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July 7, 2005

NASBA Education Committee
NASBA
150 Fourth Avenue North
Suite 700
Nashville, TN 37219

By e-mail: kellis@nasba.org

Re: Proposed Revisions to the Uniform Accountancy Rules 5-1 and 5-2

To Whom It May Concern:

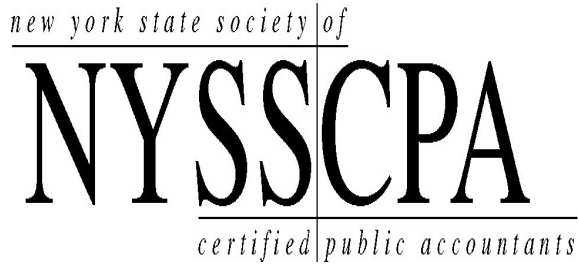
The New York State Society of Certified Public Accountants, the oldest state accounting association, representing approximately 30,000 CPAs, welcomes the opportunity to comment on the Proposed Revisions to the Uniform Accountancy Rules 5-1 and 5-2 referenced above.

The NYSSCPA Higher Education Committee deliberated the Proposed Revisions to the Uniform Accountancy Rules 5-1 and 5-2 and prepared the attached comments. If you would like additional discussion with the committee, please contact Ronald Huefner, the committee chair, at (716) 645-3276 or Robert Colson, NYSSCPA staff at (212) 719-8350.

Sincerely,

Stephen F. Langowski
President

Attachment



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**COMMENTS ON NASBA PROPOSED REVISIONS TO THE UNIFORM
ACCOUNTANCY RULES 5-1 AND 5-2**

Education Requirements

July 7, 2005

Principal Drafters

**Ronald J. Huefner
Mary-Jo Kranacher**

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New York State Society of Certified Public Accountants
Comments to NASBA
Proposed Revisions to the Uniform Accountancy Rules 5-1 and 5-2
Education Requirements
July 7, 2005

General Comments

The 150-hour requirement was originally implemented with the goal of providing future CPAs with a well-rounded knowledge base and a better understanding of business. The globalization of the marketplace, the development of technology, and the ever-growing number of regulations and standards required a broader-based education model for accountancy than the 120-hour curriculum. This new proposal by NASBA works counter to the intent of the 150-hour requirement. It reduces the opportunity for diversity and adaptation in accounting programs by specifying technical courses for the additional 30 credit hours. It also reduces the ability of accounting programs to effectively adapt, in a timely manner, to the ever-changing business and economic environment.

Before the adoption of its current 150-hour regulations, New York's 120-hour regulations, which had been virtually unchanged for over 30 years, were prescriptive in every detail. The old rules were a significant barrier to new courses adapting to changing times. New York's new 150-hour regulation is much less prescriptive, and schools have been able to introduce much-needed new courses into the curriculum, such as courses in fraud examination, forensic accounting, international accounting, and professional ethics. The NASBA proposal's excessive detail will inhibit future curricular changes needed to deal with emerging professional topics, issues, and concerns. Accounting education is delivered at a wide variety of institutions, from large state universities to small liberal arts colleges. Each brings its own distinctiveness of program design, and the CPA profession is better off for this diversity. The NASBA proposal, by having a single curricular model, risks losing this valuable differentiation and diversity. NASBA should focus on general guidance for curricular and internship development rather than on narrow specifications for additional coursework and limits on the number of credit hours for internships.

The NASBA proposal for rules 5-1 and 5-2 has significant negative implications for accounting education and the accounting profession. This proposal should be withdrawn or substantially amended.

Specific Comments

Rule 5-1(a)(3) states: "...undergraduate degree be of the highest quality and clearly contribute..."

Consider explaining or deleting the words "...be of the highest quality and..." to clarify what is otherwise a completely subjective assessment. Does "highest quality" refer to the level of instruction, the concepts covered, the practice or academic background of the instructor(s), the type of institution, the textbook, the pedagogical methodology, or some other criteria?

Rule 5-1(e)(1) and (2) states: "...accredited by a national accreditation agency recognized by the Board including the Association to Advance Collegiate Schools of Business (AACSB)."

The ED should either include all of the accreditation agencies recognized by the Board or not specifically mention any. Whereas the AACSB is principally an accreditor of business schools, and only accounting programs attached to accredited schools are eligible for AACSB consideration, many fine accounting programs are offered at colleges that have not adopted structure organized around schools. There is no inherent reason to distinguish between the qualities of accounting programs solely because of eligibility for a particular accreditor.

Rule 5-1(f) states "Ethical and Professional Responsibilities of CPAs and Ethical Foundations and Applications in Business subjects may not be integrated into Legal and Regulatory Environment of Business and/or Business Law subjects, but may be integrated with each other or with other content requirements."

The implementation of this proposed rule would be difficult for most colleges and universities, and its focus on form rather than substance will cause many to follow the "letter of the law" rather than to pursue sound pedagogy and educational excellence.