



# Public Interest Newsletter

Summer 2021



“Placing the public interest above self-interest is the hallmark of a profession”... Eddie Stamp, 1983...

**Join us at the 2021 Virtual Annual Meeting!**



Dear Public Interest Section Members,

Please join us at the 2021 AAA Virtual Annual Meeting. **Our Section Events at the AAA Annual Meeting include: The 25th Annual Ethics Symposium | PI Section Best Paper Award Winners Session | PI Section Business Meeting**

## **The 25th Annual Ethics Symposium [Thursday July 29 - Friday July 30]**

The 25th Annual Ethics Research Symposium will feature **academic research, teaching papers, panel sessions, and cases studies** that address accounting relevant issues in accounting ethics. **The Accounting Exemplar award will be presented** by the Public Interest Section. In addition, the Symposium will recognize other research including **Best Paper and Best Doctoral Paper**. Our plenary is **J. Kirk Wiebe**, retired NSA Senior Intelligence Analyst, NSA Whistleblower (Mass Surveillance of Americans). To learn more about J. Kirk Wiebe, please visit [here](#). To view the complete preliminary program for the 25th Annual Ethics Research Symposium, please visit [here](#).

## **PI Section Best Paper Award Winners Session [Monday August 2 | 5:00pm - 6:30pm EDT]**

Join us to celebrate the authors of the award winning papers from these 2021 Section and Region Meetings:

### **Joint Midyear Meeting of the AIS and SET Sections**

*“An Examination of Employee Sensitivity to the Risk of Whistleblowing via Social Media”*

**Fangjun Xiao** (San Jose State University) & **Bernard Wong-On-Wing** (Washington State University)

### **American Taxation Association Virtual Midyear Meeting**

*“Does organized labor influence how firms use tax savings? Evidence from the Tax Cuts and Jobs Act of 2017”*

**Jonathan Black & Thomas Godwin** (Purdue University)

### **Forensic Accounting Section Research Conference**

*“Fraud as a Systemic Phenomenon in the Kansas Bond Scandal of 1933”*

**Louella Moore** (Washburn University)

### **Spark Meeting of the Regions**

[Western region] *“The Efficiency of Corporate Social Responsibility Activities: Evidence from Targeted Poverty Alleviation Projects”*

**Ling Zhou** (University of New Mexico), **Xiaobei Huang** (North China University of Technology), **Yunling Song** (Inner Mongolia University), & **Lv Jianing** (Capital University of Economics and Business)

[Ohio region] *“The Effect of Whistleblowing on Peer Firms’ Conditional Conservatism”*

**Fuzhao Zhou** (State University of New York College at Brockport)

## **PI Section Business Meeting [Thursday July 29 | 4:00pm - 5:00pm EDT]**

Join us to connect with your colleagues from around the world and the our section, stay up to date on current PI section information, share resources and be part of the conversation!

## Ethics Webinars

As part of the weARE webinar series, the American Accounting Association will be conducting the following free webinars for members. You will be able to earn CPE credit at each webinar.

### The Art of Teaching Ethics to Accounting Students

September 24, 2021, 11:00 am – 12:00 pm EST



Teaching ethics involves more than just knowing what ethics are and its implications for accounting professionals. Educators should have a variety of tools in their toolbox including awareness of various approaches to teaching ethics, usefulness of each approach, how they apply to ethical decision-making, and how to use rubrics to evaluate case presentations. One thing missing in the teaching of ethics is the passion for the subject matter in the context of a history of wrongdoing in the accounting profession. In this webinar you will learn how to develop that passion by engaging students in realistic discussions of ethical dilemmas in accounting and how to evaluate student performance.

**Steven Mintz**  
Professor Emeritus from  
Cal Poly San Luis Obispo

Dr. Steven Mintz is a professor emeritus from Cal Poly San Luis Obispo. He has published dozens of articles on ethics including pedagogical issues. Dr. Mintz' accounting ethics textbook is currently under revision for the 6<sup>th</sup> edition. He has received the Max Block Distinguished Article award twice from The CPA Journal. Dr. Mintz is a recipient of the Accounting Exemplar Award from the Public Interest Section of the American Accounting Association.

### Researching and Publishing on Ethics

October 15, 2021, 11:00 am – 12:00 pm EST

Dr. Sri Ramamoorti of the University of Dayton in Ohio will explore selected research topics in accounting and business ethics spanning ethical sensitivity, dark triad corporate executives, and implications of emerging technology for ethics research.

Dr. Sri Ramamoorti is currently an Associate Professor of Accounting at the University of Dayton in Ohio. After serving on the University of Illinois' accountancy faculty for a few years he re-entered professional practice and worked for Andersen Worldwide as a principal in the Professional Standards Group), EY as National SOX Advisor), Grant Thornton as a corporate governance partner), and Infogix as the software controls company's GRC (governance, risk, compliance) consulting practice leader. Subsequently, returning to academia, he was with Kennesaw State University until 2017. He has published over 60 papers and articles in academic and professional journals. Actively engaged with the profession, he previously served on the PCAOB's Standing Advisory Group, and is a member of the National Board of Directors of Financial Executives International.



**Sri Ramamoorti**  
University of Dayton

## Editorial Columns

### UK Audit Reform Proposals: Full of Sound and Fury but Likely to Amount to Nothing



*The UK audit firms themselves warned the following week that the plan to significantly increase the number of companies subject to the proposed stringent governance standards risks straining audit firms and their new regulator to breaking point.*

*Even Sir Jon Thompson, chief executive of the prior UK regulator the Financial Reporting Council, told the Financial Times in May he agreed with criticism of the regulator. Asked whether the FRC was “asleep at the wheel” during corporate failures, he told the FT’s Board Director series: “The answer is yes. Let’s be straight forward about it.” The proposed new regulator to replace the FRC, was not expected to be in place until at least 2023.*

Francine McKenna

Let's all say again that auditors are supposed to be performing their public duty and finding fraud, shall we?

One after another the ongoing revelations of corporate fraud and bankruptcy in the UK remind us that audits — the last defense against failed financial reporting for investors and the markets — are still not preventing, detecting, or warning anyone about it.

Enron’s bankruptcy, and its auditor Arthur Andersen’s collapse, happened twenty years ago. The financial crisis rocked the foundations of global financial stability a decade ago. Reforms intended to reassure investors and markets that company accounts can be trusted have instead fallen far short. Allegations of accounting muck-ups at UK companies such as Autonomy, Carillion, Thomas Cook, and Patisserie Valerie, to name just a few, prove politicians made empty promises.

The Right Honorable Kwasi Kwarteng, MP, the UK’s new business secretary, has now introduced a jumble of reforms after the latest corporate calamities and the failure of auditors to catch them, or even convincingly own up to a public duty to do so. The Beis proposals are pitched as a UK version of the US Sarbanes-Oxley Law, passed in 2002 in response to Enron’s failure and Arthur Andersen’s collapse.

The UK may be growling up the wrong tree. SOx reforms have always delivered more bark than bite.

It would be a huge mistake for the UK to model its reforms — ones that have so much momentum and urgent need — after US auditor reform that’s failed so miserably. UK investors deserve more.

I wrote in 2012, ten years after Sarbanes-Oxley was passed, that the law and feeble enforcement of it had failed to restore investor confidence in audit firms after Arthur Andersen’s failure to mitigate fraud at Enron. Nearly twenty years on my verdict is even more harsh. The Sarbanes-Oxley law has turned out to be a negotiated mélange of rules that have been barely enforced and gradually watered-down to within an inch of their original intent, all to reduce costs for corporations and increase new share listings.

Is the latest UK reform package truly radical or just more of the same incremental reforms, full of sound and fury yet signifying no meaningful change once again?



To view the entire article, please visit: <https://aaapublicinterest.blogspot.com/2021/07/uk-audit-reform-proposals-full-of-sound.html>