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Enron still echoes in retooled university accounting formats

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Photo by Maxine Usdan

Class demand is so great schools can't all meet it

Just as Watergate swelled enrollment in journalism schools, Enron and similar scandals at the beginning of the decade spiked interest in accounting programs, say administrators at local universities – and both scandals and demand have affected curricula.

“In the early 2000s we changed the curriculum in response to Enron,” said Ruth Ann McEwen,

director of the School of Accounting at Florida International University, “to reflect a higher emphasis on procedure and ethics – as did most universities.

Ethics is a learning goal we look at every year. We try to assess how well our students are incorporating it.”

Though more recent scandals were less influential, she said, demand for accounting classes is so high that FIU can't meet it.

“Most of our graduates are getting jobs in either the public or the private sector,” Dr. McEwen said.

“We see about two-thirds of the demand coming from public accounting firms, so we emphasize what a student would need to know to be successful there.” “The early scandals such as Enron were accounting-related events,” said Andrew J. Leone, Accounting Department chair and Arthur P. Metzger Professor of Accounting at the University of Miami’s School of Business Administration. “They had a much bigger impact than more recent events in terms of impact on the curriculum and interest among students.

“They also created a lot of new regulations that created more jobs for accountants.” In fact, because the job opportunities are better, he said, many financing students are shifting to accounting.

Due to demand from students, Dr. Leone said, UM recently introduced a new course in forensic accounting.

“We’re having very little trouble placing most of our accounting students,” he said.

“Last year, about three-quarters of graduates from our MA program landed positions in top accounting firms, which is not very different from a normal year.” But because the rise in enrollment has helped ease a shortage of accounting students, Dr. Leone said, accounting firms are less likely to hire straight

out of undergraduate schools and allow new employees to finish part-time the post-graduate credits required for state licensure.

"UM started an accelerated program this past fall," he said, "that allows our accounting students to finish both BA and MA in 4.5 years." Forensic accounting is also in demand at Florida Atlantic University, said Somnath Bhattacharya, professor and director of the School of Accounting and School of Accounting Executive Program.

"That's a direct result of scandals," he said, "though the incidence of fraud is a lot lower than it could be. Most of the time, irregularities are the result of pure and simple error." But because employers are becoming pickier about their hiring, Dr. Bhattacharya said, opting for CPAs rather than bookkeepers, "in my mind there will be high demand for this in the next decade." Accounting itself is changing, he said, with heightened interest in putting systems in place to prevent fraud rather than simply putting out fires.

Globalization also plays a role.

"We're gearing up in accounting education for adoption of the International Financial Reporting Standards," Dr. Bhattacharya said.

"The US will inevitably have to go to them as we trade more and more with both Europe and Asia. I fully expect this to happen within the next five years." The job market has slowed somewhat, he said, but accounting "is one of the few areas of specialization where our students are still getting offers." Forensic accounting has in the past five or six years become a growth industry, said **Alan Fiske, managing director of accounting firm Fiske & Co.** and a pioneer in the field.

He advised that students interested in forensic accounting also get a good grounding in law.

When hiring, **Mr. Fiske** said, "I look for people who have been involved in forensic accounting or have the ability to learn quickly and get involved." While big national firms can hire new graduates to work on audits while they're being trained, he said, smaller firms don't have that luxury.

"That's why it's important that people have the right education – and some experience is also a plus," **Mr. Fiske** said.

"We're in a position today where we can get very experienced people."

Student demand caused University of Miami to add a forensic accounting course, said Andrew J. Leone.