

## **AUDITING SECTION EXECUTIVE COMMITTEE MEETING**

**Thursday, January 17, 2008**

**7:45 a.m. – 12:30 p.m.**

**Sheraton Austin Hotel**

**Jacob Bickler Room**

The meeting was called to order at 8:00 by Mark Peecher

Present at the meeting were:

Ray Whittington, Past President

Mark Peecher, President

Trevor Stewart, Vice- President, Practice

Audrey Gramling, Vice-President Academic

Urton Anderson, Historian

Mark Taylor, Treasurer

Julia Higgs, Secretary

### **I. Open items including those from August 2007 meeting:**

- A. How can we work in liaison with Center for Audit Quality (CAQ)? A discussion was held on how to improve the relationship with CAQ.
- B. One issue that needs to be addressed is the issue of access to archival data from audit work papers (and other sources) and for participants in experiments. Ray Whittington reports some firm representatives have expressed willingness to support access but also have concerns about client confidentiality. He also indicated that the AICPA does not view sharing of data as a violation of the Code of Ethics. Ray discussed the possibility that the AICPA would issue an interpretation that clarified whether sharing of data is an issue. Ira Solomon has some initiatives on the issue. Mark is going to talk to leadership at some of the Big 4 firms, and both Mark and Audrey plan to meet with representatives from the CAQ. In addition, panels with the CAQ at the annual and mid-year meeting would be useful.
- C. Practice Advisory Committee (PAC) project on data availability. One project approved initially by the PAC has been derailed because of data access problems, apparently because of practice protection groups of the firms who were to supply the data. Trevor will go back to the PAC to ask what the status would be.

### **II. Mid-year meeting report:**

Roger Martin and Gary Peters were present to discuss the mid-year meeting:

There were 271 registrants as of January 14. Other information:

- 137 reviewers

- 112 submissions
- 46 papers admitted into concurrent sessions some withdrew
- 37 admitted to roundtables with some withdrawals

By method there were:

- Archival 56, 19 were accepted
- Cases 5 submitted, 3 were accepted
- Analytical 3 submitted, 1 was accepted
- Experimental 34 submitted, 19 were accepted
- Survey 6 submitted, 4 were accepted
- Other 8 papers, 0 made it into the meeting

Chris Hogan and Brian Ballou, who will plan the meeting next year, oversaw the reviews.

Plenary speakers will be Michael Ryan from the US Chamber of Commerce and Bruce Dorris from the Association of Certified Fraud Examiners in Austin. There are four panels: one on the PCAOB Concurring partner review exposure draft, one on the state of auditing research, Martha Eining put together a session on XBRL and auditing XBRL and there is an education panel.

Roger and Gary commented on how great the AAA staff had been. They noted the need for some feedback on the budget. The executive committee noted that there had been an approval for the expenditure of computer projectors for the mid-year but this was not incorporated into the meeting. KPMG donates 15K for the mid-year meeting. After the meeting, there needs to be a summary of expenditures by line item.

### **III. The Committee discussed the visibility of Auditing: A Journal of Practice and Theory (AJPT)**

Several issues were addressed to raise the visibility of the section journal. Initiatives discussed included: (1) adding the U.S Department of Treasury Advisory Committee on the Auditing Profession to the AJPT distribution list (2) Ray will be at a Dean's meeting and will talk to accounting deans about increasing the profile of the journal. The committee discussed a range of ideas for how AJPT could become more highly regarded including, e.g., whether it would make sense for it to be rolled into *The Accounting Review*. The discussion centered around concerns that some universities do not view AJPT as a top tier journal.

### **IV. Election Results**

Urton Andersen was elected to the position of President-Elect and Jay Thibodeau was elected to Secretary. Since Urton will no longer be available to serve as Historian, The President selects the Historian. Mark Peecher will need to ask someone to serve in that capacity. Typically, former Presidents of the section have served as the historian. Also, Trevor Stewart will be retiring in 2009 so the section needs to consider who his

replacement should be. His term ends in 2008 and the possibility of him serving a fourth year was discussed.

#### **V. Audit Education:**

Various topics on auditing education were discussed: (1) The effectiveness of audit education as performed by practitioners vs. academics, (2) The Excellence in Audit Education Workshop Program that Mark Beasley had put together was discussed. The conference was oversubscribed and people were turned away who wanted to participate. Bob Ashton will be sitting in for Tim Bell who could not be present. (3) Gary Previts will be providing insights to the Treasury Committee on audit education.

#### **VI. Doctoral Consortium:**

Vicky Hoffman was in charge of the doctoral consortium for the mid-year conference. A relatively high percentage of the attendees were from Texas schools (28%). Agreeing with a suggestion made by Vicky Hoffman, Mark Peecher made a motion, with Audrey Gramling seconding it (unanimous vote) to change policy to open admission with a maximum of 4 attendees per school. The Section will explore with KPMG whether we can expand the funding to allow expanding the capacity to 65. We discussed whether the people who attend multiple times should be allowed to come. Mark will discuss with Vicky as to whether there is demand for additional slots. There may be some difficulty in the administration with handling the capacity. One suggestion to be explored is to cap the automatic (with the computer) attendance at 50 with standby spots for the remaining participants.

#### **PCAOB Conference**

The PCAOB conference will be held on April 24 and 25<sup>th</sup>. The Executive Committee will be invited. Mark will talk to the PCAOB about paying for travel costs of speakers.

#### **Current Issues in Auditing**

Dana Hermanson reported on the status of Current Issues in Auditing. Dana summarized the report noting that there was an additional submission to the journal from the numbers in the report. Methods of increasing the visibility of the journal were discussed. Items of discussion included the following:

- Attendees at the conference received a mouse pad
- The journal might consider sending an email whenever a new article is posted.
- Links on the firm web pages.
- There had been several commissioned articles that should have broad appeal. Ira Solomon interviewed the Big 4 CEOs. One approach might be to have the editors interview important decision makers for articles.

#### **AJPT Update:**

Mark Peecher reported on the report of the journal. Urton made a motion and Mark Peecher second it authorize a budget of \$50 token of recognition for associate editors and his assistants. The executive committee unanimously passed the motion. The section discuss with Tracy about getting items on the SSRN in a more timely manner.

**Communication Committee:** The Communication Committee asked if there should be any new additions to those who receive complimentary copies of the CIIA journal and publications. Mark will also send out an email to remind section members that the CIIA journal has RSS.

**Membership Report:**

The executive committee briefly reviewed the membership reports provided by the membership committee. No significant items were noted.

**Research Taxonomy:** Mark Peecher reported on the research taxonomy. There is a taxonomy on categorizing research that was reviewed by the committee. It was recognized that the longer list needs to be more parsimonious. Trevor pointed out that the taxonomy was not particularly useful. Different philosophies on the taxonomy were discussed. There will be a task force appointed to reassess the categories that Mark and Audrey will appoint. The task force will take the input from the research committee to further develop the taxonomy. Urton said that we need to ensure that we capture governance and risk management and control. Urton made the motion to appoint the task force which was seconded by Mark Taylor. It was unanimously passed.

**Section award updates:**

Mark Peecher reported that the AAA has asked for an inventory of past winners of all awards. A list was assembled. On the dissertation award, Mark Peecher asked for feedback on whether to include the chair. This was approved. Ray discussed whether we could issue multiple awards. Mark said that AAA discouraged multiple award winners. There is some enthusiasm for having two educators of the year awards by dividing it into a regular instruction award and a research instruction award. It was decided to discuss the matter at the business meeting for input. Higgs made the motion to bring it up at business meeting; Mark Taylor seconded the motion and it was unanimously passed.

**Education Award:**

Mark Peecher reviewed the report of the Education Committee. One project was to identify what topics are covered in auditing syllabi to identify gaps to determine what should be covered in courses. Ray Whittington volunteered to help with this task.

**Mid-year 2009 update:**

Date of the mid-year meeting will be the 14<sup>th</sup> through the 18<sup>th</sup>. The location is uncertain. The Fairmont Hotel in Washington, DC and Fort Lauderdale are being considered as possible locations. Note: Since the meeting, the final approved location will be St. Petersburg, FL.

## **Audit Standards Committee Update**

Mark Peecher presented the report of the Audit Standards Committee. The committee needs to be expanded with subcommittees on various subinterest areas (COSO, GAO, PCAOB, IAASB, and AICPA). There also needs to be consideration of publishing comment letters in CIIA.

**Treasurer's report:** Mark Taylor Presented the Treasurer's Report. Cash balance increased.

The executive committee voted to have a new investigator award for the top three papers for current Ph.D. students to be brought before the membership. To apply, a doctoral student must be one of the co-authors.

Award of \$1000 for outstanding PhD student paper submission to the midyear meeting was suggested and will be brought up for discussion at the business meeting for a vote.

Mark will provide a breakout of mid-year meetings for costs. Mark suggested, and the executive committee agreed, that it was no longer necessary to create quarterly report because it is not particularly informative.

The meeting was dismissed at 12:29.