

## CONTINUOUS IMPROVEMENT REVIEW – ACCOUNTING PEER REVIEW TEAM REPORT

California State University at Fullerton  
Mihaylo College of Business and Economics

### Section I: Peer Review Team Recommendation

The peer review team recommends **Extension of Accreditation** of the degree programs included in the scope of accreditation offered by CSUF Mihaylo College of Business and Economics Department of Accounting. This recommendation reflects the opinion of the peer review team only and will be reviewed by the Accounting Accreditation Committee during the next scheduled meeting on January 15, 2019. The primary role of the Continuous Improvement Review Committee and the Accounting Accreditation Committee is to ensure consistent application of the AACSB International accreditation standards and processes across peer review teams.

Concurrence by the Accounting Accreditation Committee and ratification by the Board of Directors are required prior to the confirmation of the accreditation extension. Following ratification by the Board of Directors, the Official Representative of the school will be notified initially via email and subsequently by letter from AACSB. The applicant must wait until the Board of Directors ratifies the recommendation before making any public announcement.

Within ten days following the visit, the team provides the peer review team report to the school and the Accounting Accreditation Committee Chair. Prior to issuing the final report to the school and the Accounting Accreditation Committee, the school should be provided a review of the report in order to offer any clarifying comments and corrections related to factual information noted in the report. The school may also submit a response to the Accounting Accreditation Committee ([aac@aacsb.edu](mailto:aac@aacsb.edu)) within ten business days of receipt of the final peer review team report.

### Section II: Accreditation Standards Issues Identified by the Prior Peer Review Team

**1. *The University, the College, and the Department expect significant enrollment growth in the Business and Accounting programs offered at the Irvine Campus. The College should develop a strategic plan and appropriate initiatives to ensure that AACSB standards for faculty sufficiency and deployment are met at the Irvine campus for each program should the enrollment growth occur at the Irvine campus.***

No accounting program is offered entirely on the Irvine Campus (now referred to as the Irvine Center). The Irvine Center services students enrolled in the GAP 4+1 program. The GAP 4+1 is a small program (with fewer than 25 students). Upper division 400-level courses are largely offered only at the Fullerton campus. To ensure that students have access to the same resources, supplemental instruction (SI) is separately offered at the Irvine Center for intermediate financial accounting courses. With regard to other activities, such as student organizations and recruiting, the Irvine Center is not treated as an entity distinct from the campus at Fullerton. The strategic plans developed for the college and department also apply to the Irvine Center. These strategic plans do not include a vision for offering complete degree programs at the Irvine Center.

**2. *Under current CBE policy on intellectual contributions in determining faculty member AQ status, it is possible to be classified as AQ without a peer reviewed article. As the Department revises its faculty classification policy to comply with the new AACSB 2013 standards, the Department should consider establishing a rule for the minimum number of peer-reviewed journal articles.***

Mihaylo College underwent an in-depth program review as part of its maintenance of accreditation review cycle in fall 2013. In response to concerns indicated in the accreditation report, the college adopted new faculty qualification standards. The college provides a list of various faculty activities and associated points for determining faculty qualification status. Specifically, two peer review publications, plus service activities are required for maintaining scholarly academic (SA) status. To ensure publication quality, the college has developed criteria for classifying journals into four categories based on impact. The Department of Accounting has adopted the standards of Mihaylo College as a whole and has a separate department journal list.

### **Section III: Accreditation Standards Issues Identified During this Peer Review Team Visit that Must Be Addressed Prior to the Next Peer Review Team Visit**

1. Extensive systematic processes are in place to assess student learning. The PTR had the following concerns:
  - A) In addition to making changes at the course level, closing the loop activities appear to have most recently focused on creating elective courses and revising curriculum in existing elective courses. Although adding breadth to a large and mature program is desirable, improvement in meeting learning objectives for the program is more effectively achieved by making changes in required elements of the program. The department should be able to show clear examples of how the assessment process informed changes in curriculum common to all students in the degree program.
  - B) Assessment results for goals measured with rubrics is currently measured with raw scores and an aggregation of raw scores. Recasting these categorical results as the percentage of students meeting or exceeding expectations would provide results that are more meaningful.
  - C) The department should consider raising expectations on learning goals currently using multiple-choice questions for assessment metrics.
  - D) The department should ensure that all goals are assessed.  
(Standard A5: Accounting Curricula Management and Assurance of Learning)
  
2. Good progress has been made in integrating information technology (IT) and data analytics across the accounting curriculum. The undergraduate program includes six hours of analytics outside the area of accounting in the business core. The graduate programs have also incorporated some activities that require the use of IT and data analytics. Several courses that will further integrate IT and data analytics into the graduate curriculum are in the process of being developed. The department should continue to incorporate IT and data analytics into the undergraduate and graduate curriculum, with greater progress in both the MSA and MST programs being made by the next peer team review.  
(Standard A7: Information Technology Skills and Knowledge for Accounting Graduates)

### **Section IV: Peer Review Team Observations and Feedback that Form the Basis for Judgement for the Recommendation**

1. Strategic Management and Innovation:

#### **Strategic Planning**

The department's strategic planning process is thoughtful and inclusive of all major stakeholders. In 2012, an outside consulting firm facilitated the strategic planning process involving faculty, students, external stakeholders and staff. The college's Dean and Associate Dean reviewed the resulting strategic plan and mission. The result was a strategic plan for 2013-2018.

The department's mission of developing "globally aware business leaders with practical knowledge in the field of accounting" through "excellence in teaching" and "a forward-looking

curriculum,” aligns with the college’s mission of developing “globally aware business leaders through innovative teaching and high-quality applied research.”

The department demonstrates an ongoing strategic planning process. Twice annually, the department organizes all-day faculty retreats (at the start of the fall and spring semesters) where strategic goals and plans are reviewed, and, when necessary, new goals are set. Each fall semester, the chair of the accounting department meets with the dean and associate dean to review the department’s plans and report on progress made since the last review. In developing its strategic plan, the department proactively seeks input from external constituent groups including its Accounting Advisory Board, accounting firms in its annual meetings with them, and from recruiters. The information received from the external groups is incorporated into the department’s strategic planning process at the semi-annual faculty retreats. In October, 2018, the college started a process to develop its next five-year strategic plan. College units, including the department, were required to hold internal meetings and develop their strategic goals. The result of this ongoing process will be a college strategic plan for 2019-2024 completed by December, 2018.

### **Quality of Intellectual Contributions**

The department uses the college’s ranking of journals for demonstrating research quality and for rewarding faculty. In the past five years, faculty members have published in *Contemporary Accounting Research*, *Review of Accounting Studies*, *Auditing: A Journal of Practice & Theory*, *Journal of Information Systems*, *Journal of Accounting, Auditing and Finance* and *Journal of Accounting and Public Policy*, which are widely recognized in the discipline as high quality journals. Faculty have presented their research in 17 national conferences and 14 regional conferences.

### **Contributions Consistent with the Mission**

The impact of faculty research and alignment of the faculty’s intellectual portfolio with the school’s mission is demonstrated in a number of ways. In addition to publishing in quality academic journals, faculty have co-authored publications in the CCH Federal Taxation series, which serves as a guide for accounting practitioners. Faculty also publish numerous practitioner publications like the Orange County Bulletin, which addresses corporate governance issues. Faculty publish professional portfolios like Accounting for Share-Based Compensation, which is part of Bloomberg’s Tax Financial Accounting Resource. The portfolio has been purchased by numerous libraries around the world and by subscribers to BNA resources.

Table A.1: Intellectual Contributions of the Accounting Academic Unit demonstrates that the faculty publishes fairly equally across basic or discovery scholarship, applied scholarship, and teaching and learning scholarship, thus aligning with the department’s mission.

### **Financial Strategies**

The department receives a significant portion of its annual funding from the state and college. The department is aware that it must develop financial strategies to sustain and grow its programs. The department has increased its efforts to raise funds, and has developed and outlined several strategies to increase discretionary funding that align well with the department’s mission and strategic goals. These plans include increased engagement with the profession, alumni, and the Advisory Board. The department is working more closely with the college’s senior director of development and has created a Director of External Relations specifically for the department. In the last year, the department has realized an increase in its private funding balances.

## **2. Participants**

## Support for Faculty

Faculty personnel-related activities are directed by the university's Faculty Personal Policies and Procedures – UPS 210.000. Workload and incentives are managed through Mihaylo College's assigned time policy, college research grants and other formats. Faculty evaluations are managed through the RTP process. Faculty receive support for their research and professional development from a variety of sources throughout the university. Outside of research, the university has a Faculty Development Center that provides in-person and online resources that help faculty incorporate new academic technologies and teaching techniques in their classrooms.

In addition, the department provides support to tenure-track faculty and full-time lecturers by funding select conference trips, journal submission fees, memberships to the American Accounting Association (AAA) and other professional organizations, and access to various databases. The department also supports professional development by funding attendance at professional events, seminars of local chapter of professional organizations such as the Institute of Management Accountants (IMA), and select training events such as the five-day SAP workshops and Tableau certifications.

At the university level, the campus has increased incentives; reassigned time; and recognition for research, creative activities and scholarship to enhance the university's reputation as a model public comprehensive university. The accounting department separately rewards scholarship and innovation in curricular and instructional activity. The department's fundraising activities have increased significantly in 2017-2018 and more funds are expected in the near future. The department's annual awards to faculty amount to over \$100,000.

## Support for Staff

The department uses the campus-wide automated recruitment management system for hiring staff positions. This process ensures applicants hired will contribute to the university's vision and strategic goals. At the university and college levels, there are various development resources available to support professional staff. Staff evaluations follow the process provided by the university. All permanent staff members are evaluated annually following the staff Performance Evaluation Guidebook. Based on performance, monetary awards are given to staff members annually at the college level.

## Definitions for Participating and Supporting Faculty

The department requires a number of appropriate activities for participating faculty, including involvement in academic activities such as curriculum development and assurance of learning, department and university service activities, and student focused activities including student mentoring, advising student research, and advising student organizations.

### 3. Learning and Teaching

- **Curriculum Content:** Curriculum content is current, relevant and innovations are apparent regarding elective offerings and incorporation of technology relevant to students' preparation. Additional offerings emphasizing data analytics are apparent.
- **Assessment of Learning:** Mature systematic processes are in place to assess student learning, with evidence of two complete assessment cycles since the last review. We do, however, have the following concerns:
  - In addition to making changes at the course level, closing the loop activities appear to have most recently focused on creating elective courses and expanding the curriculum in existing elective courses. Although adding breadth to a large and mature program is desirable, improvement in meeting learning objectives for the program is more efficiently achieved by making changes in required elements of the program.

- One learning goal in the MST program (SLO #7 on Teamwork) does not appear to have been assessed.
  - Plans in place to show improvement in MST program goals are not fully developed (see comment below).
  - Assessment using rubrics is complex. Recasting results in terms of percentage of students meeting expectations rather than aggregated raw scores would provide results that are more meaningful.
  - The department should consider raising expectations for the undergraduate learning goals currently using multiple-choice questions for assessment metrics.
  - **Quality of Teaching.** The quality of teaching offered in the accounting programs at CSUF is evidenced by the large number of graduates sought by local public accounting firms, including the Big 4 and large regional firms. Plans to improve the quality of teaching in the MST program appropriately include a better screening of professionally qualified faculty. Inasmuch as the program offerings are delivered largely by practicing professionals, some additional monitoring of quality after initial hiring is also in order.
  - **Student/Faculty Interaction.** The student mentoring program provides excellent connections between faculty and students. Special programs and courses developed to aid in the transition of transfer students is especially important when potential career connections with public accounting opportunities occur so early in the student experience.
4. Academic and Professional Engagement,
- **Student/Professional Engagement:** Student opportunities for engagement with practice are numerous and well attended. The department's VITA program provides excellent opportunities for students in the service-learning environment. In addition, the VITA program was recognized by Beta Alpha Psi as a national award winner in 2013.
  - **Faculty/Professional Engagement:** Department sponsored conferences present excellent connections with the profession and the regional academic community. The Adopt a firm program for faculty is an innovative way to connect faculty to regional practice professionals.
  - **Faculty Qualifications:** Use of practicing professionals in supporting instruction can provide great, sustained connections to the region's firms and alumni. However, quality of instruction needs additional monitoring when such a large proportion of the program is delivered by IP faculty. In particular, the MST program is offered with predominantly IP faculty. Policies for faculty qualification are generally appropriate for the mission of the department. However, the department may want to consider fine-tuning the expectations to draw a distinction between useful categories of faculty with initial scholarly qualifications (SA and PA) and those with initial professional qualifications (SP and IP). Specifically, PA and SP requirements for maintenance of qualifications is the same.

## Section V: Commendations and Best Practices

- **Center for Corporate Reporting and Governance**  
The purpose of the Center for Corporate Reporting and Governance (CCRG) is to study accounting, regulatory, and corporate governance issues, promote investor awareness, and disseminate information about financial reporting issues affecting U.S. and international markets. The CCRG sponsors conferences like the SEC "Hot Topics" Conference every September. These conferences provide a great way to connect to practice.
- **Faculty Mentoring Program.** This program requires a mandatory first meeting for newly declared accounting students. Each accounting major has an assigned faculty member, who meets with their mentees throughout their course of study at CSUF. Initial mentoring rates have increased from 29% in spring 2017 to 80% in fall 2017 and 72% in spring 2018.
- **VITA Program:** The VITA program flew four student officers to Alaska, aiding the rural community of Chevak by filing more than 200 tax returns. The Cupik tribe welcomed the VITA

volunteers as family, inviting the students to go ice fishing and play basketball. The VITA program also received national recognition at the 2013 annual meeting of Beta Alpha Psi.

- **California State Board of Accountancy:** Hosting the California State Board of Accountancy for one of their regular meetings provided a wonderful opportunity for students and faculty to observe the workings of an important agency serving the profession and provide both students and faculty fantastic connections to practice.
- **Adopt a Firm Program:** Assigning a faculty member as an internal accounting firm contact is an excellent way to provide continuing connections for students, faculty and practicing professionals. In addition, this program received regional acclaim.
- The department was faced with the retirement of a long-standing department chair just prior to the end of the CIR reporting period. The faculty and current chair are to be commended for their ability to maintain continuity in delivery of the many supplemental activities and programs provided to students and the well-maintained connection with alumni and local leaders in the profession.

### Section VI: Consultative Feedback

- In the interest of increasing discretionary funding for the department, consider creating a School of Accountancy. This may also help ensure that the accounting programs remain competitive with other regional programs. There is some evidence that professional schools offer a “pride in identity” that is attractive to students as well as to donors.
- The Center for Corporate Reporting and Governance offers unique opportunities to engage with the profession and distinguishes the department among other competing accounting programs. Every effort should be made to ensure its sustainability.
- Recruiting accounting faculty remains a challenge for accounting programs nation-wide. Low base salaries exacerbate this difficulty. Although the department has raised discretionary funding to offer annual faculty awards, the availability of endowed professorships would insure the sustainability of supplementing faculty base salary. Additionally, with the large number of accounting faculty required to service the enrollment in accounting programs, the number of awards available to supplement faculty base salaries will need to increase.

### Section VII: Attachments

#### Peer Review Team Roster

Joseph M. Phillips Seattle University, Business Chair  
 Robert Dooley University of Tennessee at Chattanooga, Business Member  
 Ann L. Watkins Texas State University, Accounting Chair  
 Lloyd Seaton University of Northern Colorado, Accounting Member

#### Peer Review Team Schedule

DATE/TIME SUN., 10/28	BUSINESS	ACCOUNTING
Various	Arrival – Transportation to Hotel	
4:00 pm	Peer Review Team Meeting Fullerton Marriott	
5:30 pm	Meet in Hotel Lobby Reception + Dinner	
DATE/TIME MON., 10/29	BUSINESS	ACCOUNTING
7:45am	Meet in Hotel Lobby	

8:00am	Breakfast – Dean Rahmatian and Associate Deans – Fullerton Marriott		Breakfast – Dr. Mande and Faculty – Fullerton Marriott	
9:00am	Bus. PRT SGMH-3210		Acctg. PRT SGMH-3210	
9:30am	Executive Committee SGMH-3119			
10:00am	Student Success SGMH-3119			
10:45am	Break			
11:00am	College Senate SGMH-3119			
11:30am	Business Assurance of Learning SGMH-3119		Accounting Assurance of Learning SGMH-3100A	
12:00pm	LUNCH – Student Representatives SGMH-3230 (separate room) 1 table with undergraduate students and 1 with graduate students		LUNCH – Student Representatives SGMH-3230 (separate room)	
1:00pm	Document Review SGMH-3210			
2:00pm	Center Directors SGMH-3119			
2:45	Break			
3:00pm	MBA, MSIT, MSIS faculty coordinator SGMH-3119		MSA & MST faculty coordinator SGMH-3100A	
3:30pm	Business PT and FT Lecturer SGMH-3119		Accounting PT and FT Lecturer SGMH-3100A	
4:00pm	Business Tenure-Track Faculty SGMH-3119	Business Tenured Faculty SGMH 3100A	Accounting Tenure-Track Faculty SGMH 3230 A	Accounting Tenured Faculty SGMH 3230 B
4:30pm	Document Review & Report Preparation SGMH-3210			
5:00pm	Meet with Dean and Department Chairs regarding any end of day questions			
5:30pm	Report Preparation			
DATE/TIME TUES., 10/30	BUSINESS		ACCOUNTING	
7:45am	Meet in Hotel Lobby Breakfast			
8:30am	Mihaylo Leadership Team SGMH-3100A			
9:00am	Provost and Dean CP-1060			
10:00am	Depart for Airport			

### Peer Schools

Boise State University  
Grand Valley State University

Kennesaw State University  
 Southwest Missouri State University  
 Texas State University  
 University of Alabama at Birmingham  
 University of Massachusetts Lowell  
 University of North Florida

**Competitive Schools**

California State University, Long Beach  
 Chapman University  
 Pepperdine University  
 San Diego State University  
 University of California, Irvine  
 University of Southern California

**Aspirational Schools**

Ball State University  
 Colorado State University  
 Farmer School of Business, Miami University  
 Georgia State University  
 James Madison University  
 Northern Illinois University  
 University of Central Florida  
 University of Denver  
 Western Michigan University

**List of Included and Excluded Programs**

Organization	Degree Title	Major Emphasis	Sub Emphasis	Full Time	Part time	Evenings and Weekends	One Year	Distance Education	Online	Off-Campus	Partnership	Score
<b>California State University, Fullerton - Reported BSQ</b>	40											
California State University, Fullerton	BA in Business Administration	Accounting			X	X						Included
California State University, Fullerton	BA in Business Administration	Business Analytics			X	X						Included
California State University, Fullerton	BA in Business Administration	Business Economics			X	X						Included
California State University, Fullerton	BA in Business Administration	Decision Sciences			X	X						Included
California State University, Fullerton	BA in Business Administration	Entertainment and Hospitality Management			X	X						Included
California State University,	BA in Business	Entrepreneurship			X	X						Included



Fullerton	Administration												
California State University, Fullerton	BA in Business Administration	Finance		X	X								Included
California State University, Fullerton	BA in Business Administration	General Management		X	X								Included
California State University, Fullerton	BA in Business Administration	Human Resources		X	X								Included
California State University, Fullerton	BA in Business Administration	Information Systems		X	X								Included
California State University, Fullerton	BA in Business Administration	Joint Accounting & Finance		X	X								Included
California State University, Fullerton	BA in Business Administration	Joint Accounting/Info Systems		X	X								Included
California State University, Fullerton	BA in Business Administration	Joint Emphasis Marketing/Information Systems		X	X								Included
California State University, Fullerton	BA in Business Administration	Legal Studies		X	X								Included
California State University, Fullerton	BA in Business Administration	Marketing		X	X								Included
California State University, Fullerton	BA in Business Administration	Operations Management		X	X								Included
California State University, Fullerton	BA in Business Administration	Professional Business		X			X	X					Included
California State University, Fullerton	BA in Business Administration	Risk Management & Insurance		X	X								Included
California State University, Fullerton	BA in Economics	Economics		X	X								Excluded
California State University, Fullerton	Bachelor of Arts in International Business	General		X	X								Included

### Additional Information Reviewed

#### CSFU Website

Additional materials and information requested by the peer review team on budget, faculty qualifications, etc...