



## **2010-2011 Annual Report**

**June, 2011**

### ***Executive Summary***

The School of Accounting enjoys a reputation for excellence in teaching and our graduates are in high demand. Employment opportunities for accounting graduates remain high despite a weak economy. Additionally, CPA Exam Pass rates are significantly higher than the national average with the School identified as among the top 25 colleges or universities in the country. Faculty members are active in academic and professional organizations, maintain their professional and academic qualifications, and continue to publish academic, professional, and educational materials.

## Annual Report 2010-2011

### Accounting Program

#### *I. Mission Statement*

**School of Accounting Mission Statement:** (approved 9-28-06)

The School of Accounting is committed to preparing students to be active and engaged citizens who are able to apply accounting and business knowledge for the betterment of individuals and organizations. We value an environment of educational excellence in which: (1) students develop both technical and interpersonal skills necessary for successful professional accounting careers; (2) faculty create and disseminate meaningful intellectual contributions and actively participate in the academic and professional communities; and (3) stakeholders, including alumni, recruiters and others, desire long-term and mutually beneficial relationships with the School.

**Undergraduate Mission:**

The mission of the undergraduate accounting program is to prepare students for entry into high-quality graduate programs and for positions in business that do not require postgraduate education. Since the BBA degree is part of the College of Business, it reflects the distinctive competencies of the College. In addition, the program delivers foundation accounting courses to all students in the College of Business and to students in a variety of programs across the University.

**Graduate Mission:**

The mission of the graduate accounting program is to provide a strong regional presence for advanced professional education that prepares students for success in the accounting profession by strengthening the students' technical expertise, enhancing their understanding of professional responsibility, and improving their business skills necessary to compete in today's complex and ever changing business environment.

#### *II. 2010/2011 Unit Accomplishments*

**New Faculty:** The School of Accounting experienced no retirements or departures among the faculty. No new faculty were recruited in 2010-2011

**CPA Review:** The School hosts a CPA Exam review in the summer following students' graduation. Seventy-one JMU graduates took the review in the summer of 2010. Fifty-three of those answered a survey regarding their success on the exam. Pass rates for the students who answered the survey and knew their results appear in the following table:

	JMU CPA Review Students	National averages (2009)
Financial Accounting	96 %	49 %
Regulation	92 %	51 %
Auditing	94 %	54 %
Business Environment	96 %	48 %

**Employer support:** Eleven firms sponsor annual faculty scholarships, providing funds to support faculty or professional development activities. Four faculty hold professorships supported by endowments or continuing donor commitments.

Faculty Scholarships	Professorships
Beers and Cutler	KPMG Professorships (2)
Cherry Bekaert Holland	
Deloitte	Journal of Accounting Education Professorship
Frank and Company	
Goodman and Goodman	
Grant Thornton	Jackson E. Ramsey Centennial Chair
Hantzmon Wiebel LLC	
Johnson Lambert	
PBGH LLP	
Robinson Farmer Cox	
Veris Consulting	

### *III. Student Activities*

**Reputation:** The professional services industry is dominated by four international accounting firms (called the Big-4). These firms rank schools on the basis of number and quality of graduates hired as entry-level staff. Generally speaking, the top tier includes 35 to 60 schools, nationwide. James Madison University is now ranked in the highest tier by three of the firms on their national ranking. The fourth firm does not have a national ranking, but ranks by region. Again, JMU is ranked in the top tier of its MidAtlantic region.

**Employment:** The School conducts a census of graduating seniors and masters students. Among the items surveyed is information regarding plans after graduation. These are summarized in the following table. Despite a declining economy, employment statistics are very good. The School is considered to be a major supplier of professionally qualified accountants for the mid-Atlantic region and is regarded as a prime recruiting school by public accounting firms.

	BBA Graduates	MSA Graduates
<b>Plans after graduation</b> – Graduate School Employment	55 % 45 %	- 100 %
<u>Plans after graduation: Employment:</u> <b>Accepted Offers:</b> Public Accounting - Big Four Accounting Firm - Other Accounting Firm Industry Accounting Nonprofits and Government <b>Seeking employment</b>	13 % 30 % 5 % 2 % 45%	45 % 35 % 7 % 6 % 6 %
<b>Salary</b> < \$ 35,000 35,001 – 45,000 45,001 – 50,000 50,001 – 55,000 55,001 – 60,000 > 60,000	- % 12 % 12 % 56 % 36 % 4 %	- 2 % 20 % 53 % 25 % 2 %
Average Number of Employment Offers	1.6	1.6

#### ***IV. Faculty Activities:***

Every member of the faculty is either a Certified Public Accountant or a Certified Management Accountant. They all participate in continuing education and faculty development activities which maintain their certificate status. The School's faculty exceeds AACSB accreditation standards for professional and academic qualifications. Significant faculty achievements in the areas of teaching, research and service are highlighted below:

#### ***Teaching***

The School of Accounting enjoys excellent teaching faculty. Several of these serve as instructors or graders outside of the University.

- **Robert Richardson** was named a *Master Instructor* for KPMG's Advanced Auditing for Associates Training program.
- **Robert Richardson, David Fordham** and **Alex Gabbin** have all been recognized in recent years as the outstanding teacher in the College of Business.

## ***Faculty Research***

Faculty research activities are summarized in the following table:

<b>Frequency that School of Accounting Faculty are listed among the authors</b>				
<b>2010/2011 Activity</b>	<b>Articles Accepted and Appearing in Refereed Journals</b>	<b>Articles Accepted for Publication in Refereed Journals</b>	<b>Textbooks,</b>	<b>Published Textbook Ancillary Material</b>
<b>Total</b>	<b>34</b>	<b>2</b>	<b>3</b>	<b>6</b>

## ***Service***

Members of the School of Accounting Faculty are active in School, College, University and professional service. Many serve on the editorial boards of professional and academic journals.

### **Editorial Board Membership**

<b>Faculty</b>	<b>Position</b>	<b>Journal</b>	
David Fordham	Editor Editorial Board	AIS Educators Journal Journal of Accounting Education	2010 – present 2010 - present
Tim Louwers	Associate Editor Associate Editor Editorial Board Editorial Board Editorial Board	Journal of Forensic and Investigative Accounting Journal of Forensic Accounting: Auditing, Fraud, and Taxation Journal of Accounting Education Current Issues in Auditing Journal of Global Business	2009 – present 1999 – 2009 2010- present 2006 – present 2005 – 2009
Nancy Nichols	Associate Editor	Journal of Legal Tax Research	2005 - present
Diane Riordan	Editorial Board Editorial Board Editorial Board	Journal of Legal Tax Research Journal of Business Disciplines Academy of Business Disciplines Journal	2002 – present 2002 – 2009 2010 - present
Mike Riordan	Associate Editor Editorial Board	Issues in Accounting Education Journal of Accounting Education	2007 – 2010 2006 - present
Paul Copley	Editor	Research in Governmental and Nonprofit Accounting	1998 - 2009

Several members of the Faculty hold service positions of national significance:

- **Diane Riordan** is a member of the Legal Tax Research Committee of the American Taxation Association.
- **Nancy Nichols** is the Past President and member of the Board of Directors of *Beta Alpha Psi*, the national accounting honorary fraternity.

- **Tim Louwers** serves as past President of the *Accounting, Behavior and Organizations Section* of the American Accounting Association and chair of the Accounting Exemplar Award Committee of the American Accounting Association.
- **David Hayes** is Past President and member of the Board of Directors of the *Accounting Information Systems Educators Association*.
- **Alex Gabbin** is Chair of the National Alliance of African American Athletes *Franklin D. Watkins Award Selection Committee*.
- **Paul Copley** served on the taskforce of the American Institute of CPA's that reviewed the independence of the *Federal Accounting Standards Advisory Board*.
- **Molly Brown** serves as a scorer on the national Certified Public Accountants Exam and as accountant of the Virginia Association of Commonwealth's Attorneys. She is also the Regional Director for the Atlantic Coast Region of Beta Alpha Psi, the national accounting honorary fraternity.

Other members of the faculty hold state and local chapter positions with professional organizations, serve on committees of the American Accounting Association, Virginia Society of CPAs, or Institute of Management Accountants, and many volunteer locally with community and nonprofit groups.

## ***V. Unit Challenges***

The current economic downturn has had several effects on the Accounting program at JMU:

- Although tax and audit compliance engagements are less sensitive to general economic conditions, a significant portion of the discretionary services provided by public accounting and consulting firms are curtailed during periods of economic downturn. As a result, the demand for accounting majors was lower in the past two years. This is apparent especially for those students seeking to leave school with less than the 150 credit hours required for CPA certification in most state.
- Private sector economic problems manifest in fiscal problems for the state government. State funds, particularly in support of faculty, are unlikely to increase and private (unrestricted) giving is down. It will be increasingly difficult to retain outstanding faculty if these conditions persist.