The meeting was called to order at 7:30 AM.

The following people were present for the duration of the meeting:
Kathryn Kadous, Treasurer; Ray Whittington, President; Mark Beasley, Past-president; Trevor Stewart, Vice President - Practice, Arnie Wright, Historian; Julia Higgs, Secretary; Scott Showalter, Past Vice-President of Practice and incoming co-editor of the new online journal.

Ray Whittington welcomed new members of the executive committee

**Update on 2007 Mid-year Conference:**
Terry Neal and Karla Johnstone were present to report on the planning for the 2007 mid-year conference. The meeting will be held in Charleston, South Carolina at the Francis Marion Hotel from January 11-13, 2007.

The Mid-year Conference planning committee had met the previous day with the chairs of the section committees. The following has been planned:

**Friday Plenary speaker:** Bill Gradison of the PCAOB. Because Mr. Gradison is unable to be there on Friday morning, the plenary session has been moved to Friday afternoon after lunch. The business meeting will be held on Friday morning.

**Saturday Plenary Speaker:** Damon Silvers, General Council of the AFL/CIO

Panel sponsored by the Education Committee: Jay Thibodeau, chair, is considering a session on PCAOB inspections.
Panel sponsored by the Standards Committee: Audrey Gramling, chair, is considering a session on divergence and unification among standard setters (GAO, AICPA, PCAOB, and the IAASB)
Panel sponsored by the Research Committee to report on the results of the PCAOB research teams
Panel sponsored by the Practice Advisory Council (PAC) to discuss the types of research the Practice Advisory Council would support.

The 2008 Co-chairs – Gary Peters of the University of Arkansas and Roger Martin of the University of Virginia are ready to assist with the paper review and acceptance process that will occur after the September 1, 2006 submission deadline.

Breaks at the Francis Marion Hotel will be longer than in previous years due to the time needed to set up larger rooms between sessions.

**Location of the 2008 meeting:**
Locations to be submitted to Dee Strahan for 2008 locations are Tucson, AZ; Las Vegas, NV; and Austin, TX. Albuquerque was considered but eliminated because of winter weather concerns

**Discussion of Online Practice Journal issues:**

Dana Hermanson and Scott Showalter, incoming co-editors reported on the progress of the new online journal.

The following points were made:

- The AAA Executive Committee has approved the journal.
- The focus of the journal will be audit practice.
- An editorial policy has been drafted and Mort Pincus, AAA Vice President of Publications has comments on it.
- Reviewers from practice have been solicited.
- The mechanics of the web platform are being worked out with Tracey Sutherland. A conference call will be scheduled with her to work out the details in late August or early September.
- The page editing will be outsourced by the portal provider.
- Articles will be included in library aggregator packages sold by the AAA.
- There may be a need for different sections of the journal.
- There is a need for the journal to appear in Cabell’s Directory which Dana agreed to follow up on.
- Turn around time of reviews will be stressed.
- A call for volunteers from the practice community was sent out through the PAC. One national firm has declined to participate; however, current volunteers include Hal Zeidman, KPMG, Trevor Steward, DT and Chuck Landes, AICPA.
- Submissions fees were set as $25 member, $40 non-members (Mark Beasley made the motion and Kathryn Kadous seconded it; the vote was unanimous).

**PCAOB Liaison**

Mark Beasley and Ray Whittington met with the PCAOB representatives to discuss planning for a 2007 PCAOB AAA Conference. The conference is tentatively scheduled for spring 2007.

A PCAOB research forum agenda has been furnished by Gary Holstrum, PCAOB Director of Research.

One concern mentioned was that the AAA Professionalism and Ethics Committee was discussing about the possibility of interfacing with regulators. The concern was raised that this could be sensitive given the relationship the auditing section has with regulators that impact the auditing section. Ray will contact the Professionalism and Ethics Committee Chairman, Parveen Gupta, about the issue. The possibility of the two groups interfacing on topics such as independence or ethics standards was discussed.
The AAA has an initiative to be more strategic through contacts with members of Congress, the SEC, and other regulators. Joe Carcello, Arnie Wright, Scott Showalter have been asked to keep the Auditing section informed on issues that may impact the section.

A discussion occurred about whether the CPE committee could work with the Professionalism and Ethics Committee about common areas.

There is the possibility that more research synthesis teams will be announced in the future as topics arise. The response to the current projects has been positive.

Mark Beasley provided a summary of audit education issues that he discussed with the Standing Advisory Group. Skills needed for fair value auditing was one topic discussed. The Executive Committee discussed the need to examine this issue further through events such as the Mid-Year Conference and/or PCAOB AAA conference and through possible activities of the Education Committee of the Section.

Membership Committee:

Kevin Brown reported on the initiatives of the membership committee:
Kevin noted that the Membership Committee believes the launch of the new online journal will provide member value. The Executive Committee asked the Membership Committee to work through its regional representatives to get the word out about this new online journal at regional meetings this next spring. There was discussion that a one-page handout could be prepared outlining the details. This handout could be provided at each of the regional meetings.

A discussion was held about how to reach out to the practitioner community.
Scott Showalter pointed out the State CPA Societies have a large market share of the CPE business and the AAA should consider carefully whether we would want to compete with that group.

John Coulter of the membership committee was planning on meeting with PWC staff at the AAA annual meeting to ask professional members what they perceive as benefits of membership. The point was made by Scott Showalter to distinguish campus recruiters who may be there because of recruiting efforts rather than a genuine interest in membership.

A point was made to improve outreach at regional meetings. The section will consider the membership handout that was used several years ago.

As it is possible that more and more teachers of auditing courses are instructors and adjuncts, the section will consider offers that would make lecturers, adjuncts professionally qualified through some program at the mid-year meeting. This may increase membership in groups that have not traditionally joined the AAA. Ray Whittington was going to follow up with AACSB experts to see if this was feasible.

One initiative of the membership committee will be to compare presenters at annual meeting to section membership and follow up with membership materials.
Data on auditing section consortium attendees will be compiled to gauge interest in audit research. The summary should be provided to Bernie Melano of KPMG as this firm sponsors the doctoral consortium.

**AICPA Liaison – No new business**

**Award Committee Selections: Ray Whittingham**
- The process is moving forward.
- Selections should be finalized by September

**Committee Charges and Assignments:**
- Communications Committee will work to keep the web site up to date.
- Research Committee – The group has updated the research database from 2000 through 2005 (when it was launched it covered up to the year 2000). The Executive Committee agreed that keeping this database current should be an ongoing charge of the Research Committee.

**Officer Liaison:**
- Assignments previously distributed (see Committee distribution list for details) will be used going forward.

**Update on president nominees:**
- Mark Beasley, Chair of the Nominating Committee, provided an update on proposed officer nominees and noted that once the final candidates were determined, he would notify the Executive Committee by email to seek final approval of the candidate slate.

**Other Business:**
- The AAA has asked each section to have a VP of Publications (or any other title to be determined by the Section) which will serve as the liaison to AAA publications committee. Ray Whittington made a motion to have the section historian serve as the liaison from the auditing section – Mark Beasley seconded the motion and it was passed unanimously.
- Julia Higgs noted that Bob Herz, Chairman of the FASB, mentioned in a recent speech his desire to have a presidential level commission on the accounting profession. The section should watch this and be involved as appropriate.
- A discussion was had as to whether professors in a systems specialization could be enticed to become auditing professors and potential members of the Auditing Section. No decisions were made.
- The shortage of Ph.D. graduates in auditing was discussed. Many Ph.D.’s are not selecting auditing as a specialization. Reasons could include an access to data, the feasibility of publishing in top level journals, and the number of schools that no longer allow doctoral students to specialize in auditing research. The committee discussed the issue of how to get *Auditing: A Journal of Practice and Theory* as being recognized as top tier by College of Business deans. Ray Whittington noted that he is compiling a “think tank”
group to help brainstorm possible methods for increasing the perception of audit research and education among deans and others. The research committee will be charged with designing a survey to determine who is currently teaching auditing in higher education. Further, they should determine if these educators are academically or professionally qualified. Ray Whittington will contact deans at some of the following schools to get a sense of the views and trends on doctoral education in auditing

- University of Texas
- University of Illinois
- Arizona State University
- University of Arizona
- University of Southern California
- University of Washington
- University of Connecticut
- University of North Carolina
- University of Wisconsin
- University of Missouri
- University of Arkansas
- Georgia State University
- University of Colorado
- Michigan State University

The meeting adjourned at 9:18 am

Meeting Addendum –August 8th

The Outstanding Dissertation Award Committee recommended provided a recommendation to the executive committee on the award winner for the 2007 mid-year meeting. The recommendation of the committee was accepted unanimously (Trevor Stewart was unable to participate):

A discussion was held via email about increasing the number of submissions for this award. Several points were made:

1. Low numbers of submissions are partially attributable to fewer students completing auditing dissertations. Ray Whittingham reports that according to the AAA study, the number of Auditing Ph.D.’s in 2005-6 was 7.
2. The section may need to do more to encourage people to submit dissertations for the award.
3. The award should continue to be made on an annual basis as long as a sufficient number of nominees are available.
4. Researchers doing capital markets research with auditing implications may not be identifying themselves as auditing researchers in the AAA study. The section should consider this group of people for potential membership. These people may already be attending the mid-year doctoral consortium.