Candidate Chronicle

A newsletter for Texas CPA examination candidates - Published by the Texas State Board of Public Accountancy
Austin, TX

June 2009

Volume 19

Accounting Educators Convene in Austin

Nearly a hundred accounting educators from across Texas and seven other states traveled to Austin on May 29 to hear speakers address education requirements for taking the Uniform CPA Examination, to ask questions, and to express any concerns they had about preparing students to meet those requirements.

After introductory remarks from Board Executive Director **Bill Treacy**, participants heard from several speakers:

Elaine Rodeck, PhD, CPA, representing the American Institute of CPAs, reported on the AICPA 2008 Practice Analysis of the Profession. Rodeck is a senior manager for AICPA, where her primary responsibility is overseeing the content for the CPA exam. Rodeck explained the role of the Board of Examiners and the elements that go into developing the exam. Rodeck noted a couple of important changes under consideration for upcoming exams: (1) the long simulations now found in the AUD, FAR, and REG sections of the exam will be replaced by 6 or 7 shorter task-based simulations, (2) three essays will be added to BEC, and (3) questions will be added concerning International Financial Reporting Standards. Overall test length remains the same; however, time allotted for some sections may change.

Bill Treacy leads the applause for speakers at the Accounting Educators seminar in Austin May 29.

Roselyn Morris, PhD, CPA, chair of the accounting department at Texas State University - San Marcos, discussed the impact of the new AICPA content specification outlines (CSOs) on accounting education and the CPA exam. Morris has just completed an independent statewide survey of 70 university and college accounting programs in Texas to determine at what level, graduate or undergraduate, they are presenting material deemed necessary for candidates to successfully meet content specifications established for the exam (see related story, page 4). Morris is a member of the Board's Qualifications Committee.

Melanie Thompson, CPA, spoke about NASBA Model Rules 5-1 and 5-2, which define terms used in establishing education requirements for the exam and in determining compli-

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Seminar speakers included, L-R, above, Elaine Rodeck, Melanie Thompson, Roselyn Morris, James Flagg, and, at left, Jerry Hill and Donna Hiller.

Accounting Educators Seminar / continued

ance. Chair of NASBA's Education Committee as well as a member of the Texas Board's Qualifications Committee, Thompson said there is an "overarching need" for ease of administration and a minimum standard among the 55 jurisdictions affiliated with NASBA, as well as a need for flexibility for universities. The goal is for less specificity and increased flexibility. Thompson is a former presiding officer of the Texas Board and an assistant professor in the Business and Economics Department at Texas Lutheran University, where she teaches ethics.

James C. Flagg, PhD, CPA, chair of the Board's Qualifications Committee, discussed the proposed requirements for an accounting research component in a candidate's education, as well as for a business/accounting communications component. In the discussion and open forum that followed, educators asked the Board to consider the logistics of adding new courses to their curricula in establishing an effective date for implementation of the new requirements.

Also on the program were **Jerry Hill,** the Board's general counsel, who explained the Board's rule-making process, and **Donna Hiller**, director of qualifications, who organized the seminar. The speakers, along with Qualifications Committee members **Jerry Davis** and **Florence Atiase,** constituted a panel for an open question-and-answer forum.

Complete PowerPoint presentations by the speakers may be found on the Board's website, www.tsbpa.state.tx.us.

Legislature Transfers Fifth-Year Scholarship Fund to Board

Governor Rick Perry signed House Bill 2440 on May 23, transferring administration of the accounting scholarship fund for fifth-year accounting students from the Higher Education Coordinating Board to the Texas State Board of Public Accountancy. The funds are derived from a $10 fee added to each Texas CPA's annual license renewal.

The fifth-year scholarships were established in 1991 to aid minority students and others needing assistance in financing a fifth year of college sometimes necessary to meet increasing education requirements to take the CPA exam. Application is made through financial aid offices at individual Texas colleges and universities.

Rules Changes Reconsidered

Changes to two Board Rules enacted earlier this year will be brought back to the Board for reconsideration. Board Rule 511.57, which defines the courses that qualify within the 30 hours of accounting courses needed to take the CPA exam, added a requirement that two semester hours be in accounting research. Board Rule 511.58, which lists other business courses to fulfill the 24-hour requirement, specifies that two semester hours be in accounting or business communication. Because these rules changes were initially adopted without specifying an implementation date, the changes went into effect as soon as they were passed by the Board on second reading in January.

After Texas accounting educators advised the Board that colleges and universities needed significant lead time to make changes to their curricula to accommodate these changes, the Board suspended the two changes until the matter could be studied further. On May 29, with feedback from the educators seminar, the Qualifications Committee proposed a new effective date of July 1, 2011. The committee will make this recommendation to the full Board at its July 23 meeting and publish the proposed changes in the *Texas Register,* with second and final reading at the Board's regularly scheduled September meeting.

These Outstanding Candidates *were recognized at the May 23 swearing-in ceremony in Austin. They are, L-R, Andrew Scott Gillman, Molly Kathleen Smithee, Rachel Michelle Daniel, Julia Emma Mullican, Philip Scott Vaughan, and Hayley Jo Rife. Outstanding candidates are those candidates who not only pass all parts of the uniform CPA exam at the initial sitting, but who also make one of the 10 highest cumulative scores. In this particular group, there was a tie, resulting in a Top 11 rather than the usual Top 10. Not in attendance were outstanding candidates Clint Jason Presley, Terri Lynn Schroeder, Glenda Mae Schwarz, Donald Brett Walker, and William Michael Weekly.*

Finding That First Professional Position in a Down Economy

Job hunting isn't fun under the best of circumstances, and, as we all know, these are not the best of circumstances. The hunt, especially for that first professional job, is hard work requiring a good deal of homework, and it can be long-term, demeaning, stressful, and personally exhausting. There is a bright side, however, that you should be aware of, and there are steps you can take to improve your chances of finding an opportunity in a down economy.

The bright side is this: Accounting, according to the U.S. Department of Labor, will be the fastest growing job market through 2016, and there are many reasons why:

- Changes in state and federal legislation demand more financial accountability.
- The number of business establishments will increase as we climb out of the recession.
- The world of international business will continue to expand.
- Increased scrutiny of company finances will create a need for skilled accountants and auditors.
- Greater awareness of white-collar crime will increase the demand for forensic accountants.
- The role of accountants and auditors is changing, resulting in a need for expertise in financial management and consulting services.

Enhancing Your Profile

Still, we are in an economic recession, and a lot of firms simply aren't hiring, so what are employers looking for when they have a position to fill? The consensus is that your prospects are enhanced if you have professional certification, i.e., your CPA license, and if you have a master's degree in accounting or a master's degree in business administration with a concentration in accounting. In addition, you better your chances if you are proficient with accounting and auditing computer software and/or if you have expertise in a specific industry or in international business. It's also helpful to keep current with any state or federal legislation that impacts the accounting field.

Finally, employers are interested not only in what you know, but who you are. If you peruse online want ads for positions in this field, you will see, again and again, the words "strong communication skills" and "team player." These skills allow you to communicate complex financial information clearly to someone (like your boss, for example) who does not have the financial background you have. The ability to work in a team environment allows the employer to foster a work culture that maximizes the skills and abilities of the staff and increases productivity. Remember that the employer's main objective has to be hiring the person who is the best fit for the company.

Preparation Is the Key

Now, about the homework. Go into an interview fully prepared by thoroughly researching the company ahead of time and knowing enough to ask intelligent questions and provide considered answers. One cardinal rule of job hunting is never to say, "No, I think you've answered them all," when asked if you have any questions. Regard this as an opportunity to demonstrate your interest in the company and the role you see for yourself in the company's future.

Although every interview is different, there are some questions you can count on hearing in almost any job interview. There are also books and online resources that not only suggest what questions to anticipate, but also which possible answers serve to better your image rather than detract from it. The best way to prepare is to anticipate not only the questions, but your answers to them. (The internet can work against you, too, if you are not mindful of what you post on personal networking sites.)

The interviewer often opens the session by asking you to "tell a little about yourself." For this, you should have ready a one-minute "commercial" that focuses on your professional skills, education, and experience, as well as any personal traits that will make you a particularly good employee. You can anticipate being asked about your short- and long-term goals, what you see as your strengths and weaknesses, and why you would be a good fit for the company. Knowing ahead of time how you're going to answer allows you to come off with finesse and confidence.

In addition, you'll want to attend to the basics, such as investing in a good, dark suit to wear to interviews (or cleaning the one you have), polishing your shoes, getting a professional haircut, and making copies of your resume. You'll want to scout ahead of time to determine how long it will take you to get to the interview and allow extra time for any unforeseen difficulties on the day of the interview.

Open Your Mind

In a buyer's market, it is wise to be flexible to options you might not have considered otherwise. There are many jobs outside the Big Four companies—in smaller firms; in private business; in local, state, or federal government; or for not-for-profits. There are new specialty areas in which you might carve a future for yourself, such as forensic or environmental accounting. Consider part-time or project management assignments, which keep your resume fresh and often lead to full-time offers or networking possibilities.

Finally, utilize the many resources offered by accounting trade organizations, such as the Texas Society of CPAs, www.tscpa.org, or the American Institute of CPAs, www.aicpa.org. Both offer help in a number of ways.

Study Examines Content of Texas Accounting Programs

In a recent statewide study of 70 accounting programs offered in Texas colleges and universities, **Roselyn Morris,** PhD, CPA, examined how these schools are preparing students to meet the new AICPA content specification outlines (CSOs) for the CPA exam. The CSOs are designed to paint a realistic picture of the skills needed for an entry-level accountant to succeed in the profession.

Morris's study found that 13 Texas schools offer accounting courses at the undergraduate level only; 18 offer exam eligibility courses at the graduate level only; and 8 do not offer the necessary courses to meet CPA eligibility. Six schools require students to take a CPA review course, although the Board does not count them to fulfill the business course requirement; the rest of the schools do not require them, but such courses may be available to students who want them.

In addition, 5 schools do not offer accounting information systems (computer proficiency is a skill prized by potential employers), 4 do not offer a separate advanced accounting or merger and consolidations course, 13 do not offer a separate governmental and not-for-profit or funds course, and 7 offer only 1 taxation course. Eight Texas colleges do not offer an approved ethics courses in their curricula, 20 offer approved ethics at the graduate level only, and 15 schools offer ethics at both the undergraduate and graduate level.

Of the top-producing schools, only the University of Houston - Downtown offers accounting classes at only the undergraduate level; Baylor and the University of Texas - Arlington offer eligibility at both BBA and master's levels; 10 schools offer eligibility through the master's level only. (Potential employers place a premium on a graduate degree.)

Morris's analysis further revealed that to have exposure to 100% of the material covered in the new CSOs, candidates would need a slightly broader education than previously required. The suggested coursework is listed by examination section below:

AUD
External Auditing
Internal Auditing
Fraud
Advanced Auditing
Acounting/Business Ethics

FAR
Intermediate
Advanced
Financial Statement Analysis
Accounting Theory
Government & Not-for-Profit Acctg

REG
Business Law I and II
Accounting Ethics
External Auditing
Individual Taxation
Entity Taxation

BEC
Business Law I and II
Micro Economics
Macro Economics
Financial Management
Cost Accounting
Management
Finance
Accounting Information Systems
IT Auditing
Strategic Management
Operations Management

Read current and back issues of the Candidate Chronicle at
http://www.tsbpa.state.tx.us/general/candidate-chronicles.html

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Scheduling Your Exam

The Uniform CPA Examination may be scheduled in one of the Prometric Testing Centers in the Texas cities listed below.

Once you receive your Notice to Schedule, you may complete scheduling online at the Prometric website:

www.prometric.com/cpa

Schedule early, as dates, times, and locations may fill quickly.

- Abilene
- Amarillo
- Austin
- Beaumont
- College Station
- Corpus Christi
- Dallas
- El Paso
- Ft. Worth/Bedford
- Houston
- Houston/Clear Lake
- Houston/Greenspoint
- Lubbock
- McAllen
- San Antonio (3 locations)
- Tyler
- Waco
- Wichita Falls

Not All Ethics Courses Are Board-Approved

Among the requirements candidates must meet before qualifying to take the CPA exam is three hours of ethics. Acceptable ethics courses and their instructors have been reviewed and approved by the Board. To gain approval, the course syllabus must reflect content in ethical reasoning, integrity, objectivity, independence, and other core values. Acceptable courses must be offered at recognized educational institutions, and instructors must never have been disciplined by the Board.

Most of the approved courses are delivered in a traditional classroom setting, although, to date, five distance learning courses have been approved after the same courses with the same instructors were approved in a traditional classroom setting. Be aware that 8 Texas schools do not offer an approved ethics course, 20 offer approved ethics at the graduate level only, and 15 schools offer ethics at both the undergraduate and graduate level.

A complete list of approved ethics courses is posted at http://www.tsbpa.state.tx.us/education/ethic-course-requirements.html. There you will find titles of the courses and course numbers, names of approved instructors, and method of delivery.

NASBA Fee Schedules

Single Section	Before 9/15/09	After 9/15/09
AUD	$226.28	$230.55
BEC	$178.58	$180.95
FAR	$214.35	$218.15
REG	$190.50	$193.35
Multiple Sections		
AUD & BEC	$404.86	$411.50
AUD & FAR	$440.63	$448.70
AUD & REG	$416.78	$423.90
BEC & FAR	$392.93	$399.10
BEC & REG	$369.08	$374.30
FAR & REG	$404.85	$411.50
AUD, BEC & FAR	$619.21	$629.65
AUD, BEC & REG	$595.36	$604.85
AUD, FAR & REG	$631.13	$642.05
BEC, FAR & REG	$583.43	$592.45
AUD, BEC, FAR & REG	$809.71	$823.00

NOTE: If you submit an Eligibility Application for multiple sections of the exam, NASBA requires that payment be made for all sections selected at one time. You will not be allowed to pay for them one at a time.

ACAN

Confidential Assistance for CPAs, exam candidates, and accounting students

1-866-766-2226

Uniform CPA Examination National & State Passing Rates by Section

Below are results from the four most recent testing windows comparing success rates of Texas candidates with national averages.

	2nd Quarter 2008		3rd Quarter 2008		4th Quarter 2008		1st Quarter 2009		Cumulative	
	Texas	National	Texas	National	Texas	National	Texas	National	Texas	National
AUD	58.79%	53.09%	57.71%	51.04%	49.14%	47.00%	53.36%	47.61%	54.75%	49.69%
BEC	50.26%	47.60%	51.27%	49.60%	48.98%	45.76%	44.58%	46.23%	48.77%	47.30%
FAR	55.65%	49.59%	57.01%	53.93%	51.30%	46.40%	58.35%	45.54%	55.58%	48.87%
REG	52.57%	48.57%	54.95%	51.15%	50.57%	48.59%	51.72%	47.96%	52.45%	49.07%

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Governor Perry Makes New Board Appointments

Greg Bailes, CPA, of Bee Cave, a member of the Texas Board since 2005, has been named presiding officer by Governor Rick Perry. In addition, Perry appointed **James C. Flagg**, PhD, CPA, of College Station, also a 2005 appointee, to a full six-year term. New appointees are **Everett R. (Ray) Ferguson**, CPA, Abilene; **Jon R. Keeney**, Taylor Lake Village; **Maribess L. Miller**, CPA, Dallas; and **Thomas G. Prothro**, CPA, Tyler. By law, the 15-member Board includes 10 CPAs and 5 public members.

Bailes practiced for 27 years with Deloitte & Touche, serving as both the technology practice leader and audit leader for the Austin office. He is a graduate of the University of Texas at Austin.

An associate professor in the Texas A&M University Mays Business School, Flagg has chaired the Board's Qualifications Committee and is a member of Board of Examiners of the American Institute of CPAs. He is a graduate of Eckerd College and Texas A&M.

Ray Ferguson, a graduate of Abilene Christian University, is a partner at Condley & Co., LLP, a firm he joined in 1981. Jon Keeney, vice president of consulting for CSQ3, holds a bachelor's degree from the University of Tennessee and master's from the University of Houston. Maribess Miller is a partner at PricewaterhouseCoopers LLP and a graduate of Texas Christian University. Thomas G. Prothro, CPA, is president of Prothro, Wilhelmi, & Co., PLLC, Certified Public Accountants, and a UT Austin grad.

Terms of office for these appointees will expire on January 31, 2015.

Professional Literature Available Free

Examination candidates who have a Notice to Schedule from NASBA can get access to a free six-month subscription to professional literature used in the computerized CPA exam. To sign up, go online to www.cpa-exam.org and pull down the "Prepare for the Exam" menu. Click on "Access to Prof Literature" to reach the subscription form. The online package includes *AICPA Professional Standards* and the *FASB Original Pronouncements.*