.

In any firm, individuals and the firm benefit from "leveraging" technology, information, and best practices among their peers. The work documents ensure the continuity of the business and the ability of a new employee to serve the clients, even if prior project executors eventually leave the firm. Thus, information- and knowledge-sharing become an ongoing, collaborative process.

To familiarize students with technology, I designed a computerized accounting practice. An electronic portfolio (web space) serves as a digital platform for teaching and learning. It simulates an accounting firm's repository, a collection of cumulative knowledge and best practices. It also ensures lifelong learning.

I also created an electronic course portfolio and uploaded documents about my teaching vision: new trends in accounting education; teaching materials, including syllabi; PowerPoint slides from each chap-

ter for each course; homework assignments and solutions; and external links to resources such as the AICPA core competency website, the *Wall Street Journal*, and the *Financial Times*. A special section housed students' best coursework. In the classroom, students no longer worry about not capturing everything because they can download materials anytime, anywhere. Their role has shifted from note-taking to problem solving, and from mechanical memorization of concepts to comprehension of those concepts.

Through this computerized accounting practice, students learn how to create and edit their own e-portfolios, where they can store coursework and share class projects with professors and classmates. The e-portfolio essentially digitizes the traditional manual-based accounting curriculum. Under this new approach, students find their accounting courses more relevant, interesting, and engaging because they can use their textbook knowledge to analyze and solve real-world problems. Students also become more familiar with the Internet and software applications such as Microsoft Word, Excel, and PowerPoint, in completing assignments and demonstrating their learning.

The e-portfolio benefits students in several ways:

- Computerized homework assignments help improve the quality, efficiency, and effectiveness of their work.
- Students can easily organize their learning, such as homework assignments or projects, by chapter and by course.
- Students can share best practices among themselves, and, as a result, they are further motivated to improve their work continuously.
- Students become adopters of emerging technologies when technology becomes an integral part of learning.

Additionally, because testing technology proficiency has become popular in the recruitment process, regular experience can give students a competitive edge in the workplace. One student, Chris, organized his e-portfolio into three sections. In "About Me," he included personal information on where he came from, his major, the progress of his studies, and how he came to choose accounting as his major. He also discussed his interests/hobbies and his plans after graduation. In "Classes and Projects," he organized his homework by

course and chapter, and stored projects from his accounting courses. Chris tracked his learning across semesters by comparing the complexity of different levels of accounting courses. In the third section, "Assessments and Reflections," Chris posted digitized forms of his self-assessment surveys about the AICPA core competency, one filled out at the beginning of the semester, another at the end. In this way, Chris could see the learning progress he made in a semester. In addition, he posted a reflective essay on what kind of AICPA competencies he had acquired by taking the course.

More important, the professor's and the students' course portfolios provide a feedback loop for teaching and learning, because the instructor can track students' learning across semesters and compare the work of peer students within a semester.

### Lifelong Learning

Lifelong learning is an essential skill that accountants need to keep pace with globalization and a constantly changing profession. Paul R. Brown ("Updating the Educational Model," in "CPA Journal Education Forum Anticipates Future," *The CPA Journal*, August 2002) urged that graduates be taught how to learn in order to attain and maintain the status of a professional accountant. According to a study by Janice L. Ammons and Sherry K. Mills ("Course-Embedded Assessments for Evaluating Cross-Functional Integration and Improving the Teaching-Learning Process," *Issues in Accounting Education*, February 2005), many business and accounting programs promote lifelong learning as part of their missions.

The e-portfolio serves as a platform for lifelong learning; students can store coursework and projects cumulatively, compare their work at different levels, and track their learning growth. It also helps students develop and enhance the AICPA core competencies from functional, personal, and broad business perspectives.

To return to the example above, when taking Introduction to Accounting, Chris tracked his learning on basic transaction recording; financial statement reporting; and measurements of simple assets and liabilities such as inventory, accounts receivable, and fixed assets. Several semesters later, at the upper course level,

he had learned fundamental concepts and the rationales behind them. In his e-portfolio, he cited and conducted SFAS and APO opinion pronouncements for each learning subject. Chris has started to prepare for the CPA exam, and his AICPA core competencies have developed significantly over several semesters. He has learned more advanced accounting topics such as dollar-value LIFO, capitalized interest, goodwill valuation and impairment, and intangible assets—typical CPA exam question topics and subjects that will later be directly related to his daily job.

### **Writing, Research, and Presentation Competencies**

CPAs in public practice conduct research, write reports and memos, and present solutions to clients' problems.

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business perspectives.**

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Presentations and written documents cover topics such as finding tax-saving strategies, updating changes in accounting and tax rules, converting between U.S. GAAP and IFRS, and conducting industry trend analyses. CPAs are also trained to use online research databases such as EDGAR filings for companies' 10-Ks, and CCH for tax issues. In my own experience, nothing in

the traditional accounting curriculum required the development of writing, research, and presentation skills.

To develop these skills, I assigned students a research project, "Track Your Favorite Company," using real-time financial data from the chosen company's website, as well as Yahoo Finance, CNNfn, Lexis-Nexis, EDGAR filings, and IPO-Alerts. Students in Introduction to Accounting are required to give me a one-to-two-page memorandum or a five-slide PowerPoint presentation, analyzing their favorite companies' financial information, such as identifying components of the basic accounting equation ( $\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$ ) from the balance sheet, and breakdowns of the basic multistep income statement (sales, cost of goods sold, gross profit, operating income, and net income). Intermediate Accounting students are required to use real-time financial data from the chosen company's 10-K, consolidated financial statements, footnote disclosures, and supplementary data to conduct research in a 5-to-10-page written report or a 35-to-40-slide PowerPoint presentation, on intermediate accounting topics specifically. One team of students conducted research on the Coca-Cola Company's equity-method investments in its subsidiaries. Another analyzed trends in the global automobile industry by looking at General Motors versus Toyota.

After the teams completed their written projects, I selected some of them to present their research findings in front of the class. For some students, it was their first experience with public speaking. Many of them felt shy and nervous, but they soon came to enjoy making presentations about work they were proud of.

### **Leadership, Teamwork, and Interaction with People**

In an accounting firm, a good accountant needs leadership and teamwork skills and the ability to effectively interact with people. One engagement that I worked on involved a consulting project that saved the client millions of dollars. To support those savings, we coordinated with the client's accounting, engineering, and human resources departments. We also wrote up the substantiations through questionnaires and interviews with the client company's engineers and man-

agers. In the CPA firm's home office, we teamed up with different people, including partners from various other offices.

To simulate this business practice in the classroom, students are assigned to work on classroom exercises and complete projects in teams of two to three. Recognizing that individual work is central to the learning process, the team project usually counts for 20% or 30% of the course grade. I assign the team project only when I determine that the students are ready—that is, when their median score for the first midterm (a three-hour, closed-book, no-notes, individual exam covering a complete accounting cycle and financial statement) is 90/100. I assign students a research project on their favorite company covering six areas: business description, industry trends, growth, earning, stock performance, and competition. Working in teams, they can divide the workload by topic or by skill set. (For example, one student knows the company and industry, another is technology-savvy, and a third is strong in writing and oral communication.) To avoid the potential "free-rider" issue, each student has to specify his or her role (i.e., the portion of the project for which she is responsible). The common goal of each team is to conduct an insightful analysis of its favorite company and present its research findings in front of the class.

The project makes students "learn how to learn" and goes beyond traditional accounting to further explore broader business perspectives (industry trends, product innovation, branding, and globalization). Their strategic thinking gets strengthened while they learn to identify their favorite company's strengths, weaknesses, opportunities, and threats (SWOT) and exchange the company's financial and nonfinancial information with classmates. One benefit is that students can see analyses of different companies and their competitors, as well as different industries, across time.

To encourage leadership and group dynamics, the first two teams that move their projects forward can present their work in front of the class. These groups receive extra credit for their first-mover status and for achieving common goals by using complementary skills. When the class sees the good work done by their peers, more teams begin to participate, and they compete to deliver better work. In addition, the students experienced teamwork's power

and challenges at the same time—like learning to assume responsibility and take initiative, ensuring that common goals are achieved, using consensus-building to resolve controversial issues, and matching complementary skills and talents in appropriate ways.

### The Big Picture

My industry background proved valuable when I was designing my teaching methods based on AICPA core competencies. Overall, they have proved effective. While traditional accounting is rule-focused, narrow, outdated, and based on memorization, this new accounting pedagogy trains students to learn how to learn. When designing course assignments, I bear in mind what attributes are needed in the workplace, and I introduce to my students linkages between textbook theory and practice.

When adopting these methods, it is crucial for the professor to spend time increasing students' awareness of the AICPA core

competencies by, for example, explaining what these core competencies mean, why such competencies are needed, and the rationale behind each assigned project. From explanations and interpretations of AICPA core competencies on a frequent basis, students can gain a clearer understanding of the big picture of accounting education and the profession. They can start to view accounting education from a holistic viewpoint and take valuable experience away from projects they work on.

Because this new accounting pedagogy simulates business practice, it provides students with clear career direction that shows what kinds of skills are needed. The simulation equips students to make a smoother transition from school to a future workplace. In other words, students will not be surprised by discrepancies between what they learned in school and what attributes are required in good accountants.

Implementing a new accounting education model is a challenging and evolving

process. It requires professors to reflect on their experiences, making trial-and-error adjustments over time to syllabi, assigned projects, and grading standards. Implementing a new education model is also very time-consuming for both professors and students. A professor may need to test the water first, before deciding whether students are ready to engage in these methods. Based on students' different levels of prior knowledge, a professor may also need to customize pedagogies to different groups of students. □

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