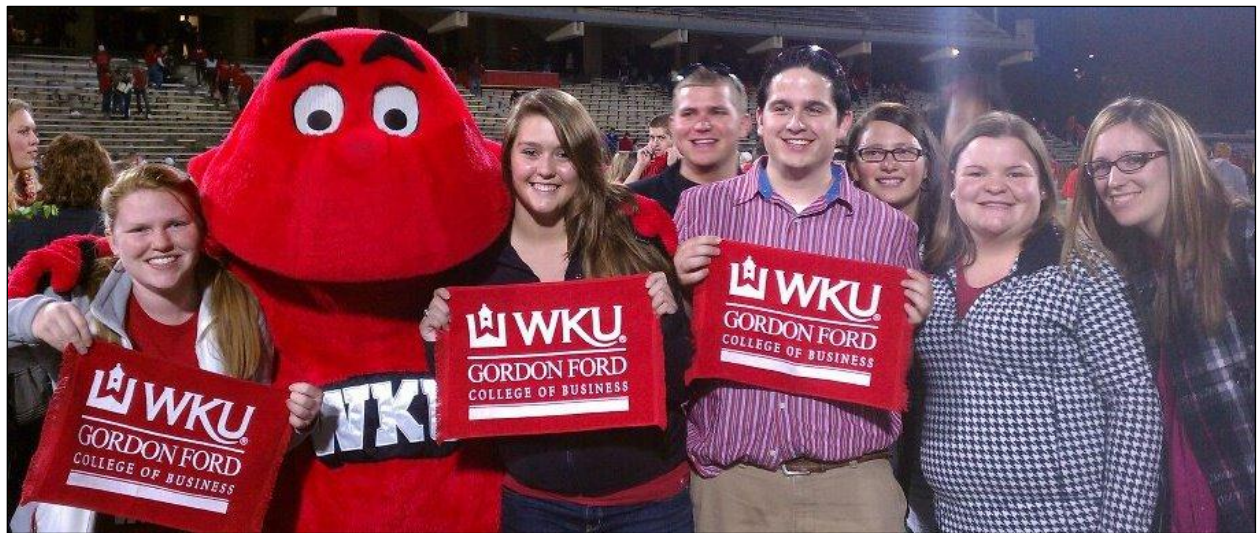




Western Kentucky University
Gordon Ford College of Business
Department of Accounting

5th Year Accounting Maintenance Report
November 2012



Prepared for the AACSB Peer Review Team Visit
on
January 27-29, 2013

General Information

Western Kentucky University
Gordon Ford College of Business
Department of Accounting
1906 College Heights Boulevard
Bowling Green, KY 42101

Dr. Jeffrey Katz, Dean
Gordon Ford College of Business
Phone: (270) 745-6311
Fax: (270) 745-3893
Email: jeffrey.katz@wku.edu

Dr. Steve Wells, Chair
Department of Accounting
Gordon Ford College of Business
Phone: (270) 745-3194
Fax: (270) 745-5953
Email: steve.wells@wku.edu

WEBSITES

Gordon Ford College of Business Home Page
<http://www.wku.edu/gfcb/>

Department of Accounting Home Page
<http://www.wku.edu/accounting/>



TABLE OF CONTENTS

Executive Summary	1
Section I- Situational Analysis:.....	4
A. MAJOR OPPORTUNITIES AND CHALLENGES	5
B. DEGREE PROGRAMS AND NUMBER OF GRADUATES	8
Section II- Progress Update from Previous Review.....	10
A. TRACKING GRADUATES	11
B. FACULTY SUFFICIENCY	12
C. ASSURANCE OF LEARNING.....	15
Section III- Strategic Management	18
A. MISSION STATEMENTS.....	18
B. STRATEGIC PLANNING PROCESS AND OUTCOMES	19
C. FINANCIAL STRATEGIES.....	22
D. INTELLECTUAL CONTRIBUTIONS	24
Section IV- Participants	25
A. STUDENTS	25
B. ACADEMIC STANDARDS	26
C. STUDENT SUPPORT.....	27
D. FACULTY	27
Section V- Assurance of Learning	32
A. LEARNING GOALS FOR B.S. IN ACCOUNTING PROGRAM	32
B. ASSESSMENT PROCESS.....	33
C. EXPANDED ASSESSMENT OF LEARNING OBJECTIVES	34
D. IMPROVED DOCUMENTATION	35
E. CLOSING THE LOOP.....	35
F. ON-GOING CHANGES AND CONTINUOUS IMPROVEMENT	38
Section VI- New Master of Accountancy Degree Program.....	39
A. DESCRIPTION OF THE EMPLOYMENT NEEDS TO BE SERVED BY THE PROGRAM.....	39
B. DESCRIPTION OF THE INTENDED STUDENT MARKET	40
C. DESCRIPTION OF THE SOURCES OF FACULTY, TECHNOLOGY, AND FACILITY SUPPORT.....	40
D. DESCRIPTION OF THE LEARNING GOALS, HOW THE GOALS ARE MEASURED, AND RESULTS THAT DEMONSTRATE ACHIEVEMENT.....	40
Section VII- Conclusion.....	43

APPENDICES

Appendix AError! Bookmark not defined.

Additional DocumentsError! Bookmark not defined.

PROCESS FOR TRACKING ACCOUNTING GRADUATES.....**ERROR! BOOKMARK NOT DEFINED.**

ACCOUNTING ORIENTATION PROGRAM.....**ERROR! BOOKMARK NOT DEFINED.**

SENIOR ASSESSMENT (ACCT 499).....**ERROR! BOOKMARK NOT DEFINED.**

THREE-MONTH PLACEMENT SURVEY**ERROR! BOOKMARK NOT DEFINED.**

ALUMNI SURVEY.....**ERROR! BOOKMARK NOT DEFINED.**

OTHER ATTEMPTS TO TRACK GRADUATES.....**ERROR! BOOKMARK NOT DEFINED.**

Appendix BError! Bookmark not defined.

FACULTY QUALIFICATIONS AND SUFFICIENCY**ERROR! BOOKMARK NOT DEFINED.**

AACSB TABLE 2-1: SUMMARY OF INTELLECTUAL CONTRIBUTIONS.....**ERROR! BOOKMARK NOT DEFINED.**

AACSB TABLE 2-2: FIVE-YEAR SUMMARY OF PEER REVIEWED JOURNALS**ERROR! BOOKMARK NOT DEFINED.**

AACSB TABLE 9-1: SUMMARY OF FACULTY SUFFICIENCY FOR ACCOUNTING USING STUDENT CREDIT HOURS**ERROR! BOOKMARK NOT DEFINED.**

AACSB TABLE 9-1: SUMMARY OF FACULTY SUFFICIENCY FOR ACCOUNTING USING COURSES TAUGHT . **ERROR! BOOKMARK NOT DEFINED.**

AACSB TABLE 10-1: SUMMARY OF FACULTY INTELLECTUAL CONTRIBUTIONS AND QUALIFICATIONS **ERROR! BOOKMARK NOT DEFINED.**

AACSB TABLE 10-2: CALCULATIONS RELATIVE TO DEPLOYMENT OF QUALIFIED FACULTY**ERROR! BOOKMARK NOT DEFINED.**

Appendix CError! Bookmark not defined.

ASSURANCE OF LEARNING DOCUMENTS**ERROR! BOOKMARK NOT DEFINED.**

FLOWCHART OF THE AOL PROCESS**ERROR! BOOKMARK NOT DEFINED.**

ACCOUNTING PROGRAM ASSESSMENT PROCESS: FALL 2011 - SPRING 2012.....**ERROR! BOOKMARK NOT DEFINED.**

ASSURANCE OF LEARNING - BACHELOR OF SCIENCE IN ACCOUNTING**ERROR! BOOKMARK NOT DEFINED.**

ACCOUNTING PROGRAM ASSESSMENT PROCESS: FALL 2010 - SPRING 2011.....**ERROR! BOOKMARK NOT DEFINED.**

ACCOUNTING PROGRAM ASSESSMENT PROCESS: SPRING 2009**ERROR! BOOKMARK NOT DEFINED.**

ACCOUNTING PROGRAM ASSESSMENT PROCESS: FALL 2008 GRADUATES**ERROR! BOOKMARK NOT DEFINED.**

TABLES

Table 1: B.S. in Accounting Number of Degrees Awarded	8
Table 2: Department of Accounting Annual Operating Budget	23
Table 3: Development/Endowment Funds.....	24
Table 4: Undergraduate Majors	25
Table 5: Undergraduate Student Credit Hours.....	25
Table 6: Average High School GPAs of Enrolled Students	26
Table 7: Average ACT Scores	26
Table 8: Participating Faculty Members	28
Table 9: Supporting Faculty Members	29
Table 10: Summary of Table 9-1 - Faculty Sufficiency	30
Table 11: Summary of Table 10-2 -- Faculty Deployment.....	31
Table 12: Examples of Continuous Improvement	37

EXECUTIVE SUMMARY

Western Kentucky University (WKU) was established in 1906 as the Western Kentucky State Normal School and later became Western Kentucky University in 1966. WKU has a total student enrollment of more than 21,000 students, and is one of eight public universities in Kentucky. WKU offers 95 undergraduate majors, 96 minors, and more than 80 graduate degree programs. The Gordon Ford College of Business (GFCB) is one of six colleges comprising WKU. The GFCB offers a Bachelor of Science degree with eight major options: Accounting, Business Economics, Business Informatics, Entrepreneurship, International Business, Finance, Management, and Marketing.

The GFCB and Department of Accounting actually trace their roots to the Southern Normal School and Business College and later the Bowling Green Business University, founded in 1884. The “Business University” (BU), a private business college known for its many successful business leaders in the South, merged with WKU in 1963. Much of BU’s tremendous success was attributed to the accomplishments of its numerous highly successful accounting graduates, who in turn attributed their success to the excellent accounting education they received at BU. The Department of Accounting, which was granted separate AACSB Accounting Accreditation in 2009, is committed to continuous improvement and building on BU’s legacy of excellence. There were 329 undergraduate accounting majors in the fall 2011.

Mission and Strategic Management

The Department of Accounting is guided by its Mission Statement, which states:

The mission of the Department of Accounting at WKU is to be a leader in providing excellent accounting education and preparing students for successful and rewarding careers in accounting and business.

The development, implementation, and continuous revision of a Strategic Plan are critical in accomplishing the Department’s mission. The strategic planning process for the Department is fully integrated with the University’s comprehensive planning process, which provides an ongoing continuous improvement framework for all academic departments. The process requires each department to develop plans that fit within the University’s five broad goals: (1) Increase Student Learning, (2) Develop the Student Population, (3) Assure High Quality Faculty and Staff, (4) Enhance Responsiveness to Constituents, and (5) Improve Institutional Effectiveness. Each year, the Department prepares action plans that revise and update objectives for the upcoming year and identify objectives for the following year that promote the fulfillment of the Department’s mission and foster continuous improvement. In addition to establishing objectives, the Department is required to list specific activities for accomplishing each objective, identify individuals responsible for each activity, and specify performance indicators which will be used for assessment purposes. The budget implications of the planned activities are also incorporated into the planning process. At the conclusion of each year, the Department is required to close the loop by completing a progress report, which shows the extent to which each of the planned

activities has been completed. The Department of Accounting uses the University's ongoing, dynamic process to accomplish its mission and embed continuous improvement efforts into the planning process.

Clear processes are in place to implement the Department's Strategic Plan and manage the affairs of the Department. These include processes for: (1) mission review, (2) strategic plan implementation, (3) planning for faculty resources, faculty recruitment, and retention, (4) faculty development, (5) annual faculty performance evaluation, (6) progress toward tenure, promotion, tenure, and post tenure review, (7) determining participating, supporting, academic, and professional faculty qualifications, (8) maintaining faculty credentials, intellectual contributions and professional development, (9) faculty certification and maintenance of certification, (10) evaluation of teaching and instructional effectiveness, (11) assessment and assurance of learning, (12) curriculum development and revision, (13) student recruitment, retention and placement, (14) academic advising, and (15) resource planning and alumni development. Additional information about some of these important processes is provided in the main body of this Maintenance Report.

Progress Update

WKU was given a one-year deferral in 2007 when its application for initial AACSB Accounting Accreditation was reviewed. In recommending the deferral, the Peer Review Team cited the following three areas of concern.

1. The Department does not have sufficient data on students placed within three months of graduation or five to 10 years out.
2. Recent faculty departures have led to a critical situation with respect to faculty sufficiency.
3. Emphasis in the assessment process, especially in the senior level assessment course, is on technical knowledge. Little effort in assurance of learning has been directed toward continuous improvement for the softer skills (e.g., oral and written communication). The Department should continue to develop a more formalized, systematic measurement process for outcome assessments and processes to monitor achievements.

The faculty in the Department developed an Action Plan to address the Peer Review Team's concerns. The faculty worked diligently to address these areas of concern by taking the following actions:

1. A formal process was implemented for tracking graduates, in which students are surveyed three months after graduation and on the fifth- and tenth-year anniversaries of their graduation to obtain data to be analyzed and regularly reported to stakeholders.
2. With regard to faculty recruitment, two new faculty members were hired. Additionally, the Provost assured the Department that WKU would do what was necessary to ensure sufficient AQ faculty members are hired and retained to meet AACSB standards.

3. Finally, an assessment process was implemented which requires an extensive, formal analysis by learning objective of the results of each year's senior assessment examinations. The new process also incorporated the assessment of oral and written communication skills. In the fall of 2011, a short ethics case was also incorporated into the assessment process.

SECTION I- SITUATIONAL ANALYSIS: <i>A brief analysis that enables the Peer Review Team to understand the context within which the applicant operates.</i>
--

The faculty and staff of the Gordon Ford College of Business (GFCB) are dedicated to providing high-quality business education and meeting the needs of our constituents. GFCB is one of six colleges of Western Kentucky University (WKU). WKU has a total student enrollment of 21,048 students, and is one of eight public universities in Kentucky. Although WKU was established officially in 1906 as the Western Kentucky State Normal School and later Western Kentucky University in 1966, the GFCB finds its roots as the Southern Normal School and Business College and later the Bowling Green Business University, founded in 1884. The “Business University” (BU), a private business college known in its day as a producer of many successful business leaders in the South, merged with Western and became known as the Bowling Green College of Commerce in 1963. The business college was accredited by AACSB- International in 1982 and was named the Gordon Ford College of Business in 1998 in recognition and appreciation of a \$10 million gift by Gordon Ford, 1934 BU alum. The Gordon Ford College of Business became only the second named business school in the Commonwealth of Kentucky.

The Department of Accounting, which was granted separate AACSB Accounting Accreditation in 2009, also traces its origin to the Bowling Green Business University. Much of BU’s tremendous success was attributed to the accomplishments of its numerous successful accounting graduates. These BU accounting graduates went on to successful careers and were recognized as business leaders throughout the region and nation. The graduates of BU widely acknowledged the excellent education they received at BU under the tutelage of colorful accounting professors such as James R. Meany and J. C. Holland, both practicing Bowling Green CPAs. As a result, BU graduates have been eager to extend the BU tradition of excellence to the Gordon Ford College and the Department of Accounting. BU alumni established the Meany–Holland Fund in order to provide two professorships in accounting in honor of their beloved accounting professors, Mr. Meany and Mr. Holland. Although the goal for the Meany-Holland Fund was \$1 million, many loyal BU alumni continue to make contributions to the fund, which currently has a balance in excess of \$1.2 million. The Accounting Program is proud of its BU legacy and seeks to honor and build upon BU’s tradition of excellence.

In the fall of 2011, 329 of the GFCB’s 1,528 undergraduate majors were accounting majors and 12 of the College’s 75 full-time faculty members hold appointments in the Department of Accounting. In addition, 10 of the 12 accounting faculty hold terminal degrees. Except for gender, the demographic profile of both the students and faculty of the Department and GFCB reflects that of the region served by the College and WKU in general.

A. Major Opportunities and Challenges

New Master of Accountancy (MAcc) Program

The AACSB Accounting Accreditation Team, as part of the initial AACSB accreditation review, recommended the Department consider a path for accounting majors to obtain the 150 hours of credit required for the CPA certification. During a strategic planning meeting in 2009, the accounting faculty proposed a change to delete the word “undergraduate” from the Department’s mission statement. The change, which was reviewed and affirmed by the Professional Accounting Advisory Council, provided flexibility for consideration of a graduate program as a logical path for WKU’s accounting majors to meet the 150-hour requirement. After considerable discussion and in collaboration with the Dean of the GFCB, accounting students, and accounting faculty, the Advisory Council concluded that a Masters of Accountancy Program (MAcc) should be developed and proposed so WKU undergraduate accounting students would have a seamless, meaningful pathway to satisfy the 150-hour requirement for CPA certification. The new 30-hour MAcc program, with 18 hours of required accounting courses, was developed and received final approval from the Kentucky Council on Postsecondary Education. To provide sufficient time for the new program to be incorporated into WKU’s budgetary plan, WKU’s provost and the Board of Regents approved an August 2012 implementation date. Therefore, the first three courses in the MAcc program are scheduled for the Fall of 2012. Eventually, approximately 25 students are expected to graduate from the program each year. A more complete discussion of the MAcc program is included in Section VI.

Professional Program in Accounting (PPA)

In conjunction with the MAcc program, a Professional Program in Accounting (PPA) program has also been approved in which undergraduate accounting majors who commit to completing the graduate program can begin taking graduate courses before earning their bachelor’s degree. To be admitted to the PPA program, students must complete four upper-level accounting courses with a minimum GPA of 3.25 in those four courses. The 3.25 admission requirement was established since students who choose the PPA Program are not required to take the GMAT. The faculty believes the PPA will be attractive to students who want a seamless pathway for obtaining a graduate degree while fulfilling the 150-hour requirement for CPA certification. BKD, LLP, a regional public accounting firm with an office in Bowling Green, has made a commitment to provide financial support by offering scholarships to students enrolled in the PPA program.

Advanced Placement Credit for High School Accounting Course

In keeping with the Department’s strategic plan to attract high-quality students, the faculty has decided to grant credit for an advanced placement (AP) high school accounting course. The faculty believes awarding college credit to high school students with proven interest and ability in accounting could give WKU a competitive advantage in recruiting talented students to the

accounting program. Accordingly, WKU has become the first school in Kentucky to participate in a pilot project and grant college credit to students scoring a “3” or higher on the AP test. Although the high school course and AP exam cover both financial and managerial topics, the faculty concluded that the AP course would only count for financial accounting principles (ACCT 200).

Accounting Careers Awareness Day

The Department has worked closely with the Kentucky Society of CPAs to sponsor an annual Accounting Careers Awareness Day for the past two years. CPAs from businesses and firms volunteer to make presentations to high school students and serve on CPA panels. In addition, the high school students participate in a mini-audit and complete a payroll tax exercise. Beta Alpha Psi members interact with the students and perform a variety of tasks during the day, such as assisting with registration, serving on panels, and leading campus tours. The day serves as an opportunity for high school students to interact with practicing CPAs and learn more about the accounting profession. The students also interact with WKU accounting students and faculty and learn more about WKU. At the conclusion of the event, the high school students receive gift bags, which contain items donated by businesses and CPA firms. Approximately 200 students and their teachers from high schools around the state participate in the event. The goal of the Accounting Careers Awareness Day is to strengthen the Department’s relationships with area high school accounting teachers and recruit students to WKU and the accounting program.

Accounting Orientation Program

Because surveys of seniors and recent graduates indicated a reluctance to use the services of the WKU’s Career Services Center for career advising and placement, an Accounting Orientation Program has been implemented. Students enrolled in Intermediate Accounting I are now required to attend an accounting orientation session at the Career Services Center prior to registering for Intermediate Accounting II. The program is supported by the GFCB Undergraduate Student Services Office which places a registration hold on Intermediate Accounting I students until they attend the orientation and are cleared by Career Services Center. After a tour of the Career Services facilities, Lana Kunkel, Assistant Director of Career Services, and Dr. Steve Wells, Chair of Accounting, conduct the orientation sessions, which cover resume writing, interviewing skills, and the importance of students participating in *Meet the Firms Night* and other career placement activities. The session also includes a discussion of the resources available at Career Services and opportunities for meeting the 150-hour requirement for CPA certification, including the PPA and the MAcc programs. Surveys of seniors who participated in the Accounting Orientation Program indicate that approximately 75 percent of the students had been to Career Services for resume advice, placement information, and other services.

Teaching

One of the strengths of the Department is its reputation for excellent teaching. Virtually all accounting classes are taught by full-time faculty, and the average class size for upper-level classes is fewer than 30. As evidence of the Department's excellent instruction, over the past five years Dr. Mark Ross and Dr. Richard Aldridge were recognized as Beta Gamma Sigma Professors of the Year and Dr. Harold Little received the MBA Outstanding Teaching Award. Accounting students are generally recognized to be among the best students in the College and at WKU. The CPA Exam pass rates for WKU graduates compares quite favorably to the pass rates of our benchmark institutions. In addition, based on alumni surveys, program graduates have successful careers and hold high-level positions in their organizations. To maintain its excellence in instruction, properly credentialed new faculty must be recruited to staff the newly-implemented graduate program and replace retiring faculty.

Placement

A number of the Department's graduating seniors have jobs before they graduate and responses to the Recent Graduate Survey indicate that most graduates obtain jobs within three months of graduation. For example, of the 25 May 2011 graduates who responded to the 3-Month Recent Graduate Survey, 16 (64 percent) indicated that they had obtained full-time employment and two indicated that they were enrolled in a graduate program or taking additional coursework. Only six respondents indicated that they were still seeking full-time employment. The survey respondents list of employers included KPMG (2 graduates), JPMorgan Chase (2 graduates), Fruit of the Loom (3 graduates), Tennessee Department of Audit, Amsurg Corporation, Strothman & Company, RR Donnelly, Graves Gilbert Medical Clinic, Freudenberg Filtration Technology, and Citizens Bank. A number of regional and local accounting firms and governmental organizations recruit students through the Career Services Center each year. Other firms and business are represented at the Department's annual *Meet the Firms Night*. Although the Big 4 accounting firms do not regularly recruit on campus, recent graduates have been placed with all four firms.

University Budget Concerns

One of the greatest challenges facing the Department is the financial pressure placed on University resources as the result of the recent economic recession. As widely noted, the economic slowdown that began in 2008 has had an adverse impact on state revenues. As with most states, Kentucky's support for higher education has declined significantly as the result of the drop in tax collections and other receipts. To highlight the magnitude of this concern, it is worth noting that the percentage of WKU's budget provided by state appropriations has declined from 42 percent in 1999 to only 20 percent in 2012. To help offset this shortfall, tuition at WKU has increased dramatically, with 46 percent of WKU's 2012 budget provided by tuition, as compared to only 28 percent in 1999. The consequences of this financial pressure are twofold. First, the increased tuition has made it more difficult to recruit students

to the accounting program with our existing level of scholarship support. Second, the reduced state funding has negatively impacted the Department's operating budget and made it much more difficult to provide raises to retain existing faculty and offer competitive salaries to attract new faculty.

Faculty

The budgetary pressures described above clearly make it very difficult to recruit new faculty. However, the difficulty is exacerbated by the ever-increasing shortage of accounting educators. Two of the Department's 12 faculty members are in a Transitional Retirement Program in which the only expectation of faculty is to teach six hours each semester. In addition, six other faculty members are age 55 or over. A search for a new AQ faculty member during 2011–12 was unsuccessful and yielded only 12 applicants, with some applicants not fully meeting the required qualifications. The search has been extended and efforts are being made to identify potential candidates, including contacting doctoral students and coordinators of Ph.D. programs. The recruitment of new faculty is of utmost importance for the Department. A related concern is to ensure that the current faculty is not put at a competitive disadvantage due to salary compression.

B. Degree Programs and Number of Graduates

The Department of Accounting offered one accounting degree program during the five-year review period: a Bachelor of Science in Accounting. The new MAcc Program will not be implemented until the 2012–13 academic year. The numbers of graduates for the past five years for the B.S. in Accounting Program are shown in Table 1.

Table 1: B.S. in Accounting Number of Degrees Awarded					
Year	2007 - 08	2008 – 09	2009 - 10	2010 - 11	2011 - 12
Degrees Awarded	62	45	58	54	47

The B.S. in Accounting provides students with a solid foundation in accounting and general business knowledge and prepares them for entry-level positions in accounting and business. In addition to accounting, the program requires coursework in economics, finance, management, management information systems, and marketing. Students who graduate from the program are exposed to the concepts tested on the professional certification examinations. Many students pass the CPA Exam without taking a CPA Review Course, and the CPA Exam pass rates for program graduates compare very favorably with the pass rates at our peer institutions.

Students pursuing the B.S. in Accounting take a collection of coursework during their first two years that ensures a broad liberal arts background. In addition, students are required to complete the eight courses required for admission to the GFCB during the first two years. The courses required for admission are: business and professional speaking, algebra, basic computer literacy, statistics, microeconomics, macroeconomics, financial accounting, and

managerial accounting. Admission to the GFCB requires a 2.5 or higher GPA in the eight required courses and a minimum 2.5 overall GPA.

Graduates who earn the B.S. in Accounting are in relatively high demand and graduates normally have little difficulty finding employment. Because of WKU's geographical location, there are limited full-time internships for students. However, interns are normally offered full-time positions at the conclusion of their internship. Many seniors obtain employment through the University's Career Services Center.

SECTION II- PROGRESS UPDATE FROM PREVIOUS REVIEW: *An update on progress in addressing “Concerns that must be addressed prior to or at the time of the next maintenance review” as stated in the last AACSB accreditation review official correspondence.*

WKU was given a one-year deferral when its application for initial AACSB Accounting Accreditation was reviewed in 2007. In recommending the deferral, the Peer Review Team cited the following three areas of concern:

1. The Department does not have sufficient data on students placed within three months of graduation or five to ten years out. Although the Department and the University attempt to collect data on student placement, a formal process must be developed to continuously collect, analyze and report these data.
2. Recent faculty departures have led to a critical situation with respect to faculty sufficiency. A search is in progress to fill the two potentially open positions. Our suggestion is to use peer schools as a resource and AACSB salary data to ensure a competitive offer. Filling these positions with AQ faculty is critical to maintain a faculty with adequate qualifications to maintain a high quality program.
3. Emphasis in the assessment process, especially in the senior level assessment course, is on technical knowledge. Little effort in assurance of learning has been directed toward continuous improvement for the softer skills (e.g., oral and written communication). The Department should continue to develop a more formalized, systematic measurement process for outcome assessments and processes to monitor achievements. Provide evidence that positive steps are taken to address deficiencies identified. In addition, address means to gather evidence to assess other knowledge and skills you expect of your students.

Upon learning of the deferral recommendation, the faculty in the Department developed an Action Plan to address the Peer Review Team’s concerns. The faculty worked diligently to address these areas of concern by taking the following actions:

1. A formal process was implemented for tracking graduates, in which students are surveyed three months after graduation and on the fifth- and tenth-year anniversaries of their graduation to obtain data to be analyzed and regularly reported to stakeholders.
2. With regard to faculty recruitment, two new faculty members were hired. The Provost and Vice President for Academic Affairs assured the Department that WKU would do what was necessary to ensure sufficient AQ faculty members are hired and retained to meet AACSB standards.
3. Finally, an assessment process was implemented which requires an extensive, formal analysis, by learning objective, of the results of each year’s senior assessment examinations. The new process also incorporated the assessment of oral and written communication skills. In the Fall of 2011, a short ethics case was also incorporated into the assessment process.

A. Tracking Graduates

Peer Review Team's Suggestion for Improvements:

"Although the Department and the University attempt to collect data, a system must be developed to continuously collect, analyze and report these data."

The Accounting faculty has long understood that graduates are important stakeholders who can provide essential feedback as to the value of the Accounting Program and input for possible changes or improvements. However, the Department has not had a formal process for systematically collecting information from graduates at precise intervals to be regularly analyzed and reported to stakeholders. In the past, our efforts have been limited to such activities as an exit survey of our graduating seniors, occasional alumni surveys, and an annual alumni newsletter, which encourage alumni to provide updates on their career accomplishments. The faculty also indirectly obtained information on the career success of our graduates by monitoring graduates' success on the CPA Examination by subscribing to and regularly reviewing the *Candidate Performance on the Uniform CPA Examination*. Although these efforts have provided some useful data, the consistency and richness of these data have been limited.

To provide a more formal structure for obtaining and reporting placement and career success data on our graduates, a process was formally adopted by the faculty in August 2008. (See Process for Tracking Accounting Graduates in **Appendix A**.) The new process incorporated and enhanced the Department's tracking efforts by including new activities and also providing a time frame for all data collection activities.

The process involves four components:

First, to encourage students to begin thinking about their career, all students enrolled in Intermediate Accounting I are now required to attend an accounting orientation session at the Career Services Center prior to registering for Intermediate Accounting II. After a tour of the Career Services facilities, Lana Kunkel, Assistant Director of Career Services, and Dr. Steve Wells, Chair of Accounting, conduct the orientation sessions, which cover resume writing, interviewing skills, and the importance of students participating in *Meet the Firms Night* and other career placement activities. The session also includes a discussion of the resources available at Career Services and opportunities for meeting the 150-hour requirement for CPA certification, including the PPA and the MAcc programs.

Second, greater efforts are being made in the Senior Assessment course (ACCT 499) to alert students to the importance of providing career-related information to the Department throughout their careers. Students are told of their importance to the continued success of the Accounting Program and informed that they will be contacted for information at regular intervals. Accurate contact information is requested, and students are asked for their assistance in completing a survey three months after graduation. In addition, greater efforts are now made in the Senior Assessment course to promote the services of the Career Services

Center. As they near graduation, students enrolled in ACCT 499 are also asked to complete a data sheet on their job search and update the Department on their career plans before they leave campus.

The third and perhaps most important component of the new process for tracking graduates is the Recent Graduate Three Month Placement Survey. (A copy of the survey can be found in **Appendix A**.) The one-page survey is designed to gather data regarding student placement within three months of graduation. Information gathered in the survey is reviewed on an annual basis. The data are available for all stakeholders, including faculty, the Dean of the GFCB, other appropriate departments, such as Career Services, and certain external stakeholders. To promote continuous improvement and ensure the Accounting Program's mission is achieved, the data are monitored to determine if any changes are warranted in the Program. Recommended changes are documented and implemented.

The fourth component of the Process for Tracking Accounting Graduates is an alumni survey in which all accounting graduates are surveyed at the five- and 10-year anniversaries of their graduation. The purpose of the survey, which is mission-driven, is two-fold. First, the survey solicits career-related information from graduates that provides data to the Department regarding the success of our program graduates. Second, the survey is a critical part of the Department's assessment plan and gives graduates the opportunity to provide input and share their perceptions about their educational experience in the WKU Accounting Program.

The Alumni Survey is administered each fall to alumni who have been graduated five years and 10 years. The survey instrument can also be found in Appendix A. The alumni survey was changed to an online format in 2010 when WKU started emphasizing electronic surveys using Qualtrics.

B. Faculty Sufficiency

Peer Review Team's Suggestion for Improvement:

"The search is in progress to fill the two potentially open positions. Our suggestion is to use peer schools as a resource and AACSB salary data to ensure a competitive offer. Filling these positions with AQ faculty is critical to maintain a faculty with adequate qualifications to maintain a high quality program."

The faculty in the Department of Accounting concurs with Peer Review Team's statement that maintaining a qualified faculty is critical to maintaining a high quality program. They also understand that, given the shortage of accounting educators, offering competitive salaries is essential to attracting and retaining properly-credentialed faculty.

As indicated in the Peer Review Team's report, two searches were conducted in 2007–08 to fill open positions in the Department of Accounting. Initially, the Office of the Provost authorized searches for two AQ faculty members. However, as the result of significant state

budget cuts for WKU, Provost Barbara Burch modified the searches by approving the hiring of one AQ faculty and one PQ faculty. Although the decision reduced the number of AQ Accounting faculty, the action appeared justified, given the University's adverse financial climate and the sacrifices required of other departments at WKU. Also, with 10 of the Department's 12 full-time faculty members being academically-qualified, the Department continued to maintain a more than adequate balance of AQ/PQ faculty.

It is noteworthy that both of the Department's searches were successful, in spite of restricted resources and a very challenging market for accounting educators. Dr. Steve Wells was selected as the new Chair of Accounting and is now the Department's primary auditing professor. Dr. Wells holds the CPA, CFE, and CMA professional certifications and has years of experience as both an educator and a practicing accountant. In addition, Richard Callahan, a retired BKD, LLP tax partner with more than 30 years of experience, was selected to hold an Executive-in-Residence position. The Executive-in-Residence is designed for the College's PQ faculty and is a continuing position. Mr. Callahan holds the CPA and CFP professional certifications, and his extensive experience in tax makes him highly qualified to teach in the tax area.

In 2008, discussions were held with Bill Tallon, Dean of the College, to make clear the accounting faculty's concerns about adequate university resources being available to recruit and retain AQ faculty. Dean Tallon shared the faculty's concerns and had discussions on several occasions with Provost Burch about the importance of paying competitive salaries to replace retiring business faculty. In responding to the AACSB on this issue, Dean Tallon stated that the provost has agreed to "work with him to ensure the maintenance of business accreditation and the achievement of initial accounting accreditation." He further stated that Dr. Burch had "assured him that she would do whatever it takes to ensure sufficient AQ faculty members will be hired and retained to meet the acceptable limits by AACSB-International."

Subsequent to these discussions and assurances, significant changes were made in the leadership of WKU and the College, Provost Burch resigned in 2009. Dr. Gordon Emslie, former Dean of the Graduate School at Oklahoma State University, became Provost and Vice President of Academic Affairs at WKU on July 1, 2010. In addition, Dean Tallon accepted a deanship at another institution. A search committee was formed, and on July 1, 2011, Dr. Jeffery Katz, former Associate Dean at Kansas State University, became the Dean of the Gordon Ford College of Business on July 1, 2011.

The Peer Review Team suggested that the faculty consider a path for accounting majors to meet the 150-hour requirement for the CPA certificate. The suggestion included language that any additional program to provide a path must be contingent upon adequate availability of resources and support from the University. Prior to Dr. Emslie's arrival, the faculty met during the summer of 2009 and during a strategic planning retreat, developed a process leading to a graduate program, a Master of Accounting (MAcc). The MAcc proposal

included a proposed budget and the identification for at least one additional AQ position prior to implementation. This process is described in more detail in another section of this report.

On July 1, 2010, Dr. Emslie's first official action was to sign the AACSB Maintenance Application for the GFCB and the Accounting Program. As he signed the applications, he also provided an agreement he developed at Oklahoma State between the Graduate School and the School of Accountancy commonly referred to as a 3+2 program. As the MAcc program progressed through the process receiving approval at each stage, it reached the agenda for the Board of Regents' meeting in January, 2011. At the request of the Provost, the implementation date was changed from August 2011 to August 2012 to give adequate time for budget considerations for the AQ position.

A search for a new AQ faculty member was initiated in 2011 and yielded three potential candidates who came for campus interviews during March 2012. An offer was extended to one of the candidates, but the applicant chose not to accept. However, the search for an AQ faculty member continues. In August 2012, Dr. Stacy Wade met with seven potential candidates at the annual AAA meeting, and 12 candidates have submitted materials for this year's AQ search. The current pool of applicants is much stronger and three candidates have been selected for campus interviews.

To help meet the Department's staffing needs for 2012-2013, the department chair communicated with Dr. James Crockett about serving as a visiting professor. Dr. Crockett is the former Director of the Accounting Program at the University of Southern Mississippi, and although retired, recently served in an adjunct capacity at the University of Mississippi during the Spring 2012 semester. The faculty invited Dr. Crockett for a campus visit, and he agreed to join WKU as a visiting professor for the Fall 2012 semester to teach auditing and managerial accounting.

Complicating the staffing issue are recent decisions by two veteran faculty members to enter the Transitional Retirement Program. One faculty member began transitional retirement in January 2010, while a second long-time accounting faculty member is electing transitional retirement beginning July 1, 2012. Faculty members electing transitional retirement can teach up to six hours per semester but have no University responsibilities in regards to research or service.

Because sufficient qualified faculty is critical to the continued success of the WKU accounting programs, a long-range staffing plan was developed following the recommendation of Dr. Louis Dawkins who consulted with WKU on its AACSB Five Year Accounting Maintenance Report. The long-range plan reflected potential faculty resource needs through 2017 and 2018 and was presented to the GFCB Administrative Council for consideration in the College's staffing plans.

At the date of the draft of this report, the following proactive approach is being pursued with the support of the Dean of the GFCB:

1. Potential visiting Professor for Fall 2012- Potential candidate for the AQ position beginning January 2013- The department chair attended a CPE conference on May 23, 2012, where he was approached by a colleague who inquired about a faculty position in the proximity of the Nashville, TN area. This potential candidate is currently on the faculty at an AACSB accredited institution in Arkansas. The recent death of his wife leads him to consider relocating close to his grandchildren who reside in Nashville with their parents. If the accounting faculty decides to invite him for a visit and should the potential candidate decide to relocate, he would prefer to start in January 2013.
2. Potential candidate for a second AQ position- With two current accounting faculty members electing transitional retirement, there is a need for a second AQ position to regain the designated faculty support to implement a graduate accounting program. Both of the transitional retirees have primary teaching responsibilities in financial accounting. The department chair had indirect contact recently with a potential candidate for a second AQ position. This candidate was recommended to him as a highly qualified candidate. She is currently completing a commitment to an institution that provided financial support for her while she completed her doctoral program. The potential candidate, whose teaching area is financial accounting, completed her doctoral program in 2009 and has a very good research record. Her oldest child is an entering freshman at a university in the south. She indicates a strong desire to relocate upon completion of her current commitment. Should the accounting faculty decide to invite her for a visit, and should she elect to relocate, the earliest starting date would be August 2013.
3. Potential candidate for a “Grow Your Own” candidate- The department chair recently interacted with a promising “Grow Your Own” candidate. The potential candidate is currently on staff at WKU. She has accounting experience, will complete her Master of Accountancy during the Summer of 2012, and is seeking guidance on a doctoral program. At the suggestion of the Dean of the GFCB and with support from the Vice President of Diversity at WKU, the department chair offered the potential candidate the opportunity to teach managerial accounting principles as an adjunct during the Fall 2012 semester. The Dean plans to investigate the possibility of support from the KPMG Program on her behalf and is reviewing her credentials to possibly recommend her to a doctoral program in accounting. The potential candidate has expressed a strong desire to remain in the Bowling Green, KY area where she has family to assist her as she raises her children.

C. Assurance of Learning

Peer Review Team’s Suggestion for Improvement:

“The Department should continue to develop a more formalized, systematic measurement process for outcome assessments and processes to monitor

achievements. For example, ACCT 499, Senior Assessment, analyzes and utilizes data generated from the assessment activity to address deficiencies in the technical preparation of their students. Provide evidence that positive steps are taken to address the deficiencies identified. In addition, address means to gather evidence to assess other knowledge and skills you expect of your graduates”.

The Department of Accounting has been engaged in assessment activities since 1998 to provide assurance of learning for students graduating from the Accounting Program. However, the Peer Review Team identified two areas for improvement. First, although the Senior Assessment Examination has provided a wealth of excellent assessment data, a formalized, systematic measurement process has not been in place for outcome assessments and documentation of steps taken to address any deficiencies identified. Secondly, our assessment process had focused almost exclusively on technical skills, with little attention directed toward continuous improvement for the softer skills, such as oral and written communication. To address these two concerns and to provide greater overall structure to the Accounting Program’s assessment activities, a more formal Assessment Process was approved by the faculty in August 2008. Examples of the templates utilized by the members of the accounting faculty to document the AOL process are included in the Appendix.

To assist in the implementation of the new process, the program’s learning objectives were first reorganized, with the 10 technical learning objectives listed as components of Learning Objective 1, which now reads “Demonstrate an understanding of the basic technical skills and knowledge necessary for an entry level accounting position.” As part of this reorganization, the communication skills learning objective is now listed separately as Learning Objective 2, with separate components for oral and written communication.

With the learning objectives reorganized assurance of learning templates were prepared for learning objectives 1 and 2. The templates identify each measurable learning objective, along with the measurement methods and desired outcomes. In addition, space is provided in the templates to document the actual outcomes and “closing the loop” actions for each year’s assessment cycle.

The Assessment Plan also incorporated the assessment of communication skills, effective with the fall 2008 semester. With the Senior Assessment in Accounting course already in place, the faculty concluded that the course was a logical place to assess communication skills. The measurement method chosen for oral communication skills was a mock-interview conducted by the staff in the WKU Career Services Center. The measurement method chosen for oral communication skills was a mock-interview conducted by the staff in the WKU Career Services Center. The mock-interview was chosen as a means of measuring this outcome because of how well the activity fit with the Program’s mission of preparing students for successful careers in accounting and business. Students enrolled in ACCT 499

are now required to participate in a mock interview with a representative of WKU' Career Services Center. A rubric (see Appendix C) was developed to be used to evaluate the interviews, with students being rated as distinguished, proficient, or novice overall and on the separately identified components of the interview. The Career Services interviewer uses the rubric to evaluate each student at the conclusion of the interview. In addition to the external assessor, the interviews are digitally recorded and are also assessed by an accounting faculty member.

The assessment of written communication skills was also implemented in the fall 2008 semester. Students enrolled in ACCT 499 are now required to submit written assignments. Using a rubric developed by the faculty (see **Appendix C**), each student's assignment is assessed by a faculty member. As with the mock interviews, students are rated as distinguished, proficient, or novice overall and on the separately identified components of effective writing.

Finally, beginning in the fall of 2011, an ethics case was added to the AOL process to assess students' recognition and response to an ethical dilemma. A short case is presented to students enrolled in ACCT 499 and each student is required to write a response to the case questions. Using a rubric (see **Appendix C**) and suggested solutions, a faculty member assesses each student's responses as distinguished, proficient, or novice.

Formal documentation of all activities in the AOL process is accomplished through the use of annual templates and supporting schedules and summaries. These data are reviewed annually at a special departmental faculty meeting and any actions taken are also captured in the template. A template for a recent year and supporting schedules are shown in **Appendix C**.

SECTION III- STRATEGIC MANAGEMENT

A. Mission Statements

The mission statements for the University, College, and Department are as follows:

Western Kentucky University:

Western Kentucky University prepares students to be productive, engaged, and socially responsible citizen leaders of a global society. It provides research, service and lifelong learning opportunities for its constituents. WKU is responsible for stewarding a high quality of life for those within its reach.

Gordon Ford College of Business:

The Mission of the Gordon Ford College of Business is to be a leader in providing high quality, applied undergraduate business education and select graduate programs that meet the needs of the business community.

Department of Accounting:

The Mission of the Department of Accounting at Western Kentucky University is to be a leader in providing excellent accounting education and preparing students for successful and rewarding careers in accounting and business.

The Mission is supported by:

- effective teaching
- applied, pedagogical, and discipline-based research
- service to the college, the university, the profession, and the business community

The mission statement for the Department is clearly consistent with and supportive of the missions of the Gordon Ford College of Business and Western Kentucky University. All three statements express a focus on excellence, i.e. “excellent accounting education,” “high quality applied...business education,” and “engaged...responsible leaders.” Also, the mission statements for the College and Department clearly state an emphasis on applied business education and preparing students for successful and rewarding careers.

A process is in place for the on-going review of the mission statement with timely modifications as dictated by the internal and external environments. The entire accounting faculty is responsible for the Department’s strategic plan and for regularly reviewing the mission and initiating changes. However, revisions are reviewed and affirmed by the Professional Accounting Advisory Council, before being widely disseminated to all stakeholders and published in the University catalog and all College and departmental materials. Numerous factors influence the Department’s mission statement including the following:

- The University's vision and mission statement
- The College's vision, mission statement, and strategic objectives
- Changes in the accounting profession
- Changes in the business environment of South Central Kentucky
- Changes in professional licensure requirements
- AACSB International
- The Professional Accounting Advisory Council
- Student and alumni input

The most recent revision to the Department's mission statement was in 2009. In a strategic planning meeting, the accounting faculty proposed a change to delete the word "undergraduate" from the mission statement to allow consideration of a graduate program as a logical pathway for students to meet the 150-hour requirement for CPA certification. The revision was reviewed and affirmed by the Professional Accounting Advisory Council with input from the Dean of the GFCB, and accounting students.

B. Strategic Planning Process and Outcomes

Since 1997, WKU has followed a specific, statistically-driven, corporate strategic planning model which measures every aspect of its performance. The most recent strategic plan, *Challenging the Spirit*, was introduced in 2007 and included five goals, 36 objectives, 141 performance indicators, and 29 capital projects. In FY 2011-12, WKU will embark on a renewed strategic planning process designed to guide the university's next phase of growth from 2012 through 2017 and beyond. That plan, like those of the past decade, will focus on a series of empirically measurable performance indicators and will be consistent with the 2011-2015 Strategic Agenda just introduced by the Kentucky Council on Postsecondary Education.

The institutional strategic plan is used as a basis for the annual departmental/unit action planning process. Here, academic and administrative/educational support units across all divisions of the university articulate unit mission objectives and performance indicators aligned with institutional strategic goals, and each fall identify activities to be undertaken during the coming academic year to advance these objectives within the unit. At the end of the academic year, units evaluate their success at meeting their commitments and the resultant change in performance indicators. The goal of this process is one of continuous improvement, focusing on development of strategic initiatives that will enhance the performance of the unit as opposed to simple documentation of the unit's regular activities. Because unit objectives are directly linked to institutional strategic goals, the efforts of individual units collectively advance college, divisional and institutional priorities and commitments.

Assessment of Degree Program Quality- WKU has a well-established system in place for assessment of student learning outcomes in academic programs, and to foster use of assessment data for continuous improvement of programs. Since 2002-03, all academic programs at WKU have participated in a coordinated process for assessing and documenting

student learning outcomes. Program and/or assessment coordinator's work with faculty in each program to develop outcomes assessment plans. These plans articulate learning outcomes for all undergraduate and graduate programs, focusing on essential knowledge, skills and perspectives expected of graduates within their particular disciplines. Learning outcomes address core competencies, content mastery, and/or QEP-related outcomes relevant to the mission and curriculum in each discipline. These are linked to appropriate means of assessment, criteria for success, and performance targets. The outcomes assessment and program review processes are directed and supported by the Assistant Vice President for Academic Enrichment and Effectiveness.

On an annual basis, programs collect and analyze assessment data using instruments and rubrics defined in the outcomes assessment plans. Data are analyzed longitudinally to identify strengths and weaknesses of student cohorts across the dimensions of the assessment instruments. These results in turn are used by the program coordinators and faculty to close the loop and develop strategies or initiatives to improve the program. Closing the loop strategies include modification of the curriculum, mode of delivery, departmental advising and mentoring programs, as well as continuous refinement of assessment rubrics.

Every six years, academic programs are evaluated as part of the Academic Program Review (APR) process. Faculty representatives from each of the academic colleges constitute the Academic Program Review Committee; the work of this committee is facilitated by the Assistant Vice President for Academic Enrichment and Effectiveness, who serves *ex officio*. The APR committee solicits and evaluates comprehensive self-studies from each program being reviewed in a given year. Self-studies include data on enrollment trends, student credit hour production, number of graduates, measures of student quality and success, faculty qualifications and productivity, and attainment of student learning outcomes over the previous six years. Enrollment, SCHP, and graduation numbers are benchmarked against similar programs at other Kentucky public institutions. The APR committee develops a narrative summary of each program, and makes one of four recommendations for administrative action: (1) Review to Enhance; (2) Maintain; (3) Review for Remediation; or (4) Full Administrative Review. Reviews and recommendations are shared with the appropriate department heads and deans, as well as the Provost and Vice President for Academic Affairs. Departments are charged with responding to issues raised by the APR committee; deans are responsible for working with departments to outline a plan to address any areas for remediation or (as feasible) enhancement.

Since 2002-03, the Division of Academic Affairs at WKU has used an online planning and assessment database to facilitate outcomes assessment (as well as action planning). This online process allows department heads and deans to review and, as necessary, refine outcomes assessment plans for programs under their direction. The Associate Vice President for Academic Enrichment and Effectiveness and the Office of Institutional Research provide additional oversight and support to program coordinators and units. The online system offers

several distinct advantages that improve the planning and assessment process. First, program coordinators, department heads, deans, and the Associate Vice President for Academic Enrichment and Effectiveness have real-time access to planning and assessment documents of units and programs under their direction. Second, the system offers the ability to generate assessment reports that track change in performance indicators across multiple academic years, thus facilitating trend analysis. Third, the data can be readily integrated into the Academic Program Review process. Finally, the integrated nature of the database allows for direct integration of closing the loop activities derived from outcomes assessment into unit action plans.

Teaching and learning at WKU has been enhanced as a result of the outcomes assessment process. Programs have used assessment results as a basis for program improvement, which has in turn resulted in increases in performance indicators.

Accounting Academic Program Review- The B.S. in Accounting program was evaluated as part of the Academic Program Review (APR) process in 2006-07. The committee reports of the eight state universities, WKU confers the third highest number of accounting degrees and its majors have higher ACTs, high school GPAs and WKU GPAs as compared to the typical business major at WKU. In addition, the Accounting major at WKU attracts students that graduate at a higher rate than the typical WKU student. The program review data suggest that Accounting evaluates its program effectively through several measures: a Senior Assessment Exam; CPA exam scores; surveys of employers who hire their graduates; and surveys of recent graduates. Data reported indicated positive outcomes from graduates and their employers. The Assessment results have been used to make changes to the program where needed. Strengths identified by the committee include use of Assessment Results to enhance existing areas of the program as well as instituting new public service initiatives and their recruitment of high quality students within their major.

As explained earlier, on an annual basis, programs collect and analyze assessment data using instruments and rubrics defined in the outcomes assessment plans. The Accounting program set five objectives for assessment in 2009-10, and documented the plan in the online planning and assessment database. The on-line system generates assessment reports that track change in performance indicators across multiple academic years, thus facilitating trend analysis.

The process requires each department to develop plans that fit within the University's five broad goals: (1) Increase Student Learning, (2) Develop the Student Population, (3) Assure High Quality Faculty and Staff, (4) Enhance Responsiveness to Constituents, and (5) Improve Institutional Effectiveness. Each year, the Accounting faculty prepares action plans that revise and update objectives for the upcoming year and identify objectives for the following year that promote the fulfillment of the Department's mission and foster continuous improvement.

At the conclusion of each year, each department is required to close the loop by completing a progress report, which shows the extent to which each of the planned activities has been

completed. The Department of Accounting uses this ongoing, dynamic, process to implement its mission statement. In addition, the Department has used this comprehensive, disciplined program to embed continuous improvement efforts into the strategic planning process.

In concurrence with the University's Goal #1 –Increase Student Learning and in concurrence with Goal 1 (Increase Student Learning) of the Gordon Ford College of Business, and to support the Mission of the Department of Accounting, the faculty of the Department of Accounting has adopted the following Program Learning Objectives:

In addition to the Gordon Ford College of Business learning objectives, graduates from the Accounting program should be able to:

1. Demonstrate an understanding of the basic technical skills and knowledge necessary for an entry level accounting position.
 - a. Demonstrate an understanding of the basic functions of financial statements.
 - b. Demonstrate an understanding of the levels of authoritative literature.
 - c. Demonstrate an understanding of the accrual basis of accounting.
 - d. Demonstrate an understanding of the systems for accounting information.
 - e. Demonstrate an understanding of the management accountant's use of accounting information.
 - f. Demonstrate an understanding of the tax laws and sources of tax law that relate to individuals.
 - g. Demonstrate an understanding of basic cost concepts.
 - h. Demonstrate an understanding of the audit process and other attestation engagements.
 - i. Demonstrate an understanding of the accounting cycle.
2. Demonstrate the ability to communicate effectively in oral and written forms.
 - a. Demonstrate the ability to communicate orally.
 - i. Orally communicate in a coherent and organized manner.
 - ii. Orally communicate in an articulate, effective manner.
 - b. Demonstrate the ability to communicate in written form.
 - i. Present written information in a coherent, organized manner.
 - ii. Present written information using correct grammar and spelling.
3. Identify ethical dilemmas and demonstrate an understanding of professional responsibilities.
4. Conduct research of authoritative accounting literature.
5. Demonstrate the ability to use technology in accounting applications.

C. Financial Strategies

Western Kentucky University has an established infrastructure to support the various academic colleges and programs. Each year, the University establishes appropriate operating budgets for all academic departments to ensure that the missions of the departments are

fulfilled. Shown below are the Department's operating budgets for each of the past five years:

Table 2: Department of Accounting Annual Operating Budget					
Expenses	2007-08	2008-09	2009-10	2010-11	2011-12
Faculty Salaries	\$1,113,871	\$1,197,151	\$1,265,748	\$1,284,532	\$1,280,208
Benefits	289,430	302,314	315,207	317,056	338,425
Operating Expenses	<u>25,664</u>	<u>29,669</u>	<u>23,592</u>	<u>30,661</u>	<u>31,802</u>
Total	\$1,428,965	\$1,529,134	\$1,604,547	\$1,632,249	\$1,650,435

In addition to the Department's annual allocation of university resources, additional resources can also be requested through the strategic planning process. When departments identify activities for their action plans, the budgetary implications of these planned activities are also identified and entered as part of the planning process. Moreover, departments can request or compete for additional resources that are made available through a number of university grants and programs, such as the Classroom Improvement Fund, Classroom Equipment Fund, Unit Productivity Awards, etc. The University also has a number of administrative units that provide important student support systems, such as student advising, placement, and information technology. These units maintain their own professional staff and have their own annual operating budget.

The Department of Accounting has achieved considerable success in attracting development funds. Given the recent economic recession and cuts in state funds for higher education, these resources are of particular importance to ensure that the Department's mission is fulfilled. The faculty has worked hard to build relationships with students and create a culture where loyal alumni are eager to support the Department throughout their careers. Most of the funds have been raised through the University's annual phonathon and other development activities. To encourage alumni giving, all contributors to the Accounting Program are considered to be members of the Accounting Excellence Association.

In addition to funds raised through the Accounting Excellence Association, the Department also greatly benefits from funds provided by the Meany-Holland Endowment, which is primarily supported by graduates of the Bowling Green Business University. The fund provides for two professorships in Accounting, the Meany Professorship and the Holland Professorship. Although the \$1 million goal originally established has been met and the fund currently has a balance in excess of \$1.2 million, contributions continue to be made to the fund.

A third professorship to benefit the Department was announced as part of the University's *Challenging the Spirit Campaign*. Mary R. Nixon, a 1977 accounting graduate and Vice President of Tax and Internal Audit for Yum Brands, Inc., pledged \$500,000 to Western to create an accounting professorship. With matching funds from State of Kentucky, the Nixon Fund has a current balance in excess of \$1 million.

As of May 2012, the Department has endowments and development funds totaling approximately \$3.1 million. Shown below is a detailed listing of the development and endowment funds that benefit the Department and help ensure financial resources are available to achieve the Department's mission. In addition to these funds, there is also a number of endowed scholarship funds that provide scholarships designated specifically for accounting majors.

Table 3: Development/Endowment Funds	Balance
Meany – Holland Professorship Fund	\$1,359,053
Mary R. Nixon Professorship Fund	1,126,156
Accounting Excellence Endowment Fund	316,320
BKD Fund for Excellence	138,693
Accounting Excellence General Fund	77,446
Butch Armstrong Fund for Excellence	12,443
Harry & Jean Pearl Endowment for Accounting	53,135
Total	\$3,083,246

D. Intellectual Contributions

The intellectual knowledge and capabilities of the faculty are essential factors in the learning process and, as such, must be maintained and developed. The GFCB has created and made available to faculty a table which provides examples of the activities that faculty may use in each portfolio contribution area to maintain their qualifications.

To keep pace with an ever-changing business environment, the Department, College, and University have processes in place that support the maintenance and further development of the faculty's expertise. The Department's annual operating budget includes an allocation of resources to support the faculty's maintenance of intellectual capital. In addition, the Department uses development funds to help the faculty maintain and enhance its expertise. Development funds are used to subsidize faculty travel and technology needs and pay for annual professional dues and continuing professional education of the faculty. In addition, the College uses some of its development funds to subsidize the Department's travel budget, thereby allowing accounting faculty to present papers and engage in scholarly activities. At both the University and College levels, a number of grants and programs exist, such as summer research grants, faculty scholarships, and information technology workshops, which allow faculty members to engage in activities that expand their knowledge base and skill set.

To support the mission of the Department, faculty conduct research in a variety of areas. Table 2-1, which summarizes the intellectual contributions for the past five years, is shown in Appendix B. Table 2-2, which summarizes the peer reviewed journals for the past five years, is also included in **Appendix B**.

SECTION IV- PARTICIPANTS: *A description of the changes in students and/or support services since the last review. An overview of faculty management policies and a summary of criteria guiding the development of intellectual contributions, participating and supporting status, and academic and professional qualifications. Provide Tables 9-1, 10-1, and 10-2 in an appendix.*

A. Students

There have been no significant changes in students and support services for students since our initial accounting accreditation review in 2007. The number of accounting majors has remained relatively unchanged for the past five years. Table 4 summarizes data on the number of students, by classification, pursuing the B.S. in Accounting degree over the past five years.

Table 4: Undergraduate Majors					
Classification	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Freshman	83	78	85	69	77
Sophomore	71	66	73	90	70
Junior	67	85	75	70	101
Senior	<u>115</u>	<u>91</u>	<u>108</u>	<u>96</u>	<u>81</u>
Total	336	320	341	325	329

It should be noted that in 2008 the admission standards for the College were increased from 2.25 to 2.5 overall and in the eight courses required for admission. However, the change likely had little impact on the number of accounting majors, since a 2.5 overall GPA requirement has been in effect for the accounting program for many years.

Table 5 below presents total undergraduate student credit hours for each year of the past five years. As indicated by the data, the number of student credit hours has steadily declined. This decline is the result of the higher admission requirements for the College which resulted in a decline in the number of students enrolling in the accounting principles courses.

Table 5: Undergraduate Student Credit Hours					
Fall Semester	2007	2008	2009	2010	2011
Student Credit Hours	3,594	3,545	3,475	3,263	3,130

As shown in Table 6 below, the average high school GPA of accounting students over the review period was consistently higher than the GPAs of GFCB College students and University students.

Table 6: Average High School GPAs of Enrolled Students					
Fall Semester	2007	2008	2009	2010	2011
Accounting- Admitted	3.54	3.50	3.50	3.58	3.56
Accounting- Preadmission	3.46	3.39	3.41	3.41	3.37
Gordon Ford College	3.23	3.31	3.18	3.17	3.27
University	3.17	3.20	3.18	3.21	3.18

Although ACT scores are not an explicit component of our admission policy, the data in Table 7 shows that the average ACT scores for both preadmission accounting majors and admitted accounting majors are consistently higher than the GFCB and University averages. These data indicate that the B.S. in Accounting Program is attracting higher quality students than the College and the University. Furthermore, these data provide evidence that the Program is admitting students capable of pursuing successful careers in professional accountancy.

Table 7: Average ACT Scores					
Fall Semester	2007	2008	2009	2010	2011
Accounting- Admitted	24	24	24	24	24
Accounting- Preadmission	22	22	23	23	23
Gordon Ford College	21	21	22	22	22
University	21	21	21	22	22

B. Academic Standards

Students pursuing the B.S. in Accounting must first be admitted to the Gordon Ford College of Business. Admission requirements include an overall GPA of 2.5 and a 2.5 GPA in the eight courses required for college admission (business and professional speaking, algebra, basic computer literacy, statistics, microeconomics, macroeconomics, financial accounting, and managerial accounting). In addition, to increase the quality of the accounting students, the faculty recently changed the prerequisite requirement for Accounting Intermediate I from the completion of ACCT 200 (Principles of Accounting- Financial) and ACCT 201 (Principles of Accounting- Managerial) with a combined 2.5 GPA to the completion of the both courses with a grade of at least a “B” in each.

Students admitted to the Bachelor of Science in Accounting Program do not have to maintain a minimum GPA. However, they are required to earn at least a “C” in all junior-level accounting courses and in all accounting courses that are prerequisites for other courses. In addition, all WKU students have to maintain an overall 2.0 GPA to remain in good academic standing and must have a 2.0 GPA overall and in their major to graduate. Although the University allows students three attempts in all courses, excluding withdrawals, the Department has a more stringent policy in limits accounting majors to two attempts in all

upper-level accounting courses, including withdrawals. The matriculation policy is designed to motivate students to become engaged and committed to their courses earlier in the semester and has resulted in students completing their program in a more timely manner.

C. Student Support

The faculty maintains ample office hours and is readily available to assist students outside of class. The faculty also assists students through extensive use of online resources. Since the Department places a high priority on instruction, virtually all classes are taught by full-time faculty members who are student-oriented and eager to assist students. Faculty members often provide outside help sessions to assist students on special projects or help them prepare for exams. Student assistance is also provided by the University's *Learning Center*, *The Writing Center*, and the *Communication Success Center*. The College's *Office of Student Services* and the *Career Services Center* also provide valuable support to students.

D. Faculty

Faculty Management- The success of any academic program is directly linked to the quality of the faculty. Accordingly, management of faculty resources is a high priority for both the College and the Department of Accounting. Each fall, as part of the strategic planning process, the Department assesses staffing needs for the next three years based on our priorities and strategic objectives. These staffing needs and requests for additional faculty resources are expressed in a staffing report, which is submitted to the Dean. The Dean reviews the staffing reports from all six academic departments in the College and prepares a staffing report for the college, which is submitted to the provost and vice president for academic affairs. Requests for additional faculty lines for a department are approved by the provost, after discussions with the Dean. It should be noted that, as the result of this strategic planning process and the priority given the new MAcc program, an academically qualified (AQ) line and a professionally qualified (PQ) line were approved for the Department of Accounting. Searches are currently underway to fill these two new positions.

In recognition of the critical role the faculty fulfills in the educational process, the Department strives to maintain a diverse faculty with the appropriate credentials and qualifications. Most critical to the Department's mission is a cadre of AQ faculty. These faculty members are essential, since they have a deep understanding of the relevant subject matter and possess the expertise to create original research that advances accounting pedagogy, practice, and theory. However, the Department also seeks to complement the AQ faculty with a limited number of PQ faculty members to ensure that students have relevant learning experiences that reflect current practices in accounting and business.

Faculty Sufficiency and Faculty Qualifications-

Participating and Supporting Faculty

The College has established clear criteria for defining participating and supporting faculty. In general, participating faculty members are actively engaged in departmental, college, and university matters beyond teaching responsibilities. These activities include policy decisions, educational direction, curricular issues, advising, scholarly activity and research, and committee service. Supporting faculty members have a short-term appointment in the College without the expectation of continuation. In addition, the primary responsibilities of supporting faculty are limited to course delivery. The accounting faculty can be classified as participating or supporting based on their status as employees. Full-time faculty members are deemed participating, while part-time faculty members are considered supporting.

The full-time (participating) faculty members in the Department of Accounting for the 2011–2012 are listed in the table below. Two of the faculty members held endowed professorships, the James R. Meany Professor of Accounting and the Mary R. Nixon Professor of Accounting. A third professorship, the J. C. Holland Professorship was unfilled for the 2011–2012 school year.

Table 8: Participating Faculty Members (2011 – 2012)	Rank	Degree	Certifications
Richard Aldridge (Meany Professor)	Professor	DBA	CPA
Yining Chen (Nixon Professor)	Professor	Ph.D.	CPA
Nace Magner	Professor	DBA	CMA
Steve Wells (Department Chair)	Professor	Ph.D.	CPA, CMA, CFE
Minwoo Lee	Associate	Ph.D.	
Randall Kinnersley	Associate	Ph.D.	CPA, CGFM
Harold Little	Assistant	Ph.D.	CPA, CMA, CIA
Mark Ross	Assistant	Ph.D.	CPA
Stacy Wade	Assistant	Ph.D.	CPA
Richard Callahan	Executive-in-Residence	M.S.-Accounting	CPA, CFP
Sheri Henson	Instructor	MPA	CPA

Richard Callahan and Sheri Henson are professionally-qualified. Mr. Callahan, a retired tax partner with the regional accounting firm of BKD, LLP, teaches accounting principles and taxation. Ms. Henson, who had professional experience working for two accounting firms, including Ernst & Young, teaches accounting principles.

It should be noted that two faculty members, Dr. Steve Wells and Mr. Richard Callahan, were hired after our initial accreditation review in 2007. Another faculty member, Dr. Stacy Wade, was granted tenure in 2009. It should also be noted that Dr. Richard Aldridge will be moving to part-time status, effective July 1, 2012, when he enters the University's Transitional Retirement Program. Faculty members in the Transitional Retirement Program receive a salary based on 37.5 percent of their previous salary, but are only expected to teach six hours per semester.

In addition to the full-time faculty listed above, the following part-time (supporting) faculty members were deployed during 2011-2012 to help fulfill the Department's mission and instructional responsibilities.

Table 9: Supporting Faculty Members (2011 – 2012)	Rank	Degree	Certifications
Jack Hall	Professor (Transitional Retiree)	Ph.D.	CPA
Andrew Head	Executive in Residence Assigned Part Time to Accounting	M.S.	CFP
Jean Snavelly	Executive in Residence Assigned Part Time to Accounting	Ph.D.	
David Sparks	Part-Time Instructor	J.D.	

Dr. Jack Hall is a former department chair and veteran faculty member who has entered the University's Transitional Retirement Program. Transitional retirees teach a reduced load and have no research or service expectations. Andrew Head and Jean Snavelly hold Executive in Residence positions in the Department of Finance, but regularly teach service courses for non-accounting majors. Mr. Head teaches *ACCT 330- Tax Accounting for Investments*, which is a requirement for financial planning students. Dr. Snavelly teaches *ACCT 315- Management Accounting*, which is an elective for management majors. Mr. Head has an M.A. in Applied Economics and is considered PQ since he has had considerable professional experience in banking and financial planning and continues to work for a financial planning firm. Although Dr. Snavelly has a Ph.D. in Finance, she is quite involved in professional activities and is considered PQ. David Sparks teaches *ACCT 440- Business Law for the Accounting Professional*, which is an elective in the accounting program. Mr. Sparks possesses a J.D., but is considered PQ since he is a practicing attorney.

Faculty Sufficiency Calculations

AACSB Table 9-1 measuring the sufficiency of faculty for 2001–12 is shown in **Appendix B**. However, a summary of the data is shown in the table below. AACSB International

standards state that at least 60 percent of the courses must be taught by participating faculty. Student credit hours (SCHs) and the number of courses are both used as metrics in applying this standard. The table demonstrates that the Department is well in excess of the 60 percent minimum requirement and in full compliance with AACSB standards regarding faculty sufficiency.

Table 10: Summary of Table 9-1 -- Faculty Sufficiency						
	Student Credit Hours		Number of Courses		% of Participating	
	Participating	Supporting	Participating	Supporting	Based on SCHs	Based on Courses
2011-12	5,755	351	71	8	94.3%	89.9%

AQ and PQ Faculty

The College has established criteria for the classification of faculty as AQ and PQ. Faculty members are considered to be AQ for a five year period after a terminal degree has been. To maintain their AQ status, however, faculty members must publish two refereed journal articles in a five year period and have two other intellectual contributions. Since administrative responsibilities may affect an individual's ability to produce intellectual contributions of the same type and at the same rate as non-administrative faculty, Ford College and AACSB Guidelines allow other criteria to be employed to demonstrate an administrator's currency and subsequent AQ status. Administrators who relinquish their administrative duties and return to a regular faculty position maintain their AQ status for a period of five years. In addition, faculty members who enter the University's Transitional Retirement Program retain their pre-retirement AQ status. This is consistent with the University policy that during their time in the program (up to 5 years), there is no expectation of research or service for transitional retirees.

According to the Ford College's Professionally Qualified Guidelines, a faculty member is classified as professionally qualified if the person has:

- an earned master's degree in a business or other discipline related to the person's teaching assignment within the GFCB and
- significant professional, technical, or managerial experience in the discipline related to the teaching assignment; at a minimum, significant experience is interpreted as at least five years of duties and responsibilities at the exempt level (according to FLSA standards).

With regard to academic preparation, PQ faculty must hold an MBA or a graduate degree in a field related to the faculty member's teaching assignment. In judging professional experience, the College considers the relevance of the experiences to the faculty member's teaching assignment. Consideration is also given to the duration of the experience, the level of responsibility, and the currency of the experience. Professional

certification is also considered and valued, especially for PQ accounting faculty. PQ faculty members who receive an appointment in the College are considered PQ for five years. During this time and thereafter, a professionally qualified faculty member will be expected to demonstrate the continued relevance of his or her knowledge and capabilities in the discipline related to the teaching assignment.

To maintain their professional qualification, the faculty member must demonstrate continued competency in the discipline related to the teaching assignment through:

- working, consulting, training, presenting seminars, etc., at relevant business organizations; or
- attending and actively participating in professional meetings and conferences in the teaching discipline, or
- attending and completing executive education programs in the teaching discipline, or
- authoring books and articles in practitioner journals and presenting at professional meetings in the discipline related to the teaching assignment.

Faculty Deployment (Qualifications) Calculations

Documentation of the faculty qualifications and credentials can be found by referring to Tables 10-1 and 10-2, which appear in **Appendix B**. It should be noted that Dr. Aldridge's AQ status is based on the administrative AQ status he possessed when he relinquished his administrative duties as Chair of Accounting in 2008. In accordance with Ford College Policy, Dr. Hall retains the AQ status that he held when he entered the University's Transitional Retirement Program in the 2010.

A summary of the data shown in Table 10-2 is presented in the table below. Please note that the calculations are based on the percentage of time devoted to mission. AACSB International standards state that at least 50 percent of the deployed faculty should be academically qualified and 90 percent should be either academically qualified or professionally qualified. The calculations demonstrate that the Department is in compliance with AACSB International standards with regard to faculty qualifications.

Table 11: Summary of Table 10-2: Faculty Deployment					
	% of Time Devoted to Mission			Ratios	
	Academically Qualified	Professionally Qualified	Other	% of AQ	% of AQ + PQ
2011-12	950%	225%	0%	80.9%	100%

SECTION V- ASSURANCE OF LEARNING: *Provide an overview of major curricula revisions that have occurred since the last review. Summarize learning goals for each degree program, along with a list of the assessment tools, procedures, and results used to demonstrate progress toward achievement of the mission.*

The primary goal of the Department of Accounting is to provide an educational experience that produces student learning. All other activities, although important, are secondary and support the Department's central mission. Without student learning, program graduates will not be prepared for careers in accounting and business and the Department's mission cannot be fulfilled.

Since student learning is so critical and the reason for the Department's existence, learning expectations for our students must be clearly defined. In addition, a process must be in place to assess learning outcomes and ensure that graduates have learned key concepts and developed essential skills. Accordingly, the Department has a well-defined Assurance of Learning (AOL) Process, which is shown diagramed in Appendix C.

A. Learning Goals for B.S. in Accounting Program

In addition to the Gordon Ford College of Business learning goals, graduates from the Accounting program should be able to:

Goal 1: Technical Skills

Our students will be able to demonstrate an understanding of the basic technical skills and knowledge necessary for an entry level accounting position.

Learning Objectives

- a. Demonstrate an understanding of the basic functions of financial statements.
- b. Demonstrate an understanding of the levels of authoritative literature.
- c. Demonstrate an understanding of the accrual basis of accounting.
- d. Demonstrate an understanding of the difference between net income and cash flows.
- e. Demonstrate an understanding of the systems for accounting information.
- f. Demonstrate an understanding of the management accountant's use of accounting information.
- g. Demonstrate an understanding of the tax laws and sources of tax law that relate to individuals.
- h. Demonstrate an understanding of basic cost concepts.
- i. Demonstrate an understanding of the audit process and other attestation engagements.
- j. Demonstrate an understanding of the accounting cycle.

Goal 2: Communication

Our students will be able to demonstrate the ability to communicate effectively in oral and written forms.

Learning Objectives

- a. Demonstrate the ability to communicate orally.
 - i. Orally communicate in a coherent and organized manner.
 - ii. Orally communicate in an articulate, effective manner.
- b. Demonstrate the ability to communicate in written form.
 - i. Present written information in a coherent, organized manner.
 - ii. Present written information using correct grammar and spelling.

Goal 3: Ethical Dilemmas and Professional Responsibilities

Our students will be able to identify ethical dilemmas and demonstrate an understanding of professional responsibilities.

Learning Objectives

- a. Demonstrate the ability to recognize ethical dilemmas.
- b. Demonstrate an understanding of professional responsibilities.

B. Assessment Process

To provide assurance that learning goals are being achieved, the Department has been involved in assessment activities since 1998. Western Kentucky University has a formal assessment program in place which requires all academic and administrative units to participate in assessment activities. The fundamental purpose of program assessment is to encourage continuous improvement in educational programs and administrative and educational support services. Assessment is a dynamic, ongoing process in which programs and units establish desired student outcomes or administrative objectives and then measure the extent to which those outcomes/objectives are being achieved. The results of the measurements are then used to drive improvements in programs and operations that benefit not only students but the entire campus community.

The University's assessment process involves departments submitting assessment plans at the beginning of the year which have to be approved by the Assessment Committee. As part of the assessment plans, departments are required to indicate three intended educational outcomes and two means of assessing each outcome. At year-end, departments are required to submit a closing the loop report which provides a summary of the assessment data collected and any actions that will be taken to improve learning outcomes.

A critical element in our assessment process is the Senior Assessment Examination which is administered in ACCT 499- Senior Assessment. All accounting majors are required to take the one hour course during their last semester of coursework. The exam consists of multiple

choice questions which are designed to assess the extent to which the graduating students have achieved the B.S. in Accounting's stated learning objectives. To pass the assessment exam, students are required to achieve a minimum score of 70 percent. Students who are unsuccessful on the first attempt are required to take a second exam, which consists of different questions which cover the same concepts. Those students, who do not achieve the required 70 percent score on the second exam, must take a third individualized exam, which consists of the missed questions from the two previous examinations. In using customized exams consisting of previously missed questions, students are required to do remedial work and review concepts that have not been completely mastered. The process continues with subsequent unique, customized exams until each student achieves a score of at least 70 percent. Students are assigned a final grade for ACCT 499 based primarily on the number of attempts required to pass the senior assessment examination and their score on the exam.

C. Expanded Assessment of Learning Objectives

As previously mentioned in Section II, the Accounting Accreditation Peer Review Team stated that our AOL process needed to include the assessment other skills expected of graduates, such as communication skills. In 2008, the Department's AOL plan was modified to incorporate the assessment of communication skills. With the Senior Assessment in Accounting course already required, the faculty concluded that the course was the best place to assess communication skills. The measurement method chosen for oral communication skills was a mock-interview conducted by the staff in the WKU Career Services Center. Although the faculty understands that an interview is a narrowly defined form of oral communication, the mock interview was chosen as a means of measuring this outcome because of how well the activity fit with the Program's mission of preparing students for successful careers in accounting and business. Another reason this means of assessment was chose is that accounting students' oral communication skills are also being assessed at the college level using video presentations. Students enrolled in ACCT 499 are now required to participate in a mock interview with a representative of the WKU Career Services Center. A rubric was developed by the accounting faculty (See **Appendix C**) to be used to evaluate the interviews, with students being rated as distinguished, proficient, or novice overall and on the separately identified components of the interview. The Career Services interviewer uses the rubric to evaluate each student at the conclusion of the interview. In addition to the external assessor, the interviews are digitally recorded and are also assessed by an accounting faculty member.

With regard to written communication skills, students enrolled in ACCT 499 are required to submit written assignments. Using a rubric developed by the faculty (see **Appendix C**), each student's assignment is assessed by a faculty member. As with the mock interviews, students are rated as distinguished, proficient, or novice overall and on the separately identified components of effective writing. It should also be noted that accounting students' written communication skills are also being assessed at the college level.

The latest learning goal to be added to the Department's AOL process is students' ability to identify ethical dilemmas and demonstrate an understanding of professional responsibilities. Although an awareness of ethical issues is a component of a learning goal for the Ford College and is being assessed at the college level, the accounting faculty believes that an additional ethics learning goal focusing on the unique role of the professional accountant is justified. Effective with the Fall 2011 semester, questions on professional ethics were added to the Senior Assessment Examination and all ACCT 499 students are now required to analyze an ethics case and prepare written responses to questions raised by the case. The case is designed to assess if students can identify the ethical dilemma and if they know the appropriate actions to an ethical situation. Using a rubric (See **Appendix C**) and suggested solutions, a faculty member assesses each student's responses as distinguished, proficient, or novice.

D. Improved Documentation

The Accounting Accreditation Peer Review Team also stated in its report that a more formalized, systematic measurement process for outcome assessments and processes to monitor achievements should be developed. To that end, annual templates are now used as formal documentation of all activities in the AOL process. These templates list learning goals, learning outcomes, measurable objectives, measurement methods, desired outcomes, actual outcomes, and closing the loop actions. Supporting schedules and summaries are also used to document and summarize each year's assessment results. Assessment data are reviewed annually at a special departmental faculty meeting and any actions taken are captured in the templates. AOL templates for the past two years are included in Appendix C.

E. Closing the Loop

The purpose of AOL is to confirm that the learning objectives are being achieved. Data gathered each year in the AOL process is reviewed and analyzed during a special meeting each summer of all participating accounting faculty. The data distributed and reviewed includes:

- Responses to the two Recent Graduate 3-Month Surveys
- Responses to the Alumni 5 and 10 Year Survey
- A summary of the assessments of the ACCT 499 Mock Interviews.
- A summary of the assessments of the ACCT 499 Written Assignments
- A summary of the assessments of the ACCT 499 Ethics Case
- A summary of the results of the ACCT 499 Senior Assessment Examination

In reviewing the data, the faculty attempts to identify deficiencies in the learning process and discusses possible corrective actions. To provide guidance in reviewing the data, the faculty has established desired outcomes which are clearly stated in the AOL templates (See Appendix C.) For example, at least 70% of the mock interviews and written assignments should be assessed at the proficient or distinguished level, and at least 70% of the ethics case

assessments should be rated at the proficient or distinguished level. In addition, the desired outcome for the Senior Assessment Examination is that the average scores (% correct) on the questions in each of the technical knowledge categories would be at least 70%.

Since the assessment data naturally varies somewhat from year to year, a summary of the AOL results over several years is also maintained and reviewed. After reviewing the AOL data for the year and the longitudinal summary the faculty identifies specific actions to be taken to close the loop and increase the probability of successfully accomplishing the learning goals. As stated previously, actions taken are documented in the AOL templates. In addition, the faculty also continuously makes minor adjustments in their courses to improve student learning. The following table lists some of the actions taken to close the loop and improve student learning.

Table 12: Examples of Continuous Improvement	
Course	Action Taken
ACCT 200 (Accounting Principles-Financial)	Began using an online homework management system for homework assignments. Students submit solutions to homework assignments online and the assignments are electronically graded and points assigned. By using the online system and including homework points in the course grade, more students are doing the homework and student learning has increased.
ACCT 201 (Accounting Principles-Managerial)	Began using an online homework management system for homework assignments. Students submit solutions to homework assignments online and the assignments are electronically graded and points assigned. By using the online system and including homework points in the course grade, more students are doing the homework and student learning has increased. In addition, most faculty are also using an online adaptive (smart technology) tutorial system available with the system which has also increased student learning
ACCT 201 (Accounting Principles-Managerial)	Some faculty members have found that designing and distributing handouts which comprehensively cover difficult topic (such as process costing and activity-based costing) has increased student learning.
ACCT 300 (Intermediate I)	Began focusing quizzes on the chapters that review the accounting cycle to ensure good understanding of basic concepts.
ACCT 300 (Intermediate I)	Began basic coverage of IFRS.
ACCT 312 (Accounting Systems)	Changes made to increase student learning include: 1) added a research paper and presentation assignment to develop students' communication competency, 2) augmented the discussion of "segregation of duties" with prior CPA exam questions, 3) increased the coverage of COBIT, including the 2011 COBIT, version 5, 4) added an internal control discussion case to help students better relate to the importance of internal control,

ACCT 312 (Accounting Systems)	5) revised the discussion of cash collection procedures by using a flowchart, 6) added two new assignments to reinforce the resource-event-agent (REA) model and entity-relationship (E-R) diagram database design concepts, 7) revised the coverage of MS ACCESS database system with new assignments, 8) added vertical market accounting software discussion and assignment, 9) added a system development life cycle (SDLC) in-class assignment and added QuickBooks as a result of feedback from employers and students.
ACCT 402 (Contemporary Accounting Issues)	Enhanced coverage of international accounting, including the historical evolution of the IFRS movement; the international standards-setting process, and selected areas where IFRS and GAAP differ.
ACCT 402 (Contemporary Accounting Issues)	A capstone case that focuses on financial reporting has been refined and adapted to reflect changes in reporting standards. Students are given financial statements with numerous errors and omissions and are required to prepare GAAP-based financial statements, including footnotes.
ACCT 430 (Taxation: Individuals)	Changes were made in coverage of material in response to outcomes on the assessment exam. Follow up in next year's AOL process indicated improvement.
ACCT 450 (Auditing and Assurance Services)	Following the 2010-2011 AOL process, a number of changes were made in the course. The latest AOL process for Fall 2011 and Spring 2012 indicates improvement in the auditing areas.
ACCT 450 (Auditing and Assurance Services)	Changes made to increase student learning include: 1) required students to buy, read, and prepare a written report on Larry Crumbley's book, <i>The Big R</i> (Fall 2008), 2) replaced book with two research assignments in Fall 2009, 3) assigned research project requiring students to research Auditing Standards (Spring 2009), 4) assigned the RealAudit game, a virtual audit simulation accessed online (Fall 2009), 5) began requiring a group project (Fall 2009), 5) assigned research project in which each student had to choose a listed company and go to EDGAR to gather specific information (Spring 2010), and 6) developed and began using a 4-column bank reconciliation or proof of cash (Fall 2010).
ACCT 450 (Auditing and Assurance Services)	Enhanced coverage of international topics by including introduction to the International Federation of Accountants (IFAC), introduction to and the mission of the International Auditing and Assurance Standards Board (IAASB), introduction to the International Standards on Auditing (ISAs), a comparison of the standard audit reports on financial statements in accordance with PCAOB for public companies; in accordance with GAAS for non-issuing companies; and ISAs for compliance with the IAASB, and introduction to the International Ethics Standards Board for Accountants (IESBA).

F. On-Going Changes and Continuous Improvement

The accounting faculty continues to look for ways to expand and enhance the AOL process. Recently, the faculty has begun discussing the addition of the following two learning goals:

1. Conduct research of authoritative accounting literature.
2. Demonstrate the ability to use technology in accounting applications.

Although we are currently assessing our program graduates' knowledge of the authoritative literature, we are not assessing their ability to use authoritative literature in researching accounting issues and problems. We believe this skill is critical for students as they begin their careers in accounting. Likewise, the ability to use technology is crucial today for successful careers in accounting and business.

SECTION VI- NEW MASTER OF ACCOUNTANCY DEGREE PROGRAM

A. Description of the Employment Needs to be Served by the Program

1. The AACSB Accreditation Review Team, as part of the initial AACSB accreditation review process of the accounting program at Western Kentucky University in 2007, recommended the department consider a path for accounting majors to obtain the 150 hours of credit required for the CPA certification. During a strategic planning meeting in 2009, the members of the accounting faculty proposed a change in the mission of the department. The change was to delete the word “undergraduate” from the statement to provide flexibility for consideration of a graduate program as a potential path for WKU’s accounting majors to meet the 150-hour requirement. The revised mission statement was then reviewed by the Professional Accounting Advisory Council and received unanimous approval. The council members, representing public accounting, industry, government, and not-for-profit organizations, also discussed various potential paths for accounting majors and concluded, in collaboration with the Dean of the GFCB, accounting students, and accounting faculty present at the Council meeting, a Masters of Accountancy program was logical for WKU. It was the consensus that a graduate accounting program should be developed and proposed so WKU accounting graduates could meet the 150-hour requirement for the CPA certification.
2. The members of the accounting faculty and members of Professional Accounting Advisory Council considered employment trends including a report of the Bureau of Labor Statistics (BLS). The BLS in its publication entitled *Accountants and Auditors: Occupational Outlook Handbook, 2010-2011*, forecasts a strong job growth for accountants. The BLS states that:

“Employment of accountants and auditors is expected to grow by 22 percent between 2008-2018, which is much faster than average for all occupations. Accountants and auditors who have earned professional recognition through certification or other designation, especially a CPA, should have the best prospects. Applicants with a master’s degree in accounting or a master’s degree in business administration with a concentration in accounting also may have an advantage.”

- (1) Based on recent feedback from the Department’s Three-Month Recent Graduate Survey, it appears that approximately 35 percent of WKU’s accounting graduates are employed by public accounting firms; approximately 40 percent by financial institutions and industry; approximately 20 percent by government and not-for-profit organizations; and approximately 5 percent are in graduate programs.
- (2) It is expected a large percentage of the graduates of the MAcc program will meet the needs of local, regional, and national CPA firms with a smaller percentage entering industry and/or the governmental and not-for-profit sector.

B. Description of the Intended Student Market

The intended student market is WKU's undergraduate accounting majors. When WKU reduced the hours required for a WKU baccalaureate degree from 128 to 120 in 2009, accounting majors then needed an additional 30 hours to meet the 150-hour requirement. Prior to the reduction in hours, students were tempted to simply take additional undergraduate course work with little consideration of the value added to their education to gain the additional 22 hours needed to meet the 150-hour requirement. As evidence of this strategy, 53 percent of the December 2008 and May 2009 graduates had earned 150 hours or more. WKU's MBA program appealed to those in management desiring upward mobility and to students considering doctoral programs, but the MBA program attracted only a few accounting majors. Accounting undergraduates who saw the value in a graduate degree in accounting had no choice but to apply to another university. This proposal provides a natural and logical alternative at WKU for accounting majors to meet the 150-hour requirement while earning both a BS degree in accounting and a graduate accounting degree. The initial expected enrollment is between 12 to 15 students with expected enrollment to average 25 students.

C. Description of the Sources of Faculty, Technology, and Facility Support

As suggested by the AACSB Review Team, any consideration of a new program should include support from the administration for additional resources for the Department. The faculty concluded that the proposed MAcc program would require the following: an additional AQ faculty position, increased funding for departmental operational expenses, certain digital library resources, funding support for CPA review materials, and graduate assistantships. Although approval from the Council on Postsecondary Education in Kentucky gave approval for implementation of the program in the Fall of 2011, the new Provost and Vice President for Academic Affairs recommended to the Board of Regents for the approval of an August 2012 implementation date so budget plans could include a new AQ position for the accounting program.

In the interim, funds were provided to make improvements to Grise Hall, Room 511 for the delivery of the graduate accounting classes. Current members of the accounting faculty, on a revolving basis, are provided new PCs or laptops, and new faculty members are provided new PCs upon employment. The technology in the classrooms is maintained and kept current by the GFCB, and the entire building is wireless.

D. Description of the Learning Goals, How the Goals are Measured, and Results that Demonstrate Achievement

The development of the AOL process for the new Master of Accountancy is in its early stages. The accounting faculty identified the learning goals in the areas of "professional knowledge", "professional skills", "professional communication", and "professional ethics". The specifics of the measures and the expected outcomes continue to evolve as the faculty deliberate their

expectations of graduates of the program. The program presupposes that students admitted possess the base of general knowledge and skills appropriate to an undergraduate degree. The faculty's expectation of graduates of the MAcc is at a higher level than for undergraduates, and accordingly the measures and outcomes will so reflect.

Professional Knowledge- *Students will develop an enhanced understanding of accounting and related topics and will be able to:*

- Apply specialized accounting principles to complex financial reporting issues
- Identify and address audit risk
- Demonstrate advanced knowledge of internal controls and accounting information systems
- Engage in complex managerial analysis and planning with an emphasis on proposing solutions to the managerial concerns identified
- Explore tax issues through authoritative sources and evaluate tax planning opportunities

Professional Skills- *Students will be proficient in professional skills to provide information relevant to solving organizational problems that include the ability to:*

- Research complex accounting issues and apply findings in various decision settings
- Recognize the appropriate accounting analytic methods for particular organizational problems
- Properly employ the procedures associated with particular accounting analytic methods
- Present the output from accounting analytic methods in a form that is useful to organizational managers
- Recognize financial implications of operating in a global environment and properly report international transactions related to foreign activities

Professional Communications- *Students will enhance their professional communication skills and will be able to:*

- Articulate thoughts clearly and concisely in professional business writing
- Produce professional quality business documents
- Deliver a professional oral presentation using appropriate technology

Professional Ethics- *Students will gain an appreciation of the importance of ethical behavior in the workplace and will be able to:*

- Identify ethical dilemmas
- Apply the principles in professional codes of conduct to various situations
- Discuss the consequences related to ethics violations

How The Goals are Measured- The goals will be measured in the following ways:

- Written analysis of cases in selected courses. The cases will be reflective of the selected course but will include opportunities to assess professional knowledge, professional communications, professional ethics, and professional writing skills.
- Student oral presentations in selected courses. The presentations will include opportunities to assess oral presentation skills.
- Other indicators as deemed appropriate. As the MAcc program is implemented, additional indicators deemed appropriate will be identified and incorporated into the AOL process. The graduate accounting faculty will monitor the AOL process for the MAcc program setting expectations for the selected indicators.

Results that Demonstrate Achievement- The learning goals of the MAcc program are derived from the Accounting Program's mission statement. The MAcc program aspired to promote academic excellence in the areas of "professional knowledge", "professional skills", "professional communication", and "professional ethics" with a desired outcome that our graduates will demonstrate an expanded understanding of the professional responsibilities, the ethical standards of the accounting profession, and the strategic role of accounting in business organizations and society.

The graduate faculty will assess the cases, the oral presentations, and other outcomes as deemed appropriate to determine if the expected outcomes meet expectations. Rubrics developed by the accounting faculty will be incorporated into the AOL process to provide guidance. An indirect measure or indicator of the success of the program includes an increase in the percentage of students obtaining a professional accounting certification (CPA, CMA, CGMA, CGFM, CFE, CIA, etc.).

SECTION VII- CONCLUSION

The accounting faculty at WKU is passionate about fulfilling the Department's mission of "*being a leader in providing excellent accounting education and preparing students for successful and rewarding careers in accounting and business.*" Nine of the 11 full-time faculty members hold terminal degrees and are academically qualified, while the remaining two are professionally qualified. All but one faculty member have some professional certification, and four hold multiple certifications. The faculty is also engaged in quality research that supports the Department's mission.

The Department offers a Bachelor of Science program that is rigorous and well respected. The program provides a strong foundation in technical accounting skills and general business knowledge to prepare graduates for successful careers in public accounting, industry, or government. Program graduates find employment and go on to successful careers. WKU CPA Exam pass rates compare very favorably to our peer institutions and graduates frequently pass the CPA Examination without taking a formal review course. In response to the AACSB Accounting Accreditation Team's recommendation, the Department also implemented a new graduate program in 2012–13. The new MAcc program provides undergraduate students with a seamless, meaningful pathway to satisfy the 150-hour requirement for CPA certification, while also enhancing their communication, leadership, and technical skills. Approximately 20 students are eventually expected to graduate from the program each year.

The Department of Accounting is diverse and committed to excellence in teaching, research, and service. The Department traces its origin to the Bowling Green Business University (BU), a proprietary school that was established in 1888 and was absorbed by Western Kentucky University in 1961. Much of BU's notoriety was attributed to the accomplishments of its numerous successful accounting graduates who were very successful and were recognized as business leaders throughout the region and nation. The graduates of BU widely acknowledged the excellent education they received in accounting at BU under the tutelage of colorful accounting professors such as James R. Meany and J. C. Holland, both practicing CPAs. The BU legacy of excellence has continued at WKU, and in 2009 culminated in separate accounting accreditation by AACSB- International. The Department is proud of this important accomplishment and is committed to continuous improvement and the maintenance of AACSB accreditation. The Department is looking forward to the Maintenance Review Team's feedback and would be happy to provide any additional information requested.