1999 Midyear Conference

Program

January 14-16, 1999
Omni Hotel at CNN Center
Atlanta, Georgia

Thursday, January 14

1:00 pm-6:00 pm
Registration

1:30 pm-5:00 pm
CPE Workshop

Cases on Strategic-Systems Auditing, KPMG Peat Marwick LLP

6:00 pm-9:00 pm
Welcome Reception

Friday, January 15

7:00 am-5:00 pm
Registration

7:00 am-8:30 am
Continental Breakfast

8:30 am-8:45 am
Welcome

8:30 am-9:45 am
Plenary Session
"Ethics Today: Implications for Business and Auditing." Michael Novak, American Enterprise Institute

9:45 am-10:15 am
Break

10:15 am-11:45 am

Session 1: Audit Review Judgements
Moderator: Vicky Hoffman, University of Pittsburgh

Discussant: E. Michael Bamber, University of Georgia

"Characteristics of Auditor Review Notes for Analytical Procedure Working Papers: Descriptive Results from a Laboratory Experiment." Brian Ballou, Auburn University
Discussant: Richard M. Tubbs, University of Iowa

10:15 am-11:45 am

Session 2: Auditor Specialization and Audit Fees
Moderator: Charlotte Pryor, Clark University

"Audit Fees: The Effects of Investment in Knowledge, Monopoly Power, and Brand Name." Raymond D. King and Terrence B. O'Keefe, University of Oregon
Discussant: David D. Williams, Ohio State University

"The Premium for Specialization: Does it Exist for Non-Big 6 Audit Firms?" Russell Matthews, Ernst & Young; Christine A. Jubb and Keith A. Houghton, University of Melbourne
Discussant: Kevin Raedy, University of North Carolina at Greensboro

10:15 am-11:45 pm

Session 3: Knowledge Management: Practice and Research
Moderator: David Frederick, University of Colorado at Boulder

Panel Members:
Robert Chevalier, KPMG
Michael Herrinton, Ernst & Young
Gary Marchant, University of Connecticut

10:15 am-11:45 pm

Session 4: Audit Planning Models and Decisions
Moderator: Heather Hermanson, Kennesaw State University

"The Sensitivity of Efficient Audit Planning to Multiple Materiality Constraints, Differing Rates of Anticipated Error and Differing Audit Costs." Saurav K. Dutta, Rutgers University, and Lynford E. Graham, BDO Seidman LLP
Discussant: Frank Nekrasz, Lefkowitz, Garfinkel, Champi & DeRienzo

"Sample Size Augmentation as a Debiasing Technique for Haphazard Sampling." Thomas W. Hall,
Bethane Jo Pierce, Terry Witt, University of Texas at Arlington, and Terri Herron, University of Montana

Discussant: Robert R. Tucker, University of Illinois

11:45 am-12:45 pm
Lunch

1:00 pm-2:30 pm
Business Meeting

2:30 pm-3:00 pm
Break

3:00 pm-4:30 pm
Session 5: Cognitive and Organizational Theory Research in Auditing: Review and Directions for the Future
Moderator: Jane Kennedy, University of Washington

"Cognitive Research." Michael Gibbins, University of Alberta

"Organizational Behavior Research." Mark Dirsmith, Pennsylvania State University

3:00 pm-4:30 pm
Session 6: Auditor Specialization and Audit Firm Mergers
Moderator: Timothy Louwers, Louisiana State University

Discussant: Roger Martin, Michigan State University

"Leverage and Audit Firm Mergers." Rajib Doogar, University of Illinois at Champaign-Urbana; Robert F. Easley and David N. Ricchiute, University of Notre Dame
Discussant: Nicholas Dopuch, Washington University

3:00 pm-4:30 pm
Session 7: Auditor Moral Reasoning
Moderator: W. Morley Lemon, University of Waterloo

"The Impact of Cognitive Information Feedback on Auditors' Moral Abilities." Dawn W. Massey, Fairfield University
Discussant: Jeffrey R. Cohen, Boston College

Discussant: Dennis M. Hanno, University of Massachusetts, Amherst

3:00 pm-4:30 pm
Session 8: Audit Reports and Auditor Tenure
Moderator: Kenneth Schwartz, Boston College
"Going-Concern Initial Public Offerings." Michael Willenborg, University of Connecticut and James McKeown, Pennsylvania State University

Discussant: Chris E. Hogan, Vanderbilt University

"Audit Tenure and Informativeness of Earnings." Van E. Johnson, University of Illinois at Urbana-Champaign; Inder K. Khurana, and J. Kenneth Reynolds, University of Missouri-Columbia

Discussant: Michael Ettredge, University of Kansas

4:30 pm - 5:30 pm

Forum Papers

"The Effect of Client Integrity, Culture, and Litigation on European Materiality Estimates," Donald F. Arnold, Union College; Richard A. Bernardi, SUNY Plattsburgh, and Presha E. Neidermeyer Union College.


"Evaluation of Information Technology by Internal Auditors: The Effects of Evaluation Objectives and Organizational Characteristics," Dana R. Hermanson, Mary Callahan Hill, Kennesaw State University and Daniel M. Ivancevich, University of Tampa.


"Assessing the Influence of Auditing: Journal of Practice & Theory: A Citation Analysis," Jack L. Krogstad, Creighton University and Gerald Smith, Northern Iowa University.

"Is the Storm Ending? An Emerging Trend Toward A Narrower Scope of Accountant Liability to Nonclients for Negligence," Carl Pacini, Georgia Southern University and David Sinason, Northern Illinois University.

"Perceived Locus of Control and Going Concern Judgments: An Empirical Investigation," Anamitra Shome, Brock University and Jane Craighead, McGill University

"Contributions from the Audit Judgment and Decision Making Literature to the Practice of Knowledge Management," David Schwarzkopf, University of Connecticut and Jay C. Thibodeau, Bentley College

6:30 pm

Reception
Saturday, January 16

7:00 am-3:00 pm
Registration

7:30 am-8:30 am
Continental Breakfast

8:30 am-10:00 am
Session 9: Economics Based Auditing Research: Review and Directions for the Future
Moderator: Joseph V. Carcello, University of Tennessee, Knoxville

"Modeling Research." Rick Antle, Yale University

"Empirical Research." Dan A. Simunic, University of British Columbia

8:30 am-10:00 am
Session 10: Instructional Cases: Technology and Inherent Risk
Moderator: Stanley Jenne, University of Montana

"Instructional Case Page Software: A Digital Analysis Application Using Internet Technology." Philip D. Drake, Thunderbird University and Mark J. Nigrini, Southern Methodist University
Discussant: Timothy A. Pearson, West Virginia University

"Instructional Case: Identification of Inherent Risk Factors - Their Influence on Risk Assessments and Audit Procedures." Gary P. Braun, University of Texas at El Paso and Audrey A. Gramling, Wake Forest University
Discussant: Michael E. Bitter, Stetson University

8:30 am-10:00 am
Session 11: Cognitive Factors in Auditor Fraud Assessments
Moderator: William N. Dilla, Iowa State University

"Auditors' Assessments of Management Fraud Risk: Hypothesis Frans, Confirmation Biases and Experience." J. E. Boritz, University of Waterloo
Discussant: Christine E. Earley, University of Connecticut

"Auditors' Evidence Documentation and Judgment: The Mediating Role of Memory." R. David Plumlee, University of Utah; Brad Tuttle, University of South Carolina; and Cindy Moeckel, Arizona State University
Discussant: Jean C. Bedard, Northeastern University

8:30 am-10:00 am
Session 12: Effects of Ability and Decision Aids on Auditor Decisions
Moderator: Elizabeth Davis, Baylor University

"The Effect of Practical Problem-Solving Ability on Performance in Auditing Tasks." James L.
"The Impact of Intelligent Decision Aids on Experienced and Novice Decision Makers."  
Vicky Arnold, Steve G. Sutton, Texas Tech University; Philip A. Collier, Defense Science and Technology Organisation Australia; and Stewart A. Leech, University of Tasmania

Discussant: Steven M. Glover, Brigham Young University

10:00 am-10:30 am
Break

10:30 am-12 Noon

Session 13: Effectiveness of Confirmations
Moderator: Larry E. Rittenberg, University of Wisconsin-Madison

"An Empirical Investigation of the Effectiveness of Balance and Invoice Confirmations."  
Robert D. Allen, University of Utah and Randal J. Elder, Indiana University

Discussant: Paul Caster, Fairfield University

"The Effects of Small Monetary Incentives and Misstatement Direction on Response Rates and Response Quality in the Positive Confirmation of Account Receivable Balances."  
Terry J. Engle and James E. Hunton, University of South Florida

Discussant: Kathryn Kadous, University of Washington

10:30 am-12 Noon

Session 14: Technology and Audit Education
"Panel Discussion: Evaluating Learning in a Virtual Course."  
Auditing Section Communication Committee, Faye Borthick, Chair, Georgia State University

10:30 am-12 Noon

Session 15: Fraud and Litigation: Client Characteristics
Moderator: Susan McCracken, University of Toronto

"The Impact of Management Team Characteristics and Agency Structure on Disclosure Fraud."  
Fred A. Jacobs, Natalia Kotchetova, Georgia State University; and Claire K. Latham, Washington State University

Discussant: Mark S. Beasley, North Carolina State University

Sundaresh Ramnath, Rice University; Philip Shane, University of Colorado, and Michael Willenborg, University of Connecticut

Discussant: Krishna Kumar, George Washington University

10:30 am-12 Noon

Session 16: Environmental Factors Affecting Auditor Fraud Assessments
Moderator: Ken Trotman, University of New South Wales

"The Effects of Evaluation Format and information Systems Familiarity on IS Auditors' Fraud Risk Recognition and Planning Judgments."  
Susan Ayers and Al Nagy, University of Tennessee
**Discussant:** Todd F. DeZoort, University of South Carolina

"Fraudulant Financial Reporting: An Experimental Investigation of the Effects of Auditee Motivation, Asset Risk and Asset Ambiguity on Auditee and Auditor Decisions." Dipankar Ghosh, Mark F. Zimbelman, University of Oklahoma; and William S. Waller, University of Arizona

**Discussant:** Mark E. Peecher, University of Illinoin, Champaign-Urbana

12 Noon-1:45 pm

**Lunch and Plenary Session**
 Independence Standards Board: "Where are We Now and Where are We Going?" **Arthur Siegel,** Executive Director, Independence Standards Board

2:00 pm-3:30 pm

**Session 17: A Framework for Internal Auditor Independence and Objectivity**
 Report from the Joint Auditing Section/Institute of Internal Auditors Research Task Force. **Chair, Jane Mutchler, Pennsylvania State University**

**Discussant:** Urton Anderson, University of Texas-Austin

2:00 pm-3:30 pm

**Session 18: Audit Quality and Auditor Litigation**
 **Moderator:** Susan Scholz, University of Kansas

"The Relationship Between Auditor Accuracy and Auditor Size: An Evaluation of Reputation and Deep Pockets Arguments." Clive S. Lennox, University of Bristol

**Discussant:** Allen Craswell, University of Sydney

"Empirical Research on Auditor Litigation: Considerations and Data," Zoe Vanna Palmrose, University of Southern California

2:00 pm-3:30 pm

**Session 19: Determinants of Audit Fees**
 **Moderator:** Rajendra Srivastava, University of Kansas

"Further Evidence on Risk Premiums in Audit Fees." Rich Houston, University of Alabama, Michael Peters, University of Maryland, and Jamie Pratt, Indiana University

**Discussant:** Mark H. Taylor, University of Nebraska

"Determinants of External Audit Fees: The Importance of Client's Internal Audit Department." William L. Felix, Jr., University of Arizona, Audrey Gramling, Wake Forest University, and Mario J. Maletta, Northeastern University

**Discussant:** Michael Stein, University of Calgary

2:00 pm-3:30 pm

**Session 20: Effects of Client and Fee Pressure on Auditor Decisions**
 **Moderator:** Jean Bedard, University of Laval

"The Impact of Temporal Effects and Trustworthiness on Auditor Reactions to Client Preferences." J. Gregory Jenkins, North Carolina State University

**Discussant:** Karla M. Johnstone, University of Wisconsin-Madison
"The Effects of Fee Pressure and Partner Pressure on Audit Planning Decisions." James L. Bierstaker, University of Massachusetts Boston, and Arnold Wright, Boston College

Discussant: Robert J. Ramsay, University of Kentucky