October 19, 2020, 2 p.m. HST

Meeting Minutes of the Curriculum Sub Committee in Skills, Auditing, AIS and Managerial

Attendees:  Shirley Daniel, Liming Guan, Jee-Hae Lim, Gary Nishikawa, Chris Park, Thomas Pearson, Hamid Pourjalali, Tu Xu, Edwin Young, and Jian Zhou

Daniel opened the meeting and asked all participants to refer to the spreadsheets provided by Pourjalali summarizing the curriculum of other top accounting schools with respect to management accounting, auditing, AIS and skills focus courses (such as writing, oral, ethics, Hawaiian).

Skills curriculum discussion:

The committee first discussed the UHM policy regarding focus courses at various levels (W, O, E, H) and it was noted that SOA writing intensive courses include ACC418 (auditing) and ACC460b and ACC460e (managerial accounting and tax research). Daniel noted that she required 4 cases to fulfill the 460b writing requirement. Some of the cases are individually prepared and others in groups of 2, 3 or 4 students. Pearson noted that, in addition to being writing intensive, his 460e course was selected by the UHM assessment committee as an example of integrating critical thinking skills into major topics. His approach involves researching the tax law and preparing multiple draft versions of a technical tax memo suitable for a client.

Both Nishikawa and Zhou teach writing intensive undergraduate auditing (Acc 418). Nishikawa indicated that, as required, 40% of the course points are for written assignments, and he used multiple assignments to achieve the 4000 words or 16 pages. Zhou noted he used two major individual writing assignments each seven pages, and another group project of between 18 to 20 pages. Nishikawa finds the value of written assignment to be very positive, as students need to know how to write when they start working for accounting firms.

Daniel emphasized the difficulty of meeting the required page limit while still teaching students to write concisely, as they will need to in practice. Pearson considers the various skills, including technology skills that are important for the CPA exam. In addition, Pearson requires students to use active voice during his writing assignments. He emphasizes that students must write tax memos to follow a logical thought pattern.

In 460b Daniel tries to get students to consider the case problems as a practicing consultant would and create a written report that they could present and bill the client for.  Student groups also present their case solutions in class about 4 times during the 8-week course. Although the course is not oral intensive, students are being asked to do oral presentations so students can see what other students are doing and learn from one another. Therefore, students do get some oral communication practice.

The committee then turned to the issue of ethics in accounting. Nishikawa noted the chapter in ethics in auditing focused primarily on the AICPA code of ethics. He noted some schools had offered entire courses in ethics. Pearson indicated that 460E contained some ethics coverage but suggested that the College of Business provide an ethics course. Daniel noted that some management accounting cases in 460b covered the IMA code of ethics and that the School can cover all the various accounting professional ethics standards. Compared to other majors, the School is doing relatively well with ethics for accounting. Young noted that the AICPA and other professional organizations require ethics training each year for 2-4 hours.  Dedicating an entire course to ethics may be excessive.

Nishikawa indicated that ACC 418 (Auditing) can cover ethics topics (and provided example), and noted that all the courses should have something about ethics and doing the right thing as this is an important issue. Young noted that ACC 425 (Forensics Accounting) was permeated with examples of the importance of ethics (e.g. tone at the top) and ethics permeates many courses. For example, the updated COSO model addresses ethics and how to implement ethics (e,g, monitoring systems, information reports, etc.).  Young emphasized that making students aware of the need and importance of ethics and the consequences of unethical conduct could be mentioned in many classes. The collapse of Arthur Andersen would be a good example to present to students when ethics standards are violated.

Daniel suggested to include a discussion on ethics and possibly cheating in every course. Especially with online courses, we might want to require students to sign the Laulima honors pledge for assignments. Pourjalali notes that he deals with complaints of student cheating every semester, so this is an issue we need to emphasize in our syllabi.

Guan noted AIS had some coverage of ethics in the internal control materials. It may not be necessary to create a new course. Daniel inquired if various types of fraud were discussed in the internal controls section. Laden indicated that she did not cover ethics in AIS, but rather covers the control environment as opposed to employee fraud.  Lim noted that AIS does cover some ethical frameworks, but ethics are not heavily emphasized in AIS. The AIS course covers internal control and COSO.  She believes the ethics material is better covered in auditing.

Zhou noted that the auditing class had a chapter on fraud in addition to one chapter on professional ethics. The chapter covers empirical results on the incidence of fraud of different types. Zhou requires students to present a role play ethics case. Nishikawa confirmed the auditing book provided many examples of fraud. Practically every chapter has some coverage in fraud, and the chapter in ethics covers the AICPA code of conduct.

In summary, Young noted that critical thinking, logic, analytical thinking, good judgment, and understandable writing are important skills for success in the workplace.  These skills come with case studies, time, and experience.  Instructors can plant the seed for these skills and encourage students to develop these skill sets. We are limited on what we can do as instructors, and it is finally up to the students to follow through.

*The conclusion of the discussion on skills and focus areas is that the SOA seems to be doing well in critical thinking, writing, ethics, and fraud although it is spread out throughout the accounting curriculum. The committee concluded that compared to other schools we are doing all right in skills. In addition, particularly with more online course curriculum, we can ask students to sign an honor pledge and emphasize in every class that they should not cheat and include the penalties in the syllabus.*

Auditing curriculum

Nishikawa noted that compared to other schools, our auditing course content was similar and probably adequate for our market. USC has an elective for internal audit, but Nishikawa did not think it was necessary for our students, as internal audit in Hawaii was a very small market. Boston College offered an additional advanced auditing requiring students to go through the whole audit from the beginning to the end with a mentor. He did not think that the SOA needed a new auditing course, and the committee concurred.

Lim addressed the IT Audit course (ACC619). She noted the ACC619 was a hybrid course, emphasizing both data analytics and the IT audit function. Specifically, the course will cover guidance for IT Audit and how to apply analytics, IT risk assessment and bridge between AIS and Audit. The course also covers IT governance, IT operations, and business continuity. Xu emphasized that the one credit ACC 460 data analytics coverage was for analyzing financial accounting topics and broader, while ACC 619 course was in IT auditing topics.

Young noted that ACC 619 was more in line with AIS with some IT auditing and that the course could expose students to the diversity of auditing by discussing the differences among performance, internal, external, forensics, etc. auditing. While it would be nice to offer more advanced auditing courses, the limited MAcc enrollments would make such offerings difficult. Due to financial aid constraints and other factors many accounting students double major with Finance, ITM or IB, etc. rather than going to the MAcc.

*The committee concluded that the auditing course sequence is adequate given our enrollment levels, particularly at the MAcc level, and our student placements.*

AIS curriculum

Lim indicated that more than 3/4 of the schools have a foundation of AIS course similar to ACC 409 class. But with the growth of Data Analytics and new CPA model, this may not be enough. The School may need to consider creating a separate data analytics course for either undergraduate or graduate students. Acc 619 should be separated into two courses.

Lim also noted that unlike many other schools, the School did not have a 3-credit upper division course in managerial accounting.

With regard to CPA exam topics, Daniel noted that the School was covering enough managerial accounting in ACC460b, and students learned the basics of managerial accounting in ACC 200. She believed that enough managerial accounting focus for the CPA exam existed in 460B but (might) not be enough for the CMA exam. She provided a history of how the undergraduate cost/managerial accounting course evolved into the four credit ACC 460 series and that the faculty felt that four separate credits were more useful to our students as they prepare for practice. Since there is not much manufacturing in Hawaii, a complete cost accounting course is not as essential in Hawaii as for students in the Midwest universities. Pourjalali noted that our 460 course was unique among accounting schools and he believed it was a good undergraduate capstone course for our market. (NOTE: There will be a separate meeting for managerial accounting 460b).

The committee then discussed that Data Analytics continued to become a more important tool in business. Pourjalali noted that while we had offered an extra program in data analytics for students, it is not required and the demand was inconsistent. Fortunately, we have a good adjunct instructor (Eddie Merc) who could teach the topic. Pourjalali indicated that the AICPA materials available on the topic were not an appropriate level of rigor for a college course.

*The committee agreed that creating a data analytics undergraduate elective that would be available for all business students would be a good option.  Pourjalali agreed to discuss this with the other department chairs as there may be support for the idea in ITM, FEI, MIR, TIM and MKT departments.*