



THE AUDITOR'S REPORT

Volume 28, No. 1
Fall 2004

AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

Report of the President

Linda McDaniel



Last year, as Vice President-Academic, I marveled at the contributions and accomplishments of the Executive Committee and of so many members who are actively engaged in our Section's activities. I will review a selection of these activities, but first I wish to

thank all of the members of the Auditing Section for providing me this opportunity to serve as president during the coming year. It is an honor to work with such talented and dedicated individuals. I will do my best to follow the consistently high standards established by my immediate predecessor, Jean Bedard, and those before her. Also, on behalf of the Auditing Section, I would like to personally and publicly acknowledge the outgoing members of the Executive Committee, Joe Carcello—Past President, and Bill Dilla—Secretary, for their outstanding service. Both worked diligently on our behalf, but did so modestly and in a seemingly effortless manner. It is a bit misleading, for Joe created enough initiatives to keep himself (and the rest of us) busy for quite some time. Bill somehow kept up with all of these, plus some, so that nothing

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fell through the cracks (he truly acted as a very effective internal control). While their contributions to the Section would likely qualify for a separate publication in this issue, neither would feel comfortable, I am sure, with any more than a heartfelt thank you. So, to you both, on behalf of the Section, I offer our sincerest gratitude.



Past President Jean Bedard passes the gavel to incoming President Linda McDaniel at the AAA Annual Meeting in Orlando

I also would like to welcome our two newest members of the Executive Committee: Mark Beasley as Vice President–Academic and Kay Tatum as Secretary. Both are already hard at work, in spite of Kay's recent evacuations from Florida because of Charley, Francis and Ivan! Finally, it is a privilege to acknowledge our returning Executive Committee members. Scott Showalter (KPMG LLP), Vice President–Practice; Jeff Cohen, Treasurer; Karen Pincus, Historian; and Jean Bedard, our Past President. I am very fortunate to be able to serve with such dedicated and distinguished colleagues.

Our Section is the largest of the AAA's sections and is extremely active on numerous fronts. We have much to be proud of and so much to look forward

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to. I would like to highlight just a few of our recent, ongoing, and planned activities. Our most recent activity was the AAA Annual Meeting in Orlando. The Auditing Section was well-represented, as issues related to auditing and assurance services continue to grow in importance. There were 38 auditing papers presented at 13 concurrent sessions, with four sessions dealing with SOX and Corporate Governance issues; we had 14 papers in the research forum and had two panel sessions. The two panels were "Preparing Students for Today's Audits" and "Internal Auditing and the Sarbanes-Oxley Act of 2002: Lessons Learned and the Implications for Education and Research," both of which address challenges that auditing educators face. In addition, our Section and members were involved in several of the CPE offerings. I would like to acknowledge the efforts of Mike Ettredge (University of Kansas) and Bryan Church (Georgia Institute of Technology), Director and Assistant Director of the 2004 Annual Meeting Committee, respectively; and Greg Burton (Brigham Young University), Director of CPE; and thank the many members who submitted or volunteered to review papers.

We owe our appreciation to our annual meeting luncheon speaker, Andy Bailey, currently serving as Deputy Chief Accountant in the Office of the Chief Accountant of the SEC. Andy's engaging talk and the subsequent Q&A focused on rebuilding trust in the accounting profession. Andy began by stating that trust in the accounting profession can improve only if we *all* do our jobs, and encouraged us to be more constructively critical of the profession than we have been, using our research findings as our basis — even if the results are not what the profession wants to hear. In the current professional environment, we have growing opportunities to be involved in shaping our profession through both teaching and conducting

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Spring 2005 Issue Deadline

The deadline for material to be included in the Spring 2005 issue of *The Auditor's Report* is January 31, 2005. The preferred format is a Word file attached to an email message. We also are open to any proposals for materials that anyone would like to submit. Please send all material and proposals to the Editor at the address below by January 31, 2005 to ensure timely publication of the issue:

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The address of the Auditing
Section's Home Page on the
World Wide Web is:
<http://raw.rutgers.edu/raw/aaa/audit/>

practice-relevant research.



Andy Bailey speaking at the Auditing Section Luncheon at the AAA Annual Meeting in Orlando

Traditionally, each incoming President sets forth one or more goals for the Presidential term. In the upcoming year, my initiatives will be aimed at addressing two broad challenges. The first challenge is to find ways to assist faculty in better training future auditors for the profession, and to promote our ability to conduct relevant research on auditing and assurance services. The second challenge relates to a AAA initiative begun by Bill Felix, to find solutions to problems of declining AAA memberships and reduced Ph.D. enrollments in accounting. Thus, one of my initiatives is to create situations for our members and the profession, including policy boards, to interact in ways that will foster teaching and research opportunities. This dovetails with two broadly-stated objectives begun under Joe Carcello's and Jean Bedard's Presidencies — to gain greater exposure to regulators and standard setters for auditing-related research and to develop a relationship with the PCAOB. I also hope to increase the value of the section to a greater number of educators by expanding outlets for sharing practice-relevant research and by promoting the importance of the efforts of our Section in shaping policies and regulations, thereby addressing our second challenge.

Related to the first initiative, I am pleased to announce an inaugural joint symposium between the PCAOB, the Auditing Section, and the AAA to be held December 9th and 10th of this year, at the PCAOB offices in Washington, DC. The PCAOB is inviting approximately 30 academics for a one and one-half day symposium that will allow both sides to address important issues affecting the accounting and academic professions. We will try to make the content of the symposium available to all members of the Section. I would like to thank the academic members of the planning committee: Bill Kinney, particularly for his vision, and Zoe-Vonna Palmrose, as VP–Research for the AAA, for her instrumental efforts in making possible this symposium. In addition, I would like to gratefully acknowledge Gary Holstrum, Associate Chief Auditor and Director of Research for the PCAOB (and Auditing Section member), for moving the joint symposium proposal from a dream to a reality.

Presently, the Auditing Section is proactively engaged in other initiatives aimed at creating opportunities for our members, the profession, and regulators to interact in

ways that foster teaching and research opportunities. Working behind the scenes is the Section's Practice Advisory Council (PAC). Created last year, the PAC is now staffed with representatives from all Big 4 accounting firms, BDO Seidman, Grant Thornton, McGladrey & Pullen, the AICPA, the GAO, the IIA, and the IAASB. PAC members working on our Education and Research Committees (chaired by Eric Johnson and Mike Willenborg, respectively) serve valuable roles in facilitating these opportunities. Recently, the Education Committee and PAC Education Initiative Task Force sponsored a panel at AAA and are now working on finding ways to share the accounting firms' educational and training materials with academics. For example, KPMG, through its 404 Institute, is making available a new Self-Guided Review of PCAOB Auditing Standard No. 2. The review defines the key terms used in the Standard and provides information important to teaching the process of auditing and reporting on internal control. The Education Committee also is investigating the demand for and feasibility of creating an on-line journal to distribute teaching- and practice-relevant information in a timely manner. We hope to present a report from this committee at the Business Meeting at our upcoming Midyear Conference in New Orleans.

The Research Committee and PAC Research Initiative Task Force are actively evaluating research proposals submitted this summer on two topics deemed highly relevant to current practice: internal control assessment under the Sarbanes-Oxley Act and risk assessment. The PAC, with its direct firm / organization connections, plans to sponsor selected proposals by facilitating researchers' access to personnel and / or non-confidential data.

Other committees actively working on initiatives include the Auditing Standards Committee (ASC), under the leadership of Roger Martin. The ASC will respond to proposed ASB, PCAOB, and IAASB standards, as appropriate, and publishing its comment letters on the Section's web site. The Communications Committee, chaired by Kenny Reynolds, is presently looking into the possibility of developing a searchable index for *The Auditor's Report*. This would be a valuable resource to the members given the increasing number of relevant articles related to both teaching and research. Julia Higgs is spearheading our largest committee, that of Memberships and Regions. Julia and her committee are actively working to increase the value of all meetings to the general membership as well as increase the section membership itself. This committee also is working with the Education Committee on assessing the feasibility of the on-line teaching and practice journal.

Finally, the co-chairs of our 2005 Midyear Conference Program planning committee, Mark Peecher and Billy Soo, and their committee members are putting together an exciting program for the Auditing Section's 11th annual Midyear Conference (MYC), to

be held on January 13–15th, 2005 in New Orleans. For our plenary session on Friday morning, they have lined up Cynthia Cooper, *Time Magazine's* 2002 Person of the Year, and Glyn Smith, both of WorldCom internal audit / whistle-blowing fame.

This year, our MYC includes a special anniversary event you will not want to miss. On the Thursday preceding the MYC, a date normally reserved for CPE, we will commemorate the 25th anniversary of *Auditing: A Journal of Practice and Theory*. Bill Messier, current Editor of *AJPT*, proposed a one-day conference consisting of three invited and three competitive papers, to be published in a supplemental issue of *AJPT*, to observe this milestone. Thank you, Bill, for your generosity on multiple accounts to make this happen. Following the paper sessions, everyone will be invited to a celebratory buffet dinner / welcome reception. The registration form and additional information are located within this issue of *The Auditor's Report*. All events are included in a single registration fee (the same as last year). Please be sure to mark your form to indicate those events you will attend, so that we can properly plan an outstanding MYC for all and avoid paying unnecessary meal costs (and avoid raising registration fees in the future).

The day before the MYC, the Auditing Section and KPMG LLP will sponsor our annual Doctoral Consortium. Mark Nelson, Chair of the 2005 Doctoral Consortium Committee, has developed a program designed to benefit any doctoral student, regardless of research interest and / or stage in the program. Because of the generous sponsorship of the KPMG Foundation, the Consortium is free to doctoral students, including one free hotel night, meals, and a special reception on the day of the Consortium. To encourage doctoral students to attend the MYC, their registration fee for the balance of the meeting is only \$25. Please encourage your doctoral students to attend, as this is a wonderful opportunity both for learning and for making contacts that they will value throughout their careers. As an added incentive, the Auditing Section offers complimentary AAA and Section memberships for up to two years for all doctoral consortium attendees.

Looking ahead to 2006, the Auditing and International Sections will hold their Midyear Conferences jointly. We plan to have several joint conference sessions and receptions, including some joint sessions for our doctoral consortium attendees, while still maintaining the integrity and value of our traditional MYC. Although we are still in the process of identifying a suitable venue, the planning committees (co-chaired by Mark Defond and Todd DeZoort from the Auditing Section side) are already hard at work. We are excited about the possibilities for sharing ideas and expanding our own boundaries.

In closing, I wish to offer my sincerest thanks to all of the many Section members who contribute their time, effort, and creativity to make us the successful Section that we

have become. There are so many worthy, behind-the-scenes activities not highlighted in this letter that could only occur with the generosity of our volunteers. My gratitude to you all! I also wish to thank you again for providing me the opportunity to serve as President this year. Please feel free to contact me, or other Section officers and committee chairs, if you have comments or questions regarding Auditing Section activities. Our activities and contact information are on the Section's web site, expertly maintained by Glen Gray and reported in *The Auditor's Report*, which is diligently edited by Rich Houston and Jim Bierstaker. If you have the opportunity, please thank these individuals as they truly do a wonderful job. I am looking forward to seeing you all in New Orleans!



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AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

DRAFT

ASB Update as of September 15, 2004

**William F. Messier, Jr., Georgia State University
Academic Member of the Auditing Standards Board**

Since my last report, the Auditing Standards Board (ASB) and the Audit Issues Task Force (AITF) have met once. The ASB agenda covered four topics: risk assessment, the use of specialists, the audit report, and audit documentation while the AITF focused on possible revisions to reporting on internal control for nonissuers and the anti-fraud task force. The ASB has undertaken an ambitious agenda.

I will address the ASB's work regarding the following topics:

- Risk assessment
- Internal control
- The use of specialists
- International Auditing Standards Subcommittee

Risk Assessment Task Force

Prior to the formation of the PCAOB, the ASB was working on a set of exposure drafts addressing risk assessment in conjunction with the International Auditing and Assurance Standards Board (IAASB). In October 2003, the IAASB approved three international standards on auditing (ISAs) related to risk assessment. The ASB's risk assessment task force currently is revising the previously issued risk assessment exposure drafts and plans on issuing final standards in 2005.

Faculty involved in teaching and research in auditing should look carefully at these exposure drafts. The proposals lay out the auditor's risk assessment process and substantially revise the framework for assertions and evidence. For example, the

proposed standard on evidence creates three categories of assertions, one each for transactions, account balances, and disclosure.

Internal Control Task Force

The internal control task force has been working on implementation issues related to reporting on internal control over financial reporting. The task force will be addressing revisions to SAS No. 60 — Communications of Internal Control-Related Matters and AT 501 — Reporting on Internal Control. With the passage of PCAOB Auditing Standard No. 2, both of these documents require revision.

Specialist Task Force

Auditors' use of specialists has increased and evolved since the issuance of SAS No. 73, primarily as a result of the more complex environments and transactions that exist today. During the development of recently issued auditing standards, task forces have expressed concerns regarding the consistency and sufficiency of auditing guidance on the use of specialists. Some of the concerns stem from the various roles of a specialist (member of the engagement team, consultant to the auditor, independent consultant to the client, or employee of the client) and the nature and extent of audit work necessary when the auditor intends to use the work of a specialist. Other concerns relate to the use of specialists in areas that may be very complex, such as information technology, fair value measurements, and valuations in highly specialized industries.

The specialist task force is preparing two exposure drafts that will be presented to the ASB at its next meeting. The two exposure drafts are entitled:

- Using an Outside Specialist to Assist in the Audit.
- Using the Work of Management's Nonemployee Specialist.

International Auditing Standards Subcommittee

The objective of the International Auditing Standards Subcommittee (IASS) is to support the development of international auditing standards. Subcommittee activities include providing technical advice and support to the AICPA representative and technical advisors to the International Auditing and Assurance Standards Board, commenting on exposure drafts of international assurance standards, participating in and identifying U.S. volunteer participants for international standard-setting projects, identifying opportunities for establishing joint standards with other standard setters,

identifying international issues that affect auditing and attestation standards and practices, and assisting the ASB and other AICPA committees in developing and implementing AICPA international strategies.

The IASS meets one to two weeks before the IAASB meetings. The Subcommittee discusses the items on the IAASB's agenda and provides guidance to the U. S. representative (John Fogarty). The IASS has held two 1½ day meetings since my last report. Generally, a representative of IOSCO and the PCAOB attend IASS meetings.

Items currently on the IAASB's agenda that may be of interest to auditing academics include materiality, accounting estimates, audit reporting, and audit documentation. IAASB agenda materials are downloadable at their web site <http://www.ifac.org/IAASB/>.

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Officer Nominations for 2004–2005

The Section is holding elections for Vice President–Academic and Treasurer. There are two candidates for each office. Voting is online from October 1, 2004 through November 30, 2004. Below are biographies for each of the candidates. You can vote online at: <http://aaahq.org/ballots/Aud2004/ballot2004.cfm>

Nominees for Vice President–Academic (President-Elect)



Mohammad J. Abdolmohammadi (Ali) is the John E. Rhodes Professor of Accountancy at Bentley College. He has a doctorate in business administration from Indiana University and is a Certified Public Accountant. He has formerly taught at Indiana University, Boston University, and the University of Illinois at Chicago. His teaching includes auditing and methods and practices of professional research. Having interest primarily in behavioral auditing and ethics research, Ali has published regularly in *Accounting and Business Research*, *The Accounting Review*, *Advances in Accounting*, *Auditing: a Journal of Practice and Theory*, *Behavioral Research In Accounting*, *Contemporary Accounting Research*, *Journal of Business Ethics*, *Organizational Behavior and Human Decision Processes*, among others. He has served or is currently serving on the editorial boards of several journals including AAA's publications *The Accounting Review* and *Auditing: a Journal of Practice and Theory*. Also, Ali has served on many committees including the Program Director for the Auditing Section of the AAA annual meetings (1994–1996), the Auditing Section's Liaison Committee with the Auditing Standards Board (1994–1997), the Outstanding Auditing Dissertation Award Committee (Chair, 2001–2002), the Innovation in Auditing and Assurance Education Award Selection Committee (Chair, 2003–2004), and the Outstanding Service to the Auditing Profession Award Committee (member, 2004–2005) of the American Accounting Association.



Ray Whittington (Ph.D., CPA, CMA, CIA) is the Ledger & Quill Director of the School of Accountancy and MIS at DePaul University. Prior to joining the faculty at DePaul, he was the Director of the School of Accountancy at San Diego State University. From 1989 through 1991, Ray was the Director of Auditing Research for the American Institute of Certified Public Accountants (AICPA), and he previously was on the audit staff of KPMG. Ray was a member of Auditing Standards Board of the AICPA (1998–2002). He has previously served as a member of the

Accounting and Review Services Committee of the AICPA, the Board of Regents of the Institute of Internal Auditors, and chairman of the Auditing Standards Committee of the Auditing Section of the American Accounting Association. His research has been published in *Auditing: A Journal of Practice and Theory*, *Journal of Accounting Research*, *The Accounting Review*, *Accounting Horizons*, *Abacus*, *The Journal of Accountancy*, and *Financial Executive*. Ray also has published a number of textbooks and monographs.

Nominees for Treasurer

Kathryn Kadous is an Associate Professor at the Goizueta Business School at Emory University, where she teaches auditing, financial accounting, and a doctoral seminar in research methods. She earned a Ph.D. from the University of Illinois at Urbana–Champaign. Professor Kadous' research focuses on judgment and decision-making issues in accounting, with a focus on how auditors' and managers' incentives influence their cognitive processes. Her research has been published in *The Accounting Review*, *Contemporary Accounting Research*, *Organizational Behavior and Human Decision Processes*, and *Auditing: A Journal of Practice and Theory*. She serves on the editorial board of *Auditing: A Journal of Practice and Theory*.



Mark Taylor is an associate professor of accounting at Creighton University's College of Business Administration in Omaha, NE where he holds the John P. Begley Endowed Chair in Accounting and teaches courses in auditing and fraud examination. Mark has previously held appointments in the University of South Carolina's Moore School of Business, and the College of Business Administration at the University of Nebraska, Lincoln. In the Spring of 2004, he was a visiting associate professor in the Brigham Young University School of Accounting and Information Systems.



Mark earned his Ph.D. from the University of Arizona in 1994 and his research has been published in *Contemporary Accounting Research*, *Auditing: A Journal of Practice and Theory*, and *Accounting Horizons* among others. Under his service as editor of the Auditing Section's newsletter *The Auditor's Report*, the newsletter marked its 25th anniversary and was transitioned from paper format to electronic format. He is also former associate editor of the newsletter (1997–1999). Mark serves on several editorial boards and has received the Vernon K. Zimmerman Outstanding Paper Award from the Center for International Education and Research and a teaching award from Beta Alpha Psi.

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ELEVENTH ANNUAL MIDYEAR AUDITING SECTION CONFERENCE

and

25th ANNIVERSARY CONFERENCE OF AUDITING: A JOURNAL OF PRACTICE & THEORY

The Eleventh Annual Midyear Auditing Section Conference and the 25th Anniversary Conference of *Auditing: A Journal of Practice & Theory* will be held in New Orleans, Louisiana on January 13-15, 2005.

The 25th Anniversary Conference of *Auditing: A Journal of Practice & Theory* will be held on January 13. The 25th Anniversary Conference will include sessions that examine past auditing research and will include research papers on current audit topics. There will be a celebratory dinner the evening of the conference. There is no additional cost to register for the 25th Anniversary Conference, and it is open to everyone.

The annual Auditing Section Midyear Conference will commence on January 14. On Friday morning, Cynthia Cooper, *Time Magazine's* 2002 Person of the Year and WorldCom whistleblower, will be our plenary speaker. She will be joined by Glyn Smith, Director of internal audit at MCI, who was also instrumental in uncovering the fraud. On Saturday morning, a plenary panel co-sponsored by the Auditing Standards Committee and the Practice Advisory Council will address the topic, "Auditor Independence." In addition to concurrent research and teaching sessions on a wide variety of contemporary topics related to audit, attestation and assurance practices, education, and research, the meeting will include panel sessions by the Institute of Internal Auditors on corporate governance, and by the Auditing Section Research Committee on the "AJPT Editor's Perspective on the Past, Present and Future of Auditing Research." We also anticipate excellent panel sessions sponsored by Auditing Section Education Committee and the IAASB and GAO. No separate CPE sessions are planned for the conference; the 25th anniversary conference and the Midyear concurrent sessions will qualify for CPE credit.

The conferences will be held at the **Astor Crowne Plaza**. Located at the gateway to the French Quarter where Bourbon Street meets Canal Street, **The Astor Crowne Plaza** allows for quick access to both the excitement of Bourbon Street and nearby downtown attractions of Harrah's Casino, Aquarium of The Americas, Riverwalk Shopping Center, Morial Convention Center, New Orleans Sports Arena and the Superdome.

The Astor Crowne Plaza
739 Canal at Bourbon Street
New Orleans, LA 70130
Toll-free reservations: 1-888-696-4806
Tel: 1-504-962-0500 Fax: 1-504-962-0503
www.astorcrowneplaza.com

Block Rate: A limited number of rooms have been reserved for Auditing Section Midyear Conference attendees at a special conference rate of \$145 per night. It is strongly recommended that attendees make hotel reservations early to take advantage of the special room rate due to limited availability (the block rate expires December 12th).

The hotel requires that all reservations be guaranteed by either major credit card or first-night cash deposit. Individual guest room deposits will be refunded if reservations are cancelled seventy-two (72) hours prior to the day of arrival. Non-cancelled room reservations will not be refunded.

Driving from the New Orleans International Airport, Take I-10 East bound to I-10 New Orleans Business District, continue for approximately 2 miles to the St Charles Avenue Exit. As you exit, stay in the left hand lane and at the first traffic light, take a left onto Carondelet Street. Stay on Carondelet until you reach Canal Street. Take a right onto Canal Street (the hotel is on your left as you make this turn) and get into the left lane. Make the first u-turn available on Canal Street and circle back to the hotel at 739 Canal. Valet parking is available for \$22 per day.

Airport Shuttle (<http://www.airportshuttleneworleans.com/>): Prices are \$26.00, round-trip for 1 or \$24.00 round-trip for 2 or more people; for one-way, \$13.00 for 1 or \$12.00 for 2 or more people. For more information, call 1-866-596-2699 or (504) 522-3500. Pickup and ticket purchases can be made on the lower level outside of baggage claim. Airport Shuttle also provides a limousine service by reservation. A stretch limo is \$90.00 and can accommodate six people.

Taxi: Typical charge from the airport is \$28.00 for one or two people and \$12.00 per person for three or more passengers. Pickup is on the lower level, outside of baggage claim.

Information on-line: All conference information also available at: http://aaahq.org/meetings/2005AUD_meetinginfo.htm

American Accounting Association
Auditing Section 2005 Mid-Year Conference including the AJPT 25th Anniversary Conference
January 13 - 15, 2005 – New Orleans, LA
Registration Form

Member ID#: _____ Full Name: _____

Nickname for badge: _____

University Name or Affiliation: _____

Mailing Address: _____

City: _____ State: _____ Country: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

Early Registration for Auditing Section Member (on or before December 12, 2004).....	\$150.00	_____
Auditing Section Member (after December 12, 2004).....	\$170.00	_____
Non-Member of Auditing Section*.....	\$185.00	_____
Doctoral Student		
Registration for Meeting only	\$ 25.00	_____
Registration for Meeting and Auditing Doctoral Consortium on January 13, 2005	\$ 25.00	_____
Registration for Auditing Doctoral Consortium on January 13, 2005 only	\$.00	_____

Total Amount Paid: \$ _____

(Fee includes registration for the meeting and conference, and all meals and receptions from Thursday through Saturday.)

- _____ I plan to attend the AJPT 25th Anniversary Conference and the Thursday luncheon (You must check this if you plan to attend. Tickets to these sessions will be required.)
- _____ I plan to attend the Thursday buffet dinner / welcome (reception).
- _____ I plan to attend the Friday luncheon.
- _____ I plan to attend the Saturday luncheon.
- _____ I plan to attend the Saturday closing reception.
- _____ I request vegetarian meals.

*Members of the American Accounting Association who are not already members of the **Auditing Section** may allocate \$35 of their registration fee to **join the Auditing Section**. Membership in the Auditing Section includes subscriptions to *Auditing: A Journal of Practice & Theory* and the Section's newsletter.

_____ I am an American Accounting Association member and would like to allocate \$35 of my registration fee to join the Auditing Section.

Name on Credit Card: _____ Signature: _____

Card Number for VISA or MC (only) _____ Exp. Date: _____

If you are paying by credit card, you can fax this form to: (941) 923-4093. If paying by check, please make check payable to the American Accounting Association and mail along with the completed application form to the:

American Accounting Association
5717 Bessie Drive
Sarasota, FL 34233-2399

Cancellation Policy

All cancellations must be received in writing at AAA in order to be processed. Cancellation requests received after December 12th will incur a \$25 cancellation charge. No refunds will be available for cancellations after January 6, or for no-shows.

The American Accounting Association intends to comply fully with the Americans with Disabilities Act (ADA). Any members planning to attend this meeting who have special needs, as covered by the ADA, are requested to notify Debbie Gardner at the American Accounting Association, Debbie@aaahq.org or (941) 556-4101 to facilitate identification and accommodation of these needs by the Association.



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AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

2005 Auditing Doctoral Consortium Program

Thursday, January 13, 2005 — New Orleans, Louisiana

The Auditing Section of the American Accounting Association, through the generous support of KPMG LLP, is sponsoring the 6th annual Auditing Section Doctoral Consortium on January 13, 2005. The Consortium will be held in New Orleans, LA at the Astor Crowne Plaza hotel (<http://www.astorcrowneplaza.com>), in conjunction with the Auditing Section's Midyear Conference (January 14–15). The purpose of the Consortium is to stimulate students' research by exposing them to the latest ideas from leading researchers in auditing, and by providing opportunities for networking with other Ph.D. students interested in auditing, established auditing researchers, and editors of journals in which they will seek to publish. Please publicize the Consortium to your Ph.D. students and please support and encourage their attendance. Students may be at any stage in their program, and there is no limit as to how many students may attend from each university. However, there is a limit on the total number of students who can attend the Consortium, and applicants will be accepted on a first-come basis.

Registration Information

The Consortium is sponsored by the Auditing Section and KPMG LLP.

- Registration is free for the Doctoral Consortium. For those students also wishing to attend the Auditing Midyear Conference (January 14–15) that follows the Consortium (January 13), the meeting registration fee is \$25. Deadline for registration is Dec. 15. Register online at http://aaahq.org/meetings/2005AUD_DCmeetinginfo.htm. You must be a current student member of the AAA to qualify.
- The Consortium is open to all Ph.D. students with an interest in auditing

research. The size of the Consortium is limited, so students will be accepted on a first-come basis. Students who attend the Consortium will receive up to two years of complimentary membership in the Auditing Section and the AAA.

- Breakfast and lunch will be provided during the Consortium. There will be a separate reception for Consortium students and faculty following the Consortium and prior to the buffet dinner provided to all Midyear Conference attendees.

Students who attend the Consortium will receive a complimentary night accommodation at the Astor Crowne Plaza Hotel for Wednesday night. The complimentary room night will be credited only **after** attending the Consortium. Students should make their reservations directly with the hotel. Deadline for reservations is December 12. Hotel information is available online at http://aaahq.org/meetings/2005AUD_hotel.htm.

Auditing Doctoral Consortium Program

Time	Event	Speaker(s)
7:00–8:00 am	Breakfast	
8:00–8:15 am	Opening remarks	Mark Nelson
8:15–9:15 am	Research on current auditing issues	Bill Kinney
9:15–9:30 am	Break	
9:30–10:30 am	Analytical auditing: New directions	Mark Penno
10:30–10:45 am	Break	
10:45–11:45 am	Experimental economics research in auditing	Steve Kachelmeier
11:45 am–12:45 pm	Lunch	
12:45–1:45 pm	Empirical auditing research	Jere Francis
1:45–2:00 pm	Break	
2:00–3:00 pm	Behavioral auditing research	Mark Peecher
3:00–3:15 pm	Break	
3:15–5:15 pm	Panel on issues in publishing research	Karl Hackenbrack Dan Simunic Zoe-Vonna Palmrose Rick Tubbs

For additional information contact Mark Nelson via phone (607-277-6495) or email (mwn2@cornell.edu).

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Have You Seen...?

By James Lloyd Bierstaker, Villanova University
Dennis O'Reilly, Xavier University and
John T. Reisch, East Carolina University

"The Evolving Role of IS Audit: A Field Study Comparing The Perceptions of IS and Financial Auditors," by V. P. Venzek and N. A. Bagranoff, *Advances in Accounting* (2003): 141-163.

This study collected data from 20 managers and partners at Big 5 firms in the United States regarding how the information systems audit function is expected to change. The authors find differences between information systems and financial auditors in terms of their perceptions regarding the current and future relationship between information systems and financial audits. Information systems and financial auditors also differed in terms of their opinions on client expectations for future audit services.

"Behavioral Implications of Alternative Going Concern Reporting Formats," by C. Viger, A. Anandarajan, A. P. Curatola, and W. Ben-Amar, *Advances in Accounting Behavioral Research* (2004): 53-73.

This study compares the format for going concern reporting in the United States (unqualified opinion with an explanatory paragraph) to the Canadian format (clean opinion with going concern reporting in the endnotes). Canadian students were used as unsophisticated investors in a between-subjects experiment. The results indicate that format influenced participants' investment decisions and risk perceptions.

"International Knowledge, Skills, and Abilities of Auditors / Accountants: Evidence from Recent Competency Studies," by K. N. Palmer, D. E. Ziegenfuss, and R. E. Pinsker, *Managerial Auditing Journal* (Volume 19, Number 7, 2004): 889-896.

Studies by the Big 8, the Institute of Management Accountants, Institute of Internal Auditors, International Federation of Accountants, and the American Institute of Certified Public Accountants were compared to determine the competencies and general skills needed by students for auditing careers. These competencies, knowledge, skills and abilities included: communication skills, interpersonal skills, general business knowledge, accounting knowledge, problem-solving skills, information technology skills, personal attitudes and capabilities, and computer skills.

"Complying with the Sarbanes-Oxley Ethics Requirements," by W. M. Seganish and N. C. Holter, *Internal Auditing* (July / August 2004): 1-8.

This article discusses how the internal auditor can assist a firm in complying with Sarbanes-Oxley. The focus is on how internal auditors can aid in the development and refinement of a code of ethics. The article provides a list that an internal auditor can use when discussing the company's code of ethics with management or the audit committee.

"Market Reaction to Voluntary Announcements of Audit Committee Appointments: The Effect of Financial Expertise," by W. Davidson, B. Xie and W. Xu, *Journal of Accounting and Public Policy* (Volume 31, 2004): 951-985.

The authors investigate stock returns surrounding 136 announcements of director appointments to audit committees between 1990 and 2001. Most of the announcements were made by small NASDAQ-listed companies. The authors find significant positive stock price reactions when newly appointed members of audit committees have financial expertise. The reported results are robust to controls for the state of audit committees prior to director appointment and for an alternative definition of financial expertise. The results suggest that investors recognize and reward firms that appoint financial experts to their audit committees.

"The Role of Institutional Ownership in the Market for Auditing Services: An Empirical Investigation," by G. Kane and U. Velury, *Journal of Business Research* (Volume 57, 2004): 976-983.

The authors of this paper argue that institutional investors are likely to demand that companies in which they invest purchase high quality audits. Further, they posit that large firms are perceived as providing higher quality audits than smaller firms. The authors find support for their argument—the results show a positive association between audit firm size and the level of institutional ownership, after controlling for

client firm size, level of debt, growth and complexity.

"The Effects of the Auditor's Professional Qualification and the Firm's Financial Health on Depreciation in Finland," by S. Sundren and C. Johansson, *Accounting & Business Research* (Volume 34, Issue 2, 2004): 125-143.

The authors examine the relationship in Finland between firms' financial health and their depreciation policies. The sample was primarily non-public firms. The results suggest a negative correlation between leverage and depreciation as a percentage of depreciable assets. The authors note that, because accounting-based debt covenants are rare among the size class of firms studied, the correlation likely is attributable to implicit contracting-related factors. In addition, some of the models tested indicated that firms audited by Big 5 firms depreciated their assets over somewhat shorter periods of time than those audited by non-Big 5 firms.

"Auditor Economic Incentives and Going-Concern Opinions in a Limited Litigious Continental European Business Environment: Empirical Evidence from Belgium." by A. Vanstraelen, *Accounting & Business Research* (Volume 33, 2003): 171-186.

Previous research has suggested the auditors' reporting behavior may be influenced by the perceived consequences of issuing a going-concern opinion. The author examined auditors' going-concern opinions in an environment where litigation is of minimal concern. The results suggest that auditors in Belgium are significantly less likely to issue going-concern opinions to clients that pay higher audit fees and when the audit firm has lost a relatively large proportion of its clients in the preceding year. The auditor's going-concern opinion does not appear to be significantly influenced by the length of the auditor-client relationship, year of the auditor engagement period, and auditor type.

"Ethical Principles Vs. Ethical Rules: The Moderating Effect of Moral Development on Audit Independence Judgments," by T. Herron and D. Gilbertson, *Business Ethics Quarterly* (Volume 14, 2004): 499-523.

The authors conducted an experiment, using as participants upper-level accounting students who had not taken an auditing course. The experiment involved two independent variables: whether the code of conduct was rules-based, principles-based, or both; and a measure of the level of the students' moral development. The results suggest that individuals at higher levels of moral development made poorer judgments when provided only with a rules-based code. Conversely, individuals

operating at a lower level of moral development performed worse when provided with a principles-based code. The results suggest that the AICPA's current approach of including both principles and rules in the Code of Conduct may be optimal.

"An Empirical Analysis of Auditor Reporting and its Association With Abnormal Accruals," by M. Butler, A. J. Leone and M. Willenborg, *Journal of Accounting and Economics* (Volume 37, 2004): 139-165.

Using a web-based sampling approach, the authors reexamine the question of whether modified audit opinions are associated with earnings management. Their results suggest that the relation between audit opinions and abnormal accruals is driven by the large negative accruals of companies receiving going-concern opinions. Further, the authors find no difference in abnormal accruals for these companies when compared to other companies matched on measures of financial distress. In addition, the authors point out a significant problem with the manner in which Compustat classifies audit opinions as "modified."

"Risk Assessment by Internal Auditors Using Past Research on Bankruptcy: Applying Bankruptcy Models," by W. A. Wallace, available through The Institute of Internal Auditors (www.theiia.org).

Well-controlled companies will build an infrastructure that evaluates the parties with whom they transact business. One tool they may use is bankruptcy modeling. This paper summarizes a number of bankruptcy models presented in past literature for ease of reference and application by internal auditors and other professionals interested in assessing bankruptcy risk. A companion Microsoft Excel spreadsheet is provided for ease of use.

"Auditor choice and the cost of debt capital for newly public firms," by J. A. Pittman and S. Fortin, *Journal of Accounting and Economics* (Volume 37, Number 1, 2004): 113-136.

Based on a sample of 2,180 IPOs, the authors examine the impact of auditor choice on debt pricing in firms' early public years (when they are lesser known). Results suggest that retaining a Big 6 auditor is associated with lower borrowing costs for young firms, perhaps because Big 6 firms help reduce debt-monitoring costs by enhancing the credibility of financial statements. The authors also provide evidence consistent with choice of a Big 6 auditor affecting firms' interest rates less over time. In addition, Big 6 auditors particularly benefits firms with short private histories.

"Client Size, Auditor Specialization and Fraudulent Financial Reporting," by J. V. Carcello and A. L. Nagy, *Managerial Auditing Journal* (Vol. 19, No. 5, 2004): 651-668.

The authors use a logistic regression model to examine the effect of client size on the relation between industry specialist auditors and the existence of fraud. The authors generally find a significant negative relation between industry specialization and financial fraud, with stronger results for Big 6 firms. They also find that the negative relationship between auditor industry specialization and financial fraud is not as strong for larger clients.

Enron.Con, *Critical Perspectives on Accounting*, (Vol. 15, No. 6/7, 2004): 733-1008.

As the name of this special issue implies, this edition of the journal contains multiple articles pertaining to Enron, Arthur Andersen, and regulatory reform. A central theme of the articles seems to be that the current structure and practices of the auditing and accounting profession fail to accomplish essential outcomes for diverse stakeholders of modern corporations. The issue includes articles by A. Briloff, who emphasizes that the accounting profession must rededicate itself to the independent audit as surrogates on behalf of all stakeholders; and A. Reinstein and J. McMillan, who link the misrepresentations inherent in Enron's financial statements to numerous failures of auditors to appropriately employ fundamental principles of fraud detection.

"The Ability of Analytical Procedures to Signal Transaction Errors," by S. B. Law and R. Willett, *Managerial Auditing Journal* (Vol. 19, No. 7, 2004): 869-888.

This study uses computer simulations to examine the error detection ability of a set of analytical procedures (APs). The results indicate that higher noise levels reduce performance; however, a more detailed modeling of the process appears to produce a compensatory increase in performance. Contrary to findings in previous studies, some annual APs performed better than their related monthly counterparts. An additional contribution of the study is that the simulations use Statistical Activity Cost Theory to generate accounting numbers from specified, underlying stochastic processes. This allows errors to be related to transactions, i.e. the level at which they typically occur, whereas in prior experiments, errors have been related only to accounts.

"Ethical Issues Related to the Provision of Audit and Non-Audit Services: Evidence from Academic Research," by H. Ashbaugh, *Journal of Business Ethics*, (Vol. 52, No. 2, 2004): 143-148.

The author summarizes the role of auditing in the capital markets, including how various stakeholders rely on audited financial information. She discusses the auditing literature that demonstrates the economic bond between the auditor and client, and explains the ethical dilemma inherent in audit contracts; specifically, how the provision of non-audit services threatens auditor independence.

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THE AUDITOR'S REPORT

AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

"Have You Seen These Instructional Resources?"

By the 2003–2004 Education Committee of the Auditing Section of the
AAA

(Donald E. Tidrick, Chair; Michael D. Akers, James Bierstaker; Susan Parker; Pamela B. Roush; Charles W. Stanley; and C. William Thomas)

International issues have received increased attention with the continued globalization of business activities and financial reporting. Much of the discussion has focused on international accounting standards, although recent attention has been directed at international auditing standards. The Section's Education Committee has compiled a [set of instructional resources](#) on international auditing, including selected web sites, speeches, and articles for members' consideration. We hope that these efforts might increase the discussion among the Section's members about instructional materials and resources that other faculty find particularly effective in their own assurance and auditing classes.

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THE AUDITOR'S REPORT

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AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

Effectively Integrating Instructional Method into Ph.D. Curriculums

Jay C. Thibodeau, *Bentley College*
James L. Bierstaker, *Villanova University*

In the post-Sarbanes-Oxley environment, our colleagues from audit practice expect academe to do its part in helping to restore credibility in the audit profession. In determining the role that we can play in this important process, it is logical to consider our comparative advantage relative to practitioners. It can be argued that the area that offers the most potential for long-term benefits to audit practice is through our scholarly research efforts. However, it is also clear that audit practitioners would welcome any efforts that accounting faculty make to improve the overall quality of audit instruction.

Of course, the desire to help our students develop into high-level audit professionals is hardly new. Indeed, a clear goal of any accounting department is to help each of their students to reach their potential. Nevertheless, as academics, most of us spent at least four years in a doctoral program where we were immersed in seminars on accounting research and courses in statistical methods. Surprisingly though, at most institutions, there are no courses designed to help future auditing educators to excel in the classroom. This often comes as a great shock to accounting Ph.D. students, who are drawn to the profession out of a desire to become great teachers.

The impetus for this paper emanates from our desire to improve teaching. In order to improve teaching, we must first recognize that excellent teaching requires a set of skills and knowledge that are distinct from the majority of knowledge that is imparted during a PhD program. Once this is recognized, we then need to consider how we can improve this deficiency in most PhD programs.

Indeed, if we are to achieve specific competency goals for PhD students, we must explicitly identify a set of goals and then develop innovative strategies and curricula to facilitate the enhancement of these competencies for PhD students. At the University of Connecticut, the authors both had the opportunity to work with or observe master teachers as part of their PhD program. In one case, the work was completed in one semester and duties as a research assistant were waived that semester. In the other case, two master teachers were observed in the classroom on a more informal basis. The advantage of the more formal program is that it provides PhD students with an opportunity to develop an understanding and appreciation of the nuances of excellent teaching over a semester long period and appropriately reduces their other responsibilities as a graduate assistant.

The program was designed to be a true mentoring program. In the second semester of the program, the Ph.D. student is assigned to teach under a master teacher and required to teach six class sessions on their own. For each session, the master teacher was present in the classroom so that feedback could be provided immediately after the class session. The Ph.D. student is involved in the formulations of the syllabus, making up exams, and grading. In addition, the student is asked to attend each of the master teacher's class sessions. The experience is absolutely phenomenal and we both believe it to be instrumental in developing Ph.D. students as classroom teachers.

An important aspect of the program is the recognition that it takes a significant amount of time to help students understand the issues being covered in class, whether it involves developing an innovative classroom approach or spending extra time with a student in the office. In addition, the experience provides Ph.D. students with an example of how to try to improve the content and delivery of their courses.

Overall, we encourage each of our academic colleagues at PhD-granting institutions to consider assigning PhD students to work under a master teacher for a semester. Importantly, we are not advocating that the core research skills and competencies be abandoned in any way. Rather, we are suggesting that a formal approach to developing Ph.D. students' teaching skills will nicely complement the formal approach taken to developing their research skills.

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THE AUDITOR'S REPORT

AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

CALL FOR PAPERS

2005 AAA Annual Meeting

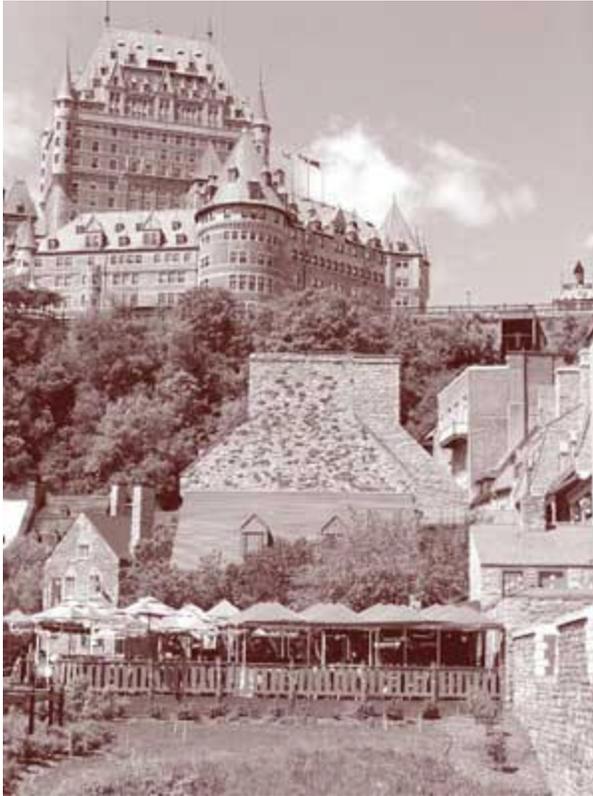
August 7–10, 2005 — San Francisco, CA

Please consider submitting a paper for presentation at an auditing session at the next AAA Annual Meeting, to be held in San Francisco on August 7–10, 2005. The early deadline for submission is December 13, 2004 and the final deadline is January 10, 2005. Detailed information regarding submissions will be available at the AAA's website (<http://aaahq.org>) in the near future.

Also please consider volunteering to review two submitted papers. To do so, contact Bryan Church (bryan.church@mgt.gatech.edu). Specify if you prefer to review: (1) archival/empirical papers; (2) behavioral/experimental papers; or (3) analytical/math-modeling papers. Papers will be assigned to reviewers by January 24, 2005 and reviews will be due by February 21, 2005.

Finally, please consider volunteering to be a moderator or discussant at an auditing session. You can do so by contacting Bryan Church. Preference will be given to those volunteers who also agree to serve as reviewers.

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2005 CAAA Annual Conference

Call for Papers

**Québec City
June 2 to 5, 2005**

Conference Theme: Evolution or revolution: Accounting in the post-Enron era

The next annual Canadian Academic Accounting Association Conference will be held in Québec City, Québec from June 2-5, 2005. The conference theme, "Evolution or revolution: Accounting in the post-Enron era / Évolution ou révolution: La comptabilité dans l'ère post-Enron", evokes the rapidly changing accounting and regulatory environment.

You are invited to submit a paper to the conference. Papers addressing all topics in accounting, auditing, taxation, and related areas, including education research, are welcome. Papers that address the recent reforms as well as papers that straddle the boundaries between accounting and other fields are particularly encouraged. Papers written in either French or English are welcome. Furthermore, suggestions for plenary sessions and panels are also welcome.

All papers submitted to the conference will be screened by a Scientific Committee of distinguished Canadian academics, who will evaluate the suitability of papers for presentation.

Scientific Committee

Jean Bédard, Université Laval
David Cooper, University of Alberta
Denis Cormier, Université du Québec à Montréal
Daniel Coulombe, Université Laval
Giri Kanagaretnam, McMaster University
Jennifer Kao, University of Alberta
Theresa Libby, Wilfrid Laurier University
Amin Mawani, York University
Cameron Morrill, University of Manitoba

Suzanne Paquette, Université Laval
Alan Richardson, York University
Thomas W. Scott, University of Alberta
Dan Simunic, University of British Columbia
R. Alan Webb, University of Waterloo
Christine Wiedman, University of Western Ontario
Ping Zhang, University of Toronto

Submission Criteria

Every effort will be made to ensure that author anonymity is protected throughout the submission process. All submissions should meet the following criteria:

- At least one author of the submission must be a CAAA member;
- All submissions must include a synopsis or abstract of no more than 250 words. The synopsis should provide the research question, research method, findings, and contribution of the study;
- Author identification should appear on the first page only;
- Submissions must be submitted electronically, in either Microsoft Word or Adobe PDF format, by January 10, 2005;
- When emailing your paper, please attach two separate files: one complete paper (including title page) and one file with the title page and all other identifying information removed.

All accepted papers will be critiqued by a discussant at the conference.

We also welcome your expression of interest in serving as a session chair, panelist, or discussant and urge you to complete the **Volunteer Information Form** and return it at an early date at the address indicated below.

Authors will be informed of the Scientific Committee's decisions and acceptance of their papers by March, 2005. Submissions must be sent electronically, either by mailing a diskette containing a Word or Adobe PDF document or by emailing the paper as a Word or Adobe PDF attachment.

We look forward to receiving your submissions and to seeing you in Québec City in June, 2005. Papers must be submitted by **January 10, 2005** to:

Daniel Coulombe / Suzanne Paquette
CAAA Conference Chairs
Faculté des sciences de l'administration
Université Laval
Québec, QC
G1K 7P4

ACPC.CAAA2005@fsa.ulaval.ca



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THE AUDITOR'S REPORT

AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

CALL FOR PAPERS—ISAR 2005

INTERNATIONAL SYMPOSIUM ON AUDIT RESEARCH SINGAPORE 2005

June 30 and July 1, 2005

Hosted by
Centre for Accounting and Auditing Research (CAAR)
Nanyang Business School
Nanyang Technological University
Singapore

ABOUT THE SYMPOSIUM

The 11th Annual International Symposium on Audit Research (ISAR) will be hosted by the Centre for Accounting and Auditing Research (CAAR) of the Nanyang Business School, Nanyang Technological University, and will be held on June 30 and July 1, 2005 in Singapore.

ISAR is jointly organized by the University of Southern California, Universiteit Maastricht, Nanyang Technological University, and the University of New South Wales.

SCOPE OF TOPICS

The scope of ISAR is intended to be broad and includes research papers and panels that deal with all aspects of auditing, attestation and assurance. Papers that utilize any of a broad range of research methodologies will be considered.

SUBMISSION OF PAPERS

To be eligible for presentation, manuscripts must follow the style guidelines of *Auditing: A Journal of Practice and Theory*. Please pay particular attention to the format and length requirements — manuscripts should not exceed 7,000 words or approximately 18–25 double-spaced pages including tables, figures and references. Be sure to include in your paper the author(s) affiliation(s), the contact author's email address, an abstract and keywords. Accepted papers will not be published in formal proceedings and thus may be submitted to any appropriate journal

PAPER SUBMISSION DEADLINE AND REQUIREMENTS

Papers should be submitted electronically in Adobe Acrobat or Word formats. Papers (and, where appropriate, related research instruments) must be received by **31 January 2005** and should be sent to the following email address:
papers@isarhq.org.

FURTHER INFORMATION

If you have questions about paper submission or early registration for the Symposium, please write or email or fax to:

Ms Adeline Tang
Nanyang Business School
Nanyang Technological University
Blk S3 Room 01b-51
Nanyang Avenue
Singapore 639798
Email: amytang@ntu.edu.sg
Tel No +65 67904819 Fax No +65 67937956

VENUE AND HOTEL ACCOMMODATION

The Symposium will be held at the Marina Mandarin Hotel. Strategically located in the Marina Bay, Marina Mandarin is directly opposite the Suntec Singapore International Convention and Exhibition Centre and is within walking distance to the shopping; cultural, and entertainment hub in the Marina Bay area.

Special room rates will be provided for conference delegates:

Deluxe (room only): S\$160+++

Deluxe (inclusive of 1 American buffet breakfast): S\$180+++

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THE AUDITOR'S REPORT

AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

Call for Papers

Academy of Accounting Historians / Accounting Hall of Fame Conference

Thursday, October 6, 2005 — Saturday, October 8, 2005

The Accounting Profession in Transition: Historical and Contemporary Perspectives on Change

The Academy of Accounting Historians and the Accounting Hall of Fame are jointly sponsoring a conference to develop perspectives on recent and continuing changes in the accounting profession and the environment in which it functions. The conference is scheduled for next year, October 6–8, 2005, in Columbus, Ohio, and is a sequel to a conference given in November of 2000 to commemorate the fiftieth anniversary of the founding of the Accounting Hall of Fame. The conference will begin with a reception on Thursday evening, October 6 and conclude mid-day on Saturday, October 8, 2005

Papers are invited that develop historical and contemporary perspectives on the ongoing evolution of the accounting profession, including changes in business reporting, auditing, corporate governance, and international accounting.

The deadline for submissions is **June 30, 2005** but earlier submissions would be appreciated. Papers should include an abstract of approximately 50 words. Papers should be sent in both paper and electronic form (the latter via e-mail if possible) to Dan Jensen at:

Jensen.7@osu.edu

or
Dan Jensen
Department of Accounting and MIS
Fisher College of Business
The Ohio State University
2100 Neil Avenue
Columbus, Ohio 43210

REVIEW BOARD: Papers will be reviewed for inclusion in the conference by a board of reviewers including Anil Arya of Ohio State University, Richard Fleishman of John Carroll University, Edward N. Coffman of Virginia Commonwealth University, David Dennis of Otterbein University, Ann Gabriel of Ohio University, Laura MacDonald of Wilfred Laurier University (Canada), Alan G. Mayper of University of North Texas, James McKinney of Howard University, and Alan Reinstein of Wayne State University.

HOTEL: The conference will be held at the Blackwell Inn on The Ohio State University Campus, 2110 Tuttle Park Place, Columbus, OH 43210. For reservations call the Blackwell at (614) 247-4000 and indicate that you are with the Accounting Hall of Fame / Academy of Accounting Historians Conference. You will receive the special conference rate of approximately \$120 per night (plus taxes) for single or double occupancy. All reservations must be made by *September 6, 2005* to receive the group rate. Accommodations are also available at regular rates at the Holiday Inn on the Lane, 328 West Lane Avenue, Columbus, OH 43201 (telephone (614) 294-4848, toll-free (866) 247-4003), located just one block from the Blackwell.

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THE AUDITOR'S REPORT

AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

Call for Papers

Accounting Ethics Education and Research at a Crossroads

10th Ethics Research Symposium

Noon Saturday, August 6, 2005 through Noon Sunday, August 7, 2005

Paper Submission deadline is April 1, 2005

The Professionalism and Ethics Committee of the American Accounting Association invites faculty and doctoral students to attend the 10th Ethics Research Symposium that will take place just prior to the 2005 American Accounting Association Annual Meeting in San Francisco. The Symposium will focus on all aspects of accounting ethics research, including research on accounting ethics education.

Accounting ethics education is at a crossroads. It has been 15 years since this committee offered its first seminar on teaching ethics in accounting programs. How much ethics is covered in the accounting curriculum? What is the future of teaching ethics in accounting programs? Can accounting ethics be taught / learned? If yes, what are the best approaches, resources and strategies?

Accounting ethics research is also at a crossroads. How far has accounting ethics research come in becoming a mainstream research area? What exactly is accounting ethics research (e.g., what are its boundaries; what are its paradigms)? What is the past, present and future of accounting ethics research?

The 10th AAA Ethics Research Symposium will consider papers on all aspects of accounting ethics research, including research on accounting ethics education. Possible topics for research papers include, but are not limited to

the following:

Academic accounting ethics; history issues relating to accounting ethics; professionalization of the accounting profession; social control and accounting; accounting ethics literature reviews; accounting ethics education; empirical studies relating to accounting ethics; the application of philosophy and/or theology to accounting ethics; the application of sociology, psychology, and/or cultural anthropology to accounting ethics and/or professionalism; conceptual papers analyzing what is necessary to advance accounting ethics education and/or accounting ethics research to greater prominence.

The numbers of tracks and the final format of the Symposium will be determined later. A goal of the 10th Ethics Research Symposium is to be a launching pad for accounting ethics research and accounting ethics education for new prominence in the remainder of the first decade of the 21st century and beyond.

The Symposium will take place at the Hilton San Francisco as a Continuing Professional Education session, right before the 2005 American Accounting Association Annual Meeting. The registration fee, the cost of which will be announced in the future, will be waived for doctoral students wishing to attend.

Papers for consideration for presentation at the Ethics Research Symposium should be emailed in an attachment (please eliminate from the paper you attach any way of identifying yourself). We hope to have awards for (a) the best paper accepted for the Symposium and (b) the best paper accepted for the Symposium that is either single authored by a doctoral student or coauthored by two or more doctoral students. Please identify all authors, their positions, and affiliations in the email but not on the paper. A \$20 submission fee, which is not refundable and is in addition to the registration fee, made payable to the **American Accounting Association**, should accompany each paper submitted, including those by doctoral students. **Papers should be emailed and checks should be mailed no later than April 1, 2005 to:**

Dr. Stephen E. Loeb
Robert H. Smith School of Business
University of Maryland
College Park, MD 20742-1815
Phone: (301) 405-2207
Email: sloeb@rhsmith.umd.edu

Please contact Steve Loeb for more information.

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Centre for
Information Systems
Assurance

RESEARCH SYMPOSIUM

20-22 October 2005, Toronto
Sponsors: CICA, ISACA, IJAIS

INTEGRITY, PRIVACY, SECURITY AND TRUST IN AN IT CONTEXT

Call for Papers

Academics and practitioners are invited to submit papers on topics pertinent to the Symposium theme. Papers should be at an advanced stage of completion and must conform to the style of the *International Journal of Accounting Information Systems (IJAIS)*.

Call for Cases

Academics and practitioners are invited to submit cases on topics pertinent to Information Systems Assurance. Submissions will be entered in a competition with awards totaling \$5,000 Cdn for the top three cases.

We reserve the right not to make awards if the number of submissions is insufficient.

CALL FOR RESEARCH PROPOSALS

Academics and practitioners are invited to submit proposals for research projects on Information Systems Assurance. Funding of up to \$10,000 Cdn is available per project. We encourage proposals on Best Practices, IT Governance, Project Management, Privacy, Information Integrity, IT Security, Continuous Process Monitoring, IS Quality, Software Certification, or other areas of interest to the ISA community.

For Guidelines on Symposium Papers and Cases,
and on Research Proposals, contact UWCISA.

www.arts.uwaterloo.ca/ACCT/uwcisa

Phone: 519-888-4567, ext. 5774 Fax: 519-888-7562

E-mail: jeboritz@watarts.uwaterloo.ca

UWCISA seeks to identify, create and deliver research addressing information systems governance, control and assurance issues; to support and promote the delivery of educational activities and materials related to such issues; to communicate and promote information systems governance, control and assurance issues that are important to professionals working in those areas; and to support and promote interaction on those issues among practitioners, educators and students.



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AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

Call for Volunteers

Auditing Section Committees

Openings currently exist on the following Auditing Section committees:

- Auditing Standards Committee
- CPE Committee
- Research Committee
- Communications Committee
- Education Committee
- Membership and Regional Coordinators Committee
- Notable Contributions to the Auditing Literature Award Selection Committee
- Outstanding Auditing Dissertation Selection Committee
- 2006 Annual Meeting Committee.

The Section typically receives a larger number of volunteers than there are openings, so, the more flexible you are as to your committee assignment, the better your chances of being appointed to a committee. If you are interested in serving on an Auditing Section committee, please contact Mark Beasley by **January 31, 2005**.

Mark S. Beasley
Box 8113
Department of Accounting
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(919) 515-6064 (phone)
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mark_beasley@ncsu.edu

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AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

Call For Auditing CPE Proposals

2005 AAA Annual Meeting

The Auditing Section plans to sponsor one or more CPE sessions at the 2005 Annual Meeting of the American Accounting Association. The Section's CPE committee is looking for individuals or groups who are interested in presenting sessions at this meeting.

The committee also is soliciting ideas for possible auditing CPE topics and speakers, either for the 2005 Annual Meeting, the 2006 Midyear Meeting, or for future meetings. Please respond by **December 14, 2004**. Early responses will provide sufficient time to fully develop auditing CPE proposals for submission by the AAA's deadline, which is usually in early January. To submit proposals or ideas, please contact:

Greg Burton
Brigham Young University
School of Accountancy & Info Sys
Marriott School of Management
Provo, UT 84602-3068
Phone: 801.422.8767
FAX: 801.422.0621
fgb@byu.edu

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AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

CALL FOR SUBMISSIONS

2005 Innovation in Accounting Education Award

The American Accounting Association requests nominations for the Innovation in Accounting Education Award.

Award Intent

The award is intended to encourage innovation and improvement in accounting education, recognizing significant programmatic changes or a significant activity, concept, or set of materials. The winner may be an individual, a group of individuals, or an institution

Award Criteria

The primary criteria used by the Selection Committee to judge submissions include:

1. innovation;
2. demonstrated educational benefits; and
3. adaptability by other educational institutions or to other situations

Award Process

Application materials should include an executive summary of the activity, concept, or materials, and a detailed statement explaining how (1) it is innovative, (2) has demonstrated educational benefits (i.e., evidence of the value of the educational innovation), and (3) can be adapted by other educational institutions or to other situations. Adequate materials must be submitted so that the evaluation committee can make an assessment on these three dimensions. All materials must be submitted by **January 15, 2005**. Electronic submissions are desired but not required.

Mailing Instructions

Submit application materials to David E. Stout, Department of Accounting & Finance, Williamson College of Business Administration, Youngstown State University, One University Plaza, Youngstown, OH 44555-0001. Electronic submissions should be sent to: destout@ysu.edu.

Award Presentation

The winner will be announced in the Accounting Education News. The award, a plaque and \$5,000 funded by the Ernst & Young Foundation, will be presented at the 2005 AAA Annual Meeting.

Although publication is not a requirement for receiving the award, the award-winning innovation will be eligible for publication in *Issues in Accounting Education* as a scholarly article, subject to the normal manuscript review process and acceptance of the paper by the editor of the journal.

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Volume 28, No. 1
Fall 2004

THE AUDITOR'S REPORT

AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

Institute of Internal Auditors Doctoral Dissertation Award

To encourage internal audit research by doctoral candidates, The Institute of Internal Auditors' (IIA) Research Foundation supports the Michael J. Barrett Doctoral Dissertation Grant Program. This program provides funds to selected doctoral candidates interested in the field of internal auditing.

Eligibility is not limited to IIA members or IIA-endorsed schools. Any doctoral candidate pursuing a Ph.D. or DBA in auditing, accounting, or business from an accredited educational institution is eligible to apply. Individual grants vary from \$1,000 to \$10,000.

The next deadline for applications is **October 31 2004**. More information about the program, including application instructions and past winners, can be found on the IIA website at http://www.theiia.org/iia/index.cfm?doc_id=495

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THE AUDITOR'S REPORT

AUDITING SECTION / AMERICAN ACCOUNTING ASSOCIATION

SEC Academic Fellowships

2005–2006

The United States Securities and Exchange Commission (SEC) announces the availability of its 2005–2006 fellowship opportunities in the Office of the Chief Accountant (OCA), the Division of Corporation Finance (DCF), and the Office of Economic Analysis (OEA). An unparalleled opportunity for financial accounting and auditing professors, a fellowship typically lasts for 12 months (August 1–July 31). While on sabbatical or leave of absence from the home university, an academic fellow maintains an employee relationship with the home institution, typically earning 12/9 of the usual 9-month academic salary (currently up to about \$158,844), plus benefits and relocation expenses. [Note: The salary cap does *not* mean that an academic fellow's maximum 12-month salary is \$158,844. Rather, \$158,844 is the maximum salary that the SEC will reimburse to the school (all normal university benefits will also be reimbursed). The employing university is permitted to pay the professor more than this amount.]

The OCA and OEA fellowships require a Ph.D.; DCF requires a Master's degree or Ph.D. Applicants for the OCA and OEA fellowships should have teaching and research credentials in financial accounting and/or auditing. The DCF fellow should have experience in teaching upper level financial accounting courses and, preferably, expertise in quantitative analysis and finance.

The United States Securities and Exchange Commission (SEC) invites qualified accounting professors to apply for one of four available fellowship opportunities for the 2005–2006 academic year at its headquarters in Washington, DC. An academic fellowship at the SEC provides an unparalleled opportunity for a professor to be directly involved in the work of the Commission and to gain insight into the SEC's oversight and regulatory processes. An SEC fellowship is a notable way to spend a

sabbatical year or a leave of absence and offers a set of memorable experiences that will greatly enhance subsequent teaching and publication activities.

FELLOWSHIP DESCRIPTIONS

Office of the Chief Accountant. Two of the fellowships are in the Office of the Chief Accountant (OCA), which functions as the primary advisor to the Securities and Exchange Commission on accounting and auditing matters. It is anticipated that one of the two fellowships will require credentials in financial accounting, while the other will require credentials in auditing. These academic fellows serve as research resources for OCA, assist in registrant matters, and participate in OCA projects. Further, the fellows are asked to develop and present a training session on emerging or controversial accounting / auditing issues for accountants and attorneys at the Commission. These fellowships, which have been in existence for over 20 years, are for research-oriented professors with an interest in working closely with OCA leadership and staff on auditor and registrant issues. Requirements include a Ph.D., a strong research background in financial accounting and/or auditing, and a CPA or equivalent technical expertise.

Division of Corporation Finance. The third fellowship is in the Division of Corporation Finance, which oversees corporate disclosure of information to the investing public. Its staff is responsible for the review of corporate filings by publicly held companies, such as registration statements and annual reports/10-Ks. The fellowship, which originated about six years ago, typically involves researching financial reporting issues in connection with Division policy or program initiatives, reviewing filings by public companies to identify significant accounting and disclosure problems, and developing and presenting training on emerging or controversial accounting issues for accountants and attorneys at the Commission. Requirements include a Master's or Ph.D. and teaching experience in upper-level/advanced financial accounting courses. Expertise in quantitative analysis and finance, as well as the ability to discuss issues in plain English, are plus factors.

Office of Economic Analysis. The fourth fellowship is in the Office of Economic Analysis (OEA), which advises the Commission and its staff on the economic issues associated with the SEC's regulatory and policy activities. Accountants who serve as Academic Fellows in OEA are responsible for designing and conducting studies of the economic impact of existing and proposed rules promulgated by the Commission and self-regulatory agencies. They provide analytical support and advice to the Chief Economist and senior Commission staff on regulatory policy, enforcement policy, and financial economics. In addition, they design economic studies in anticipation of, and in response to, developments in the securities markets, prevailing financial practices

among issuer firms, and Commission policies. A Ph.D. is required. Accountants in OEA tend to specialize in financial accounting or auditing.

COMPENSATION AND APPLICATION INFORMATION

Timing, Compensation, and Benefits. For faculty members at U.S. universities, the academic fellow positions are available under the Intergovernmental Personnel Act (IPA) and generally involve a 12-month period, August 1–July 31. An IPA contract is agreed upon by the SEC, the professor, and the professor's university. Under an IPA contract, the professor continues to be an employee of the university, being paid by the university and receiving its benefits package; the SEC, in turn, reimburses the university. Compensation for an academic fellow is typically 12/9s of the professor's academic year salary, up to a maximum of pay grade SK 16/31 (currently about \$158,844) plus related benefits. Relocation expenses to and from Washington, D.C. are generally reimbursed in accordance with Federal Travel Regulations and standard SEC policies which apply to IPA assignments.

[Note: The salary cap does not mean that an academic fellow's maximum 12-month salary is \$158,844. Rather, \$158,844 is the maximum salary that the SEC will reimburse to the school (all normal university benefits will also be reimbursed). The employing university is permitted to pay the professor more than this amount.]

Application Procedures. Please consider applying for these outstanding professional development opportunities. First, indicate your initial interest by sending an e-mail to one or more current academic fellows in Office of the Chief Accountant (Jonathan Glover gloverj@sec.gov; Audrey Gramling gramlinga@sec.gov), the Division of Corporation Finance (David Sherman shermamd@sec.gov), or Office of Economic Analysis (Agnes Cheng (chenga@sec.gov)). Feel free to contact the current academic fellows to discuss the nature of the position.

IMPORTANT:

Formal applications are accepted only electronically. To apply formally, you must submit a vita and a cover letter which summarizes your qualifications and indicates the fellowship(s) in which you are primarily interested. Optionally, provide a copy of one or more relevant working papers or recently published articles. Applications for fellowships in all areas must be submitted electronically to Audrey Gramling at gramlinga@sec.gov.

Application reviews for the 2005–2006 academic fellowships will begin December 15,

2004, and will continue until the positions are filled. Interviews will be conducted at the SEC headquarters in Washington, DC. Candidates' travel expenses cannot be reimbursed. The SEC's goal is to announce final selections by February 2005.

To find out more about the experiences of three previous academic fellows, see Thomas J. Linsmeier's article in *Accounting Horizons* (September 1996) and articles by Steve Kolenda and Patricia Fairfield in the *Financial Reporting Journal* (Summer 2000.)

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