

SESSION 2: ACCOUNTING, BEHAVIOR AND ORGANIZATIONS

DATE: SATURDAY, FEBRUARY 24

TIME: 8:30 – 10:00 AM

**Enron, Andersen, and the Expectation Gap:  
Reasons to Establish New Relationships for Auditing Firms\***

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**INTRODUCTION:** There is currently a crisis of confidence in the public accounting profession. The problems currently faced by the profession are related to various issues: some of which reflect internal values (or the lack thereof); others reflect perceptions and expectations by the individuals in public accounting and those outside of the field. This paper poses the idea that the current relationships existing between employees within accounting firms as well as between accounting firms and external parties may be important, but less recognized, underlying causes of the profession's problems. Current auditor relationships appear to be internally contradictory and out-of-sync with the demands of the investing public. Various provisions of the Sarbanes-Oxley Act are analyzed for their potential to support development of new relationships more appropriately aligned with professional and public needs as well as positive change in the organizational culture of public accounting.

\* The full text of this paper is available online by going to [http://aaahq.org/meetings/2007SW\\_program.htm](http://aaahq.org/meetings/2007SW_program.htm) and clicking on the link.