

Memorandum

ECC Agenda Item IV.
April 6, 2011

To : ECC Members

Date : March 28, 2011

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From : Gary McBride, ECC Member
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Subject : Report of the Subcommittee's February 22, 2011 Meeting and Proposal for the 10 Units of Ethics Study Required for CPA Licensure Beginning January 1, 2014

At the January 2011 meeting, the California Board of Accountancy's (CBA) Ethics Curriculum Committee (ECC) continued deliberations on establishing a framework for the 10 units of ethics study that will be required for certified public accountant licensure (CPA) beginning January 1, 2014. The ECC held extensive discussions regarding the impact of recommending less than 10 units of ethics study, the flexibility in allowing courses outside the accounting department, embedded ethics courses, and identifying ethics study courses on college transcripts.

As a result of these discussions and testimony from various stakeholders, a two-member subcommittee (comprised of the authors of this memorandum) was formed to work with staff to draft a framework for the ethics study guidelines and present a proposal at the next ECC meeting. The chair requested that those ECC members that wished to provide the subcommittee with ideas, comments, or framework on the ethics study guidelines should provide them directly to staff.

On February 22, 2011, the subcommittee met with Deanne Pearce, Licensing Division Chief, Dominic Franzella, Licensing Manager, and Cindi Fuller, Licensing Coordinator. For the subcommittee meeting, staff provided comments and suggestions provided by ECC members for the 10 units of ethics study.

Prior to identifying the actual recommendations that comprise the ethics study proposal, the subcommittee would like to provide some background information on the initial discussions the subcommittee and staff had that framed subsequent discussions for developing the proposal. Specifically, the subcommittee and staff discussed the following:

- Intent of legislation as communicated in Senate Bill (SB) 819
- Reliance on transcripts to verify educational requirements
- Embedded ethics content
- Applying the same units to meet multiple educational requirements

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Intent of Legislation as Communicated in SB 819

The subcommittee and staff reviewed the definition of the ethics study guidelines provided for in SB 819. The subcommittee believes the legislative language included in SB 819 allows the ECC considerable flexibility in developing the ethics study guidelines. This belief is underpinned by comments received from the Center for Public Interest Law (one of the primary stakeholders in the development of the final bill language) in its letter to the CBA's Executive Officer dated December 15, 2010, in which CPIL stated, "The law provides for terrific flexibility to the [ECC] as to how to calculate the ten units...".

The subcommittee believes that the Legislature wanted to increase students' exposure to ethics and ethics-related topics, for example, professional values and skepticism, independence, objectivity, and integrity. The law even goes as far as stating that the ethics study guidelines includes "other behavior that is in the best interest of the investing and consuming public and the profession." This appears to allow the ECC tremendous flexibility in identifying possible courses and subjects that could potentially fall within a proposal for the 10 units of ethics study guidelines.

What SB 819 does not do, at least from the subcommittee's perspective, is require, or in any way mandate, that 10 units be comprised of stand-alone courses solely devoted to the topic of ethics or accounting ethics.

Reliance on Transcripts to Verify Educational Requirements

The subcommittee requested that staff provide a brief overview of how the CBA determines applicants have met the educational requirements. Staff informed the subcommittee that the CBA relies on certified college transcripts as the sole documentation to assess applicants' educational qualifications. Upon review of the transcripts, staff stated that it looked for accounting- and business-related course titles and courses with certain designators such as ACC or ACCY. As a result of this information, the subcommittee understood that staff must be able to maintain the present transcript review process when identifying courses to meet the 10 units of ethics study.

Embedded Ethics Content

Early discussions held at both the September 2010 and January 2011 ECC meetings had a heavy focus on embedded ethics content included in existing accounting courses. The need for embedded ethics was further testified to by various college/university faculty members at the January 2011 meeting.

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At first blush, the idea of embedded ethics content seems very appealing. SB 819 specifically permits for this by allowing for portions of courses to qualify toward the ethics study requirement. Further, as noted by ECC members, and as previously noted by testifying faculty members at the January 2011 meeting, ethics content is woven throughout most accounting courses.

However, as the subcommittee explored this topic further, members grew increasingly concerned regarding embedded ethics content being applied to the new ethics study requirement. Three primary issues the subcommittee identified were: (1) properly identifying embedded ethics content, (2) documenting embedded ethics content, and (3) taking from one educational requirement to apply to another educational requirement, thus leaving an applicant short in total.

Properly identifying embedded ethics content proves difficult when one considers that the same course may (and over time, most likely will) be taught by various instructors. Instructors teaching methods, including points of emphasis, change from instructor to instructor; moreover, the materials used during the course often change from instructor to instructor. This divergence is likely further compounded from institution to institution. Thus, an arbitrary quantification of embedded ethics content based solely on the course title does not seem a prudent method for calculating and applying ethics units.

A natural progression of this idea then would be for applicants to possibly substantiate the ethics content by supplying supplemental documentation demonstrating ethics treatment during the course. Aside from the official certified transcript supplied by the college/university, institutions, because of legal liability, are often reluctant to certify anything further – this would include course descriptions provided for in a catalog. Given this limitation, the subcommittee is uncomfortable with attempting to develop a method for calculating embedded ethics content, which the CBA would somehow then need to apply, without some form of certification from a college/university.

As the subcommittee had additional time to reflect on the topic of embedded ethics, another potential pitfall presented itself – namely, the issue of taking from one educational requirement to apply to another educational requirement, thus leaving an applicant short in total. For example, if the subcommittee recommended that all accounting courses that dealt with taxation received one semester unit of ethics, then a three semester unit course could be divided up among the four educational requirements (1) 24 semester units of accounting subjects, (2) 24 semester units of business-related subjects, (3) the new 10 units of ethics study, and (4) the new 20 semester units of accounting study.

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Applying this scenario, a real possibility exists that at the time the CBA reviewed an applicant's transcripts who applied for the Uniform CPA Examination (which only requires completion of a baccalaureate degree and 24 semester units of accounting subjects and 24 semester units of business-related subjects), a taxation course would be counted toward the 24/24 requirement. When the CBA reviews the transcript under the new licensure requirements, one-semester unit of the course could now be applied to the 10 units of ethics study, which could potentially leave the applicant short in the 24/24 requirement required for licensure. In the subcommittee's opinion, this potential benefit does not outweigh the potential problem, with one narrow exception for an auditing class which is discussed as part of the attached proposal.

Applying the Same Units to Meet Multiple Educational Requirements

As staff informed the ECC at its inaugural meeting in September 2010, one of the CBA's directives to both the ECC and Accounting Education Committee was that the newly-required units were to be separate from the existing education requirements. Therefore, the subcommittee recommends the guidelines clarify the 10 units of ethics study be completed in addition to the 24 semester units of accounting subjects, 24 semester units of business-related subjects, and the new 20 units of accounting study.

Taking all of the above issues into account, attached is the subcommittee's proposal for the 10 units of ethics study required for CPA licensure beginning January 1, 2014. As noted in the conclusion of the proposal, the subcommittee understands that this initial proposal offers a starting point from which the full ECC can further expand and refine.

The subcommittee, and staff that participated in the discussion, will be available at the meeting to answer questions.

Attachment



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SUBCOMMITTEE PROPOSAL FOR THE 10 UNITS OF ETHICS STUDY REQUIRED FOR CPA LICENSURE BEGINNING JANUARY 1, 2014

The four areas addressed in the cover memorandum provided the foundation for the proposal that follows. Additionally, throughout the deliberative process, two key components continued to permeate discussions: (1) flexibility to applicants and colleges/universities and (2) feasibility of implementation for the CBA (including staff) for drafting the new requirements and providing succinct and accurate information to applicants.

With this in mind, the subcommittee hereby recommends that the ethics study guidelines for the 10 semester units of ethics study include:

- **Three semester units or four quarter units in an upper division course or courses solely devoted to accounting ethics, accounting fraud, or accountants' professional responsibilities.**
- **No more than seven semester units in a combination of either Un-Capped or Capped courses.**
- **No more than one semester unit be applied to the 10 semester unit ethics requirement for courses devoted solely to financial statement auditing.**

In the following sections, the subcommittee will provide rationale for each portion of the above proposal.

Three Semester Units or Four Quarter Units in an Upper Division Course or Courses Solely Devoted to Accounting Ethics, Accounting Fraud, or Accountants' Professional Responsibilities

SB 819 requires that the recommendation on the ethics study guidelines offered by the ECC take into consideration the International Education Standards-4 (IES-4) of the International Accountants Education Standards Board, the International Federation of Accountants Code of Ethics, and the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct.

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The subcommittee believes that a required course in accounting ethics, accounting fraud, or accountants' professional responsibilities assures that students understand ethical issues confronted by accountants.

With requiring units in an area solely devoted to accounting ethics and/or accountants' professional responsibilities, the subcommittee needed to overcome two potential hurdles. First, a real possibility exists that many colleges/universities do not presently offer a course or courses solely allotted to these topics. With this in mind, the subcommittee recommends that this requirement be phased in, and that applicants will not need to satisfy this specific requirement until January 1, 2016. This should allow colleges/universities sufficient time to develop a coursework for their respective institutions. During this interim period, applicants will be allowed to fulfill the needed 10 semester unit ethics requirement within the areas identified in the following two recommendations.

Second, the subcommittee quickly recognized that requiring a specific area of study that all potential applicants must complete raised an issue of semester versus quarter units that would need to be addressed. As members will notice, the recommendation distinguishes between semester and quarter units. The subcommittee believes this must occur to eliminate the potential impact on quarter unit applicants if only three semester units were accepted.

For example, at the University of California Davis (UC Davis), students are limited to enrolling in 16 units per quarter (four, four-unit courses). For applicants from a quarter-system college/university to receive credit for three semester units in accounting ethics or accountants' professional responsibilities, they would need to complete five quarter units (each quarter unit is equal to $\frac{2}{3}$ of a semester unit).

If applicants took a five-unit course in a single quarter, they would only be able to enroll in two other four-unit courses, without going over the 16 quarter unit maximum. Based on this scenario, for this quarter, applicants would only complete 13 quarter units, thus necessitating applicants to enroll in at least one additional quarter to make up for not enrolling in the maximum number of allowable quarter units.

To offset this potential impact, for the accounting ethics, accounting fraud, or accountants' professional responsibilities coursework requirement, the subcommittee recommends a distinction be made between semester and quarter units. This distinction would only exist specific to this recommendation. For the remaining areas of the ethics study recommendation, the unit totals will be expressed as semester units.

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No More Than Seven Semester Units in a Combination of Either Un-Capped or Capped Courses

In working out how best to allocate the remaining units (seven units for semester applicants and roughly eleven units for quarter applicants), the subcommittee focused on two key factors:

1. Flexibility – both to the students and the colleges/universities, as well as the flexibility allowed for by SB 819
2. How will the CBA identify the courses

For the courses where no unit limitation will be established (Un-Capped courses), the subcommittee identified specific courses closely aligned with the ethics study guidelines, and courses for which there was a high degree of certainty the course title would be clearly identifiable via applicants' transcripts. For courses where a unit limitation will be established (Capped courses), the subcommittee identified departments or subject areas that had a close nexus to SB 819's definition for the ethics study guidelines. The reason for establishing a cap is because it may be that not all of the courses in the departments or subject areas always possess as close a nexus with the ethics study guidelines, coupled with the fact that it may be difficult for staff to identify specific ethics-related course titles.

In identifying the courses that would make up the Un-Capped semester units, the subcommittee considered those courses that would increase applicants' knowledge, skills, and abilities, specifically related to accountants' ethical responsibilities in public practice – namely, decision making, social and ethical responsibilities, and professional and ethical reasoning. As such, the subcommittee recommends that applicants receive a maximum of seven-semester units toward the 10 semester unit ethics study requirement in the following courses:¹

- Business Law
- Ethics, Morals, or Fraud
- Human Resources Management
- Business, Government & Society
- Professional Responsibilities (non-accounting)
- Corporate Governance
- Organizational Behavior
- Management of Organizations
- Business Leadership

With the exception of courses in the Ethics, Morals, or Fraud and Professional Responsibilities (non-accounting), the majority of these courses will be available in Business Departments/Schools at most colleges/universities. In order to provide increased flexibility, for courses outside the Business Departments/Schools, especially

¹ In **Attachment #1**, staff have provided sample catalog descriptions for the courses listed in this section.

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for applicants who earned a non-business or non-accounting baccalaureate degree, the subcommittee believes consideration must be given to departments and subject areas that also will increase applicants' understanding regarding their ethical responsibilities in public practice.

Unlike the Un-Capped courses outlined previously, the subcommittee has elected not to identify specific courses for Capped courses. In selecting the below list of departments and subject areas, the subcommittee reflected on the basic principles these academic disciplines examine. For example, Sociology is the science or study of the origin, development, organization, and functioning of human society, as well as the science of the fundamental laws of social relations. Given that CPAs do not practice in a vacuum, a general understanding of human nature and motivations is crucial to provide the CPA with a framework for ethical reasoning.

With the understanding that several non-business and non-accounting departments and subject areas offer valuable classes that meet the broad ethics study guidelines outlined in SB 819, as part of the maximum seven semester units allowed under this section, the subcommittee recommends that courses completed in the below departments or subject areas be applied. In order to prevent overuse of the courses in a single discipline, and to encourage business-related ethics study, the subcommittee recommends that no more than three semester units be applied from one of the listed disciplines.

- Philosophy
- Sociology
- Cultural, Ethnic, or Diversity Studies²
- Religion
- Psychology

In offering the limitation to the Capped courses part of the recommendation, as noted earlier, the subcommittee recognizes that not all courses within these departments or subject areas have as close a nexus to ethics study as the courses identified in the Un-Capped courses listed previously. Given that only three-semester units from one department or subject area would be applied, the subcommittee believes in many instances this will be a lower division, introductory course that lays the foundation for the general objective, goals, and principles these departments and subject areas seek to instill in students.

The subcommittee considered other departments and subject areas, specifically, law and political science. The subcommittee believed these departments may not possess the same direct nexus to the ethics study guidelines definition outlined in SB 819. The committee may wish to further deliberate if these departments should be added to the list of Capped courses.

² In **Attachment #2**, staff have provided course catalog descriptions for the department/subject areas listed in this section.

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No More Than One Semester Unit be Applied to the 10 Semester Unit Ethics Requirement For Courses Devoted Solely to Financial Statement Auditing

As noted earlier, because of difficulties identifying an accurate quantity for embedded ethics and on the CBA and applicants in validating embedded ethics content, the subcommittee shied away from recommending applying semester units for embedded ethics content. The subcommittee, however, believes that a narrow exception to this option exists.

Accounting courses with content solely devoted to financial statement auditing present an avenue that allows applicants to receive some credit toward the ethics study requirement. The subcommittee recognized that a course focused on auditing would require applicants to receive exposure to the principles of objectivity, independence, and integrity. These principles provide the foundation for the AICPA's Code of Professional Conduct (specifically referenced in SB 819), which CPAs, at a minimum, must adhere to during the practice of public accounting.

Making this recommendation also achieves the increased flexibility that is needed to enact the new ethics study requirement. Similar to the rationale used in creating flexibility for quarter unit applicants by allowing a four quarter unit ethics course to meet the required accounting ethics, accounting fraud, or accountants' professional responsibilities requirement, allowing applicants to receive one semester unit from financial statement auditing courses creates increased flexibility for applicants earning education at semester unit colleges/universities.

For example, since most semester-unit courses are three units, applicants from a semester unit college/university will be one semester unit short after taking three, three semester unit courses. Provided the applicant took a course solely devoted to financial statement auditing, one semester unit could be applied to the ethics study requirement, with the remaining two semester units being applied to any one of three categories: (1) 24 semester units of accounting subjects, (2) 24 semester units of business-related subjects, or (3) the new 20 semester units of accounting study also created as part of SB 819.

The subcommittee understands that the above proposal offers a starting point for further discussion regarding defining the 10 units of ethics study. The subcommittee values input from other ECC members that would further refine and clarify the proposed recommendations. Additionally, for reference purposes, the subcommittee requested that staff make a preliminary draft of the recommendations in regulation format. Staff have provided draft language for **Attachment #3**.

CATALOG DESCRIPTIONS FOR UN-CAPPED COURSES

Business Law

CSU San Bernardino

- **Business Law**
An introduction to statutory and common law developments impacting commercial transactions. Emphasizes principles of contract law and sale of goods under the Uniform Commercial Code. Additional topics include business organizations, commercial paper and secured transactions. (4 units)

UC Berkeley

- **Business Law: Managers and the Legal Environment**
A manager must understand the legal environments which impact business and understand how to work effectively with lawyers. This course addresses the legal aspects of business relationships and business agreements. Topics covered include forms of business organization, duties of officers and directors, intellectual property, antitrust, contracts, employment relationships, criminal law, and debtor-creditor relationships including bankruptcy.

CSU East Bay

- **Business Law for Accountants**
A study of some of the areas of business law tested on the CPA exam. An in-depth study of contract law under the common law, and the regulation of the sales of goods and negotiable instruments under the Uniform Commercial Code. Also covers the professional liability of accountants.

Corporate Governance

UC Davis

- **The Law of Corporate Governance Seminar**
Advanced issues in the governance of publicly held corporations. Separation of ownership and control and how the law has addressed this issue at the theoretical level and in the context of topics such as the duties of corporate directors, shareholder voting rights, and competition among states to attract corporate charters.
- **Corporate Governance**
restricted to full-time MBA students or consent of instructor. Discusses how corporations can better operate in the interests of shareholders and public. Directly relevant to managers, consultants in compensation and incentives, staff working on

mergers and acquisitions, corporate regulators, shareholder rights activists, and board members

Ethics, Morals, Fraud

CSU San Bernardino

- Accounting Law, Ethics, and Institutions
Advanced accounting law topics, ethical standards, and institutions for professional accountants. Emphasis on legal problems encountered in the public accounting profession, including an examination of the ethical standards and the political and regulatory institutions that affect the practice of public accounting.

UC Berkeley

- The Social, Political, and Ethical Environment of Business
Study and analysis of American business in a changing social and political environment. Interaction between business and other institutions. Role of business in the development of social values, goals, and national priorities. The expanding role of the corporation in dealing with social problems and issues.
- Moral Reasoning and Human Action: The Quest for Judgment
This is an interdisciplinary survey course that seeks to understand how we define justice, evil, and individual responsibility in modern society. In particular we are going to probe carefully how humans reflect on and practice the process of moral reasoning. We will focus on human behavior in extreme situations: war, life and death conflicts, genocide and mass killing, as well as competing conceptions of human freedom. The course has a distinctive dual purpose. On the one hand, we want to encourage the learning of critical thinking skills. This includes the ability to systematically evaluate information and competing moral claims. Also, it is intended as an exposure to the interdisciplinary approach. That is, how can different perspectives illuminate the same issue? With this in mind the course draws on important work from philosophy and ethics, social psychology, jurisprudential analysis, historical-political accounts, and personal memoirs.

San Diego State University

- Ethical Decision Making in Business
Theoretical concepts and dimensions of ethics in business decisions. Ethics of decision alternatives using different approaches and philosophies, with application of an integrative ethical decision model to cases from various business subdisciplines.

Organizational Behavior

CSU San Bernardino

- Studies in Organizational Behavior
Review and presentation of selected areas of behavioral science research and its application to management practices. Selected subjects may include: motivation, communication, change and leadership.

UC Berkeley

- **The Information Revolution in Business and Society**
A general descriptive and analytical study of organizations from the behavioral science point of view. Problems of motivation, leadership, morale, social structure, groups, communications, hierarchy, and control in complex organizations are addressed. The interaction among technology, environment, and human behavior are considered. Alternate theoretical models are discussed.

San Diego State University

- **Management and Organizational Behavior**
Human behavior at individual, interpersonal, and group levels including effect of organization structure on behavior. Emphasis on managerial roles, historical evolution of management, ethics, and behavior in multicultural contexts.

Human Resources Management

CSU San Bernardino

- **Human Resources Management**
Policies related to human resources; human resources planning, employee selection and development, performance appraisal, compensation, relationships with unionized employees, collective bargaining.

UC Berkeley

- The designs of systems of rewards, assessment, and manpower development. The interaction of selection, placement, training, personnel evaluation, and career ladders within an on-going organization. Role of the staff manager. Introduction of change. Implications of behavioral research for management problems and policies.

CSU East Bay

- **Human Resource Management**
Fundamentals of strategic human resource management from the perspective of human resources professionals and general managers. Focus on how firms use human resource functions, such as recruitment and selection, training and development, performance management, compensation and benefits, to gain a competitive advantage.

Business, Government & Society

CSU San Bernardino

- **Business and Society**
Evaluation of American business systems; legal and social factors influencing business; role of business in alleviating society's problems; problems and issues of

current concern regarding women and minorities in management, business and society in a global context.

UC Berkeley

- **The Information Revolution in Business and Society**
In the last decade, information technology (IT) has moved from back-office applications aimed at improving productivity to strategic applications that can radically change the dynamics of companies, industries, and economic sectors. This course will explore the technological, economic, and social conditions that have made such “killer apps” possible. Students will learn how to think strategically and entrepreneurially about IT, whether for personal, business, or nonprofit applications.

CSU East Bay

- **Business, Government, and Society**
The relationships between business managers and the social, economic, and political environment within which they operate; business ethics, antitrust policy, social responsibility, and consumer protection.

Business Leadership

UC Berkeley

- **Ethics and Responsible Business Leadership**
This course provides students with the ability to anticipate, critically analyze, and appropriately respond to the social, ethical, and political challenges that face managers operating in a global economy.

Professional Responsibilities (Non-Accounting)

UC Davis

- **Professional Responsibilities of Engineers**
Organization of the engineering profession; introduction to contracts, specifications, business law, patents, and liability; discussion of professional and ethical issues; oral presentations on the interactions between engineering and society.
- **Engineering Design and Professional Responsibilities**
Engineering design including professional responsibilities. Emphasis on project selection, data sources, specifications, human factors, biological materials, safety systems, and professionalism.

Management of Organizations

- Staff was unable to locate any courses with the above title.

CAP COURSE CATALOG DESCRIPTIONS

Philosophy

- University of Southern California
The major in philosophy is designed to acquaint students with the fundamental problems that are debated within western philosophical thought, and to introduce them to the concepts and techniques necessary for independent philosophical thinking. It is equally intended to provide a broadening perspective for the various areas of specialization in the natural and social sciences and in literature and the arts.

In addition to the regular philosophy major, the School of Philosophy offers a major with an emphasis on Ethics, Law, and Value Theory, as well as a Bachelor of Arts in Philosophy, Politics, and Law. Although these majors differ somewhat in their requirements, each is designed (i) to foster an understanding and appreciation of some of the major milestones in the history of Western thought, (ii) to introduce students to leading approaches to ethical, legal, and political problems, and (iii) to acquaint them with one or more broad area of philosophical thought that bears on these issues – including epistemology, metaphysics, philosophy of language, philosophy of action, and philosophy of mind.

- CSU Pomona
The Major fosters the critical thinking skills involved in careful analysis and reasoning, as well as the synthetic skills involved in attempting to achieve the best broad view possible within a distinct area of inquiry (for example, in the natural sciences or in cognitive science) or in general. Such skills in reasoning and synthesis are crucial in a wide range of professions; in fact, such high level cognitive skills are often precisely what employers value most.

The Law and Society Option, in addition to providing a solid background in philosophy, includes courses which apply critical thinking skills to moral, social, and political issues in the law, medicine, the environment, and education. The study of moral and political philosophy, especially, equips students with the tools needed to analyze legal or moral concepts and arguments, and to work toward reasonable solutions to societal problems. This Option offers excellent preparation for those planning careers in law, business, urban planning, and human services.

Religion

- University of Southern California
The course requirements for majors introduce students to the history of the discipline as a whole, as well as making students familiar with a number of key concepts in Religious Studies (such as “comparison” or “experience”). Students are also encouraged to apply their critical skills to current controversies, such as the important role of religions in international relations and global politics. In this way Religion Majors develop a greater understanding of contemporary issues and historical developments through the study of religion.

Through coursework in the Religion major students develop the ability to engage in analysis of religious phenomena using appropriate interpretive approaches. Students learn to formulate a research question relevant to their area of religious inquiry, to understand the application of a theoretical approach to the question, to gather and interpret relevant evidence, and to write a substantive research paper in which the students articulates a clear argument based on that evidence. Thus students in the Religion Major gain greater skills in the confident, persuasive articulation of their insights.

- UC Riverside
Religious Studies at the University of California, Riverside encourages students to become well-informed and independent thinkers prepared to learn and engage in scholarly research techniques, including collection of information and distillation and analysis of data with the help of critical skills and methods. The major requires students to: pay close attention to the facts through careful and unprejudicial reading of texts, have an open attitude toward sources, and make close observation of individual and group behavior. Students also apply critical analysis and interpretation of the data, based on appropriate theoretical and methodological tools, and communicate findings and conclusions clearly and effectively through expository and analytical writing and oral presentation. Religious Studies at UCR develops in students a variety of valuable and transferable skills. These include disciplined attention to the facts (texts, ideas, history, behavior); critical reflection and analysis about claims of meaning and value and about assumptions and methods used in the study of religion; and descriptive and analytical writing about religious history, ideas, motivations, practices, and ethical concerns.

Sociology

- UC Berkeley
Students learn to understand and apply key sociological concepts and social theories, be prepared to use a sociological lens and skills in future endeavors, in the workplace or community, and achieve an understanding of professional, civic, and ethical responsibility.

- **San Diego State University**
We train our students to develop a deep understanding and appreciation of complex social issues such as inequalities in the distribution of wealth and social resources, poverty and transnational migration, social change and political movements, and crime and community reintegration. Sociology majors are well grounded in both classical and contemporary theoretical frameworks, and required to master the basics in both qualitative and quantitative research methods. Our rigorous and theory-driven curriculum is designed to teach our students three things: (1) to think analytically and critically about social structures and processes in an increasingly globalized environment, (2) to formulate sociological inquiries and search for solutions to society's persistent problems, and (3) to articulate a course of action.
- **CSU Pomona**
The Sociology major is designed to provide a substantial foundation in theoretical, methodological, and content areas of sociology, leading to the Bachelor of Arts (B.A.) degree.

Sociology is concerned with the study of human societies and as such touches on most spheres of human behavior. At Cal Poly, Sociology majors study a variety of subject areas including criminology and juvenile delinquency, the family and religious and political institutions, ethnic relations and minority communities, social organization and stratification, population dynamics and gerontology.

The Sociology major is designed to provide a substantial foundation in theoretical and methodological applications to the above content areas. In addition to a solid introduction to these areas, students receive specific training in survey research and statistical analysis, and in the many practical applications of sociological theory.

Psychology

- **CSU Pomona**
The study of Psychology involves a search for knowledge about human and animal behavior as well as the application of this knowledge for the promotion of human welfare. The subject matter of Psychology includes how humans and other organisms perceive, learn, think, develop, and relate to one another at the social level. Students interested in learning about these processes and/or the application of this knowledge to the treatment of the various mental and emotional problems that can develop, should consider majoring in Psychology.

Students majoring in Psychology receive a broad exposure to developmental, social, cognitive, clinical and physiological areas of Psychology, as well as specific training in research methodology and statistics.
- **UC Davis**
The psychology program at UCD is broad and includes students and faculty with a variety of interests. The department has developed five major areas of emphasis:

Perception Cognitive Neuroscience Psychology, which involves the study of awareness and thought, and includes such topics as perception, learning, memory, and consciousness; Psychobiology, which involves the study of the biological correlates of behavior and includes such topics as physiological psychology, sensory processes, health psychology, and animal behavior; Social-Personality Psychology, which involves the study of the individual in his or her social environment and includes such topics as personality theory, abnormal psychology, individual differences, developmental psychology, and social psychology; Developmental, which includes imaging the developing brain, children's psychological understanding or theory of mind (e.g., knowledge about people's thoughts, beliefs, desires, and emotions), children's language development, children's social development; and Quantitative, which includes experimental design and the analysis of variance, regression analysis, and multivariate analysis.

Cultural, Diversity & Ethnic Studies

- **UC Riverside**

Ethnic Studies is the systematic and comparative study of the social construction of race, racism, and racial or ethnic subordination, and the history, culture, and contemporary experiences of the four major racial/ ethnic groups in the United States. Ethnic studies students examine inter- and intra-group differences and commonalities in history, culture, racism, the impact of law, and social inequality in contemporary society on the various groups. Also examined are conflicts, tensions, and the building of effective inter-group coalitions and alliances among racially subordinated groups.

Our focus is on social justice: on the histories of slavery, colonialism, segregation, economic exploitation and the continual forms of resistance people of color have developed in the struggle for civil, legal, and human rights. As an interdisciplinary field, students are trained in the research skills needed in traditional disciplines: history, literature, politics, sociology, psychology, law, and to develop their own independent analytic abilities of investigation. The major enables students to study race and ethnicity in comparative perspective and in a global context, to gain greater multicultural insight and understanding, and to prepare them to enter the workforce and function effectively and critically as informed citizens in a diverse multicultural society.

- **University of Southern California**

The Department of American Studies and Ethnicity (ASE) integrates humanistic and social scientific perspectives and brings them to bear on an examination of the United States with a particular emphasis on comparative study of the peoples, cultures, history, and social issues of the Western United States. ASE includes multiple academic disciplines in both the humanities and social sciences to critically examine American culture and racial, ethnic, and gender inequalities towards social change and social justice. Learning objectives include: knowledge of the changing theoretical and empirical debates in the study of such central areas of society as race, class, gender, sexuality, and religion and how such scholarly debates impact

the study and analysis of social issues; an understanding of the diverse peoples and cultures that have composed the United States and critical perspectives on the cultural and material practices that have shaped this country in its regional, ethnic, class, and gender diversity; knowledge of a range of theoretical frameworks in the field and the ability to evaluate empirical evidence to provide the skills to analyze social issues in society and to be a critical reader of published research.



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Attachment #3

**DRAFT REGULATORY LANGUAGE
FOR THE 10 UNITS OF ETHICS STUDY**

Section ___ Education Required Under Business and Professions Code Section 5093 to Apply for Certified Public Accountant License. (Effective January 1, 2014)

(a) An applicant applying for CPA licensure after December 31, 2013, in addition to meeting the 24 semester units of accounting described in Section 9.2(b) and the 24 semester units of business-related subjects described in Section 9.2(c), shall, to the satisfaction of the Board, provide documentation to the completion of an additional 20 semester units of accounting study as described in Section ___ and 10 semester units of ethics study as described in Section ___.

(b) Satisfactory evidence as to educational qualifications shall take the form of certified transcripts of the applicant's college record, mailed directly to the Board from the educational institution; however, in unusual circumstances the Board may accept such other evidence as it deems appropriate and reasonably conclusive. For foreign education, in addition to certified transcripts of the applicant's college record, satisfactory evidence usually takes the form of an evaluation of educational credentials by a credentials evaluation service approved by the Board pursuant to Section 9.1.

(c) For purposes of Section ___, ___, and ___, one quarter unit is equivalent to two-thirds of one semester unit.

Section ___ Ethics Study Required Under Business and Professions Code Section 5094. (Effective January 1, 2014)

(a) In order for an applicant to satisfy the 10 semester units of ethics study, he/she must meet the requirements described below.

(b) Completion of a minimum of three semester units or four quarter units in a course or courses at an upper division level or higher solely devoted to accounting ethics, accounting fraud, or accountants' professional responsibilities.

(1) This requirement must be met by applicants submitting an application after December 31, 2015. Applicants submitting an application after December 31, 2013 but no later than December 31, 2015, must complete the 10 units of ethics study in courses or subjects outlined in subsection (c) below.

(c) The remaining semester units may be completed in any of the below courses or subjects.

(1) Courses in the following: business law; corporate governance; ethics, morals, or fraud; organizational behavior; human resources management; management of

organizations; business, government and society; business leadership; and non-accounting courses specific to professional responsibilities.

(2) Courses in the following subjects that provide applicants with a framework of ethical reasoning, professional skepticism, and other behavior that is in the best interest of the investing and consuming public, and the profession: Philosophy; Religion; Sociology; Psychology; and Cultural, Ethnic, or Diversity Studies. No more than three semester units can be applied from one single subject.

(3) Applicants may obtain credit for a maximum of one semester unit of ethics study for completion of a course specific to financial statement audits. This one semester unit may not be claimed in conjunction with the 20 semester units of accounting study as described in Section ____.