

MINUTES
AUDITING SECTION EXECUTIVE COMMITTEE MEETING
Tuesday, August 7, 2007
4F 4th Floor Conference Room
Hilton Chicago

The Executive Committee of the American Accounting Association Auditing Section was called to order at 7:15 AM by Mark Peecher.

Persons attending:

Ray Whittington, Past President

Mark Peecher, President

Audrey Gramling, Vice President -- Academic

Urton Anderson, Historian

Julia Higgs, Secretary

Mark Taylor, Treasurer

Trevor Stewart, Vice President - Practice

Welcome to New Officers

Mark Peecher welcomed, Mark Taylor, Audrey Gramling and Urton Anderson. Mark Peecher suggested that they call on the past officers if they have questions. The meeting times of the executive committee were discussed. The next meeting will be on Thursday morning before the mid-year meeting.

Mark Beasley will be coordinating the planned Excellence in Auditing Education workshop to precede the midyear meeting. Bob Ashton and Tim Bell have agreed to participate. Trevor noted that practitioners will need to be identified and locked in early due to the timing of the meeting.

Follow-Up on Open Issues Following Sunday's Meeting

Developing a relationship with the Center for Audit Quality.

The section will pursue establishing a relationship with the CAQ for improving audit quality and conducting research on improving quality. The Practice Advisory Committee has historically been asked to facilitate access to data for research. Because the mission statement of the CAQ includes advancing audit research, members of the PAQ have suggested that the CAQ is a natural ally in this role. Trevor and the entire Executive Committee agreed that there really needs to be a better relationship between practice and the academy and that both groups would benefit from this.

Efforts to allow access to data:

Ray Whittington indicated that there are efforts under way to have the AICPA Code of Conduct changed so that academic researchers could have access to client data without the firms violating the Code of Professional Conduct.

Invited Articles for Current Issues in Auditing

The luncheon speaker (CEO of Grant Thornton) was asked if he could embellish and submit his top ten list of audit research issues to *Current Issues in Auditing*. The Executive Committee observed it likely would be valuable if CEOs of the large firms were asked to provide their views of current audit research topics. Ira Solomon is interviewing the CEOs for insights and will also be talking to them about access to data.

Role of the PAC:

Trevor noted that the PAC was not meeting regularly and that in the past the group had had difficulty in meeting one facet of its mission: enabling and/or providing access to data for audit research. In [the short term, he agreed to keep the PAC running in its present form until its role is better defined](#). Other roles, other than access to data, include getting them to speak at the meetings as panelists. Urton Anderson mentioned that having some internal auditors on the PAC might be useful, however this will be pursued after the role of the PAC is clarified.

AJPT on SSRN :

Ray Whittington said that Carol Smith emailed and let him know that the auditing journal has not been posted to SSRN in about a year. Ray will contact Tracey Sutherland at the AAA to follow up on this.

On-line Journal

It is important to get the online journal into Cabell's Directory. Mark will contact Dana Hermanson about following up on this.

Committee Charges:

Communications Committee

- They have identified the groups to get information on journals. Send the list an email about new journal
- Update the web page

Executive Committee:

- The committee needs to create a calendar/timeline for award committees. Ray will take the first pass at this task.

Membership committee

- Analyze AAA survey data

Research Committee

- Offer assistance to AAA in developing a useful taxonomy for audit research (instead of one bucket for audit).

Mid-year Committee

- Hotel name change from Marriott to Sheraton in Austin will not pose problems as the same management company/team is in place.
- Plenary speakers – Mike Ryan from the Chamber of Commerce has agreed to serve as a plenary speaker. The meetings co-chairs Roger Martin and Gary Peters had approached Barry Minkow but he has declined to speak at the reduced rate offered him (\$2,500 vs. his normal fee of \$10,000). The committee has decided that we will not offer any more for Mr. Minkow's speaking services. The Executive Committee enthusiastically decided to pursue Joe Wells as a plenary speaker. Urton agreed to try to approach Joe Wells during the remainder of Chicago annual meeting.
- Update on doctoral consortium – Although prior auditing doctoral consortia featured sessions devoted to analytical research in auditing, there was not a session on analytical research at the 2007 consortium. Thus, current plans for the 2008 consortium is to include a session on analytical research. Vicki Hoffman and Mark Zimbelman are coordinating this consortium.

Improving audit education:

The XC brainstormed on how to enhance the success of people choosing to teach auditing and conduct research in auditing. One promising idea that emerged from the discussion is planning a one-week boot camp for audit education/research that would involve some of the same training that the CPA firms provide to their staff. Ray will pursue a dialogue with the Chief Learning Officers at the CPA firms about what they include in their training materials. The current plan is to try to hold our first Audit Section boot camp in summer 2008 in Chicago, likely in conjunction with DePaul University. The camp will be designed to provide new and existing faculty institutional knowledge about the audit profession and the conduct of an audit as well as provide opportunities for the vetting of audit research ideas and early projects.

Other conjectured trends in audit education were discussed:

1. Accounting faculty members who have audit experience still often do not teach auditing, in part because their Universities want their strongest instructors to be showcased in their MBA program(s). This contributes to the shortage of outstanding auditing instructors with an academic orientation.

2. New entrants to Ph.D. Programs from other countries often do not have institutional knowledge about auditing and/or the regulatory environment that exists in the United States.

Other ways to improve the success with auditing faculty:

1. Expand the new scholars program
2. Have sessions at meetings on experimental research to discuss the research design before the experiments have been completed to identify potential problems.