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PUBLIC INTEREST

Public Interest Section, American Accounting Association
Sarah D. Stanwick, Editor, Auburn University

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Message from the Editor

Welcome to the Spring Edition of the Public Interest Section Newsletter – In the Public Interest. This issue contains columns from Joni Young and Tim Fogarty. In addition, you will find several calls for papers for many different academic venues. Cynthia Cooper's comments, the 2003 recipient of the Accounting Exemplar Award, are included in this issue with various photographs from the luncheon at the American Accounting Association Luncheon in her honor. If you missed the luncheon, you can read her comments [here](#).

I want to thank the members of the Accounting Exemplar Award Committee for their hard work. The members included Pat Robinson, Mary Beth Armstrong, Joni Young and Laura MacDonald. I appreciate their volunteer efforts in choosing the 2003 Accounting Exemplar Award recipient.

Please send your submissions for the summer newsletter by July 15, 2004.

Sarah D. Stanwick Editor, *In the Public Interest*

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Message from the Chair
*For a Broad and Enduring Recognition of
Accountancy's Professional Failure*

Vaughan Radcliffe

Members of the Public Interest section are particularly aware of the failures of the accounting profession, and were sensitive to them well before recent scandals. What is interesting now is evidence of the ongoing digestion of these failures amongst wider groups both in practice and in academic life. Arthur Wyatt's remarks at the 2003 Annual Meetings of the American Accounting Association, titled "Accounting Professionalism They Just Don't Get It", suggest an unease that has remained in the post Sarbanes-Oxley era. His remarks were warmly received by those at the conference and serve to give pause to those who might be tempted to signal that the problems of the profession are behind us, as in the darkly entertaining title of the AAA Southeastern Region's Annual Meeting, "The Accounting Profession: Back on Track", recently held in Lexington, Kentucky.

Wyatt presents a careful dissection of the trajectory of the profession over some fifty years, drawing attention to the triumph of commercialism within major firms in particular, and the role of professional bodies as they sought to support the large firms' enterprises. He has considerable experience on which to draw, having been Partner and Managing Director with responsibility for accounting principles at Arthur Andersen from 1966–1992. He was a FASB board member between 1985–1987, was U.S. representative to the IASC from 1988–1993, serving as chair from 1990–1993. He is a member of the accounting hall of fame, he served as a member of the AICPA's Board from 1980–1984, and he was President of the American Accounting Association during 1991–1992. Wyatt is in short a denizen of the U.S. accounting profession, and this means that his claim that the profession still does not "get it" is noteworthy.

Arthur Wyatt's years of service must at times have been frustrating, for in his speech he maps out a series of developments which over the duration of his professional life

brought commercialism to the fore and reduced the AICPA, a group which once aimed to stand alongside the great professions of medicine and law, to the level of a trade association, a term used by Wyatt and now routinely applied to the accounting profession in such leading publications as The Wall Street Journal. Wyatt points to a mutually reinforcing series of developments: demand from firm leaders for constantly rising profit; increasing concentration amongst firms, which eroded competition and presented the risk of control loss; a non-accounting focus enhanced by the hiring of non-accounting majors; and compensation being driven by sales rather than professional performance.

Wyatt's remarks themselves suggest avenues of inquiry for those concerned to map out the accounting profession's calamitous trajectory in regard to the public interest. In essence he relies on personal history and experience to understand where we are now. Some of this will involve retrospective reinterpretation of events. Some will represent what must have been ongoing frustration over time as commercialism took hold. All of this suggests that accounting history has a particular role to play in documenting dynamics within the profession and within the firms. We need an understanding of the way in which commercialism came to the fore and in which professional firms and organizations both supported and were changed by this. Wyatt's analysis is suggestive of these lines of inquiry but ultimately reverts to the individual as a unit of analysis. He calls for the firms to hire accounting majors as a way of reinforcing professionalism, and suggests that undergraduates should understand the philosophy underlying accounting standards and have more robust and questioning ethics courses. But this is at odds with the largely institutional and organized dynamics that he locates as being at the center of the commercial drive. The issue seems not to be the ethical sensibility of twenty-two year olds as they enter firms, when as Wyatt acknowledges they are likely at the peak of their idealism, it is surely what happens next, what they see and what they learn within the firms and in their experiences in professional life. Powerful messages as to what counts, what matters, and who gets ahead have served to reinforce a culture that has led accounting to its present state. An analysis that focuses on such organizational dynamics may present a fuller sense of the history of the profession in recent times. As members of the Public Interest Section we have a duty to work both for broad and enduring recognition of accountancy's failures as a profession, and for change in practice and culture.

A Personal Note

I am now at the Richard Ivey School of Business, University of Western Ontario, having moved from Case Western Reserve University. While this change in affiliation brings with it a change in countries I intend to remain engaged in scholarly discussion

and work in the U.S. and elsewhere. The problems before us are increasingly continental and global in scope, and while remaining sensitive to the influence of local circumstance there is a need for scholars to draw on networks as wide as the issues with which they deal. I thank colleagues for their support during my term as Chair of the Public Interest section and for their well wishes in moving to my new home.

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Cynthia Cooper, 2003, Accounting Exemplar Award Recipient

The American Accounting Association's (AAA) Public Interest Section has recognized Cynthia Cooper as the 2003 recipient of the Accounting Exemplar Award for her efforts to promote professionalism and ethics in the accounting profession. The Accounting Exemplar Award is awarded annually to an individual or individuals who have made notable contributions to professionalism and ethics in accounting practice or education. This year's luncheon was held on Sunday, August 3, 2003 at the conclusion of the 8th Annual Symposium on Ethics Research in Accounting preceding the AAA's Annual Meeting in Honolulu, Hawaii. She was nominated for the award by Professor John Rigsby of Mississippi State University and Professor Richard Vangermeersch of the University of Rhode Island.

Ms. Cooper is the Vice President of Internal Audit at MCI, where she has worked for the past 10 years. She previously worked in public accounting in Atlanta, GA for PricewaterhouseCoopers and Deloitte & Touche.

Ms. Cooper is a Certified Public Accountant, a Certified Information Systems Auditor and a Certified Fraud Examiner. In addition to her professional designations, she is a member of the American Institute of Certified Public Accountants, the Information Systems Audit and Control Association, the Institute of Internal Auditors and the Association of Certified Fraud Examiners.

Ms. Cooper received her undergraduate degree in Accounting from Mississippi State University in 1986, and in 1987 received her Master of Accountancy degree from the University of Alabama.

Ms. Cooper previously served on the Accounting Advisory Board for the University of Alabama, and currently serves on the Louisiana State University Center for Internal Auditing Advisory Board. Ms. Cooper speaks to high school and college students across the country to share some of the lessons she has learned about ethical values and to emphasize the importance of strong ethical and moral leadership.

Ms. Cooper was named one of Time magazine's Persons of the Year for 2002. She resides in Brandon, Mississippi with her husband, Lance Cooper, and their children, Stephanie and Anna Katherine.

Ms. Cooper is the tenth recipient of the Public Interest Section's Accounting Exemplar Award. Previous award winners include Robert Sack, Art Wyatt, Abe Briloff, Tony Puxty, Harold Langenderfer, Ralph Estes, Carl Devine, Arthur Levitt and Eli Mason.

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Introduction to Cynthia Cooper

By John T. Rigsby

Good afternoon. We are here today to honor Cynthia Cooper. Professor Richard Vangerschmeer of the University of Rhode Island and I nominated Cynthia for the Accounting Exemplar Award to recognize her achievements in promoting professionalism and ethics in the accounting profession.

Cynthia Cooper is a Vice-President of Internal Audit at MCI, where she has worked for 10 years. She established their Internal Audit Department in 1994. Previously she worked in public accounting in Atlanta, GA for PricewaterhouseCoopers and Deloitte & Touche. She received her undergraduate accounting degree from Mississippi State University and a masters in accountancy from the University of Alabama. She is a CPA, Certified Information Systems Auditor, and a Certified Fraud Examiner.

Cynthia was named one of Time magazine's Persons of the Year in 2002 because she brought to the Board's attention at World Com a massive fraud that had been going on for several years. In a period of great distress for the accounting and auditing profession, when the independence of CPAs from their clients is being questioned, when the ability of the auditing profession to regulate itself is being taken away, Cynthia Cooper stands as a person of great personal and professional integrity who at significant personal sacrifice and risk took a stand for what she believed was right and stuck by her beliefs in the face of great pressure.

We as academics are educating the leaders of the accounting and auditing profession today. We need more such leaders as Cynthia Cooper who provides beacons of light in some dark days that the accounting and auditing profession are going through right now. Without people such as her, who are willing to make the difficult choices and face the great pressures, our ability to grow and develop into a stronger and better profession is greatly at risk.

Help me to welcome Cynthia Cooper.

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Ethical Leadership and Corporate Integrity

Cynthia Cooper

August 3, 2003

Thank you, Professor Rigsby, for that generous introduction. I am honored to have been nominated by you and Professor Vangermeersch to receive this recognition. It is a privilege to be in the company of the prior recipients, and it is humbling to receive this prestigious award from an organization that has had a profound and enduring impact on the accounting profession. As educators, you have my deepest respect and admiration. Teaching is among the noblest of all professions. A great teacher can awaken our senses and introduce us to new worlds, serve as wise counsel during difficult and confusing times, and nurture the spirit so that the strength of character, self esteem and leadership grow deep and strong.

Dr. Rigsby commented earlier on ethics. Each of us here today shares an interest in education and in emphasizing the importance of ethical conduct and strong moral leadership. Not only do teachers have an opportunity to help students master the skills of their chosen profession, they also have the unique opportunity to educate students on applying ethical decision-making. It is a privilege to be able to share some of my thoughts on ethical leadership and corporate integrity with you as educators. While we have read about the various corporate scandals of the past few years, we must not forget that most people are honorable. Hundreds of thousands of men and women throughout Corporate America go to work everyday, give their best, and try to do the right thing.

If I were going to sum up the recent corporate scandals in one word, it would be tragedy. Great harm has been inflicted on individuals as well as the capital markets. Many people have lost jobs and retirement savings, careers have been ruined, and families have been devastated.

Over the past year, my team and I have, in many ways, been at the center of a great storm. My faith, family, and friends helped see me through this storm, and kept me grounded and focused. While there have been very difficult times, there have also

been very encouraging times. I received hundreds of letters of support. Each and every one was a source of encouragement.

We are at a defining moment in the history of American business. We have witnessed high profile bankruptcies, well-publicized restatements of financial reports, and conflicts of interest. As a result, we have entered a period of increased focus on ethics and corporate governance – a new era. At a Corporate Fraud Conference last September, President Bush stated "we're beginning a new era of corporate integrity...the American economy depends on fairness and honesty... ." Many steps have been taken by the government, US exchanges and companies to restore public trust. Even with the new legislation and reform efforts, the ultimate responsibility for the success of American capitalism depends on the behavior of the leaders of our corporations. The need for ethical leaders with vision and integrity has never been greater.

Commerce Secretary Don Evans emphasized this point. He remarked: "For America to have a strong economy, we need sound businesses with ethical, responsible leaders... Great authority is vested in the men and women who run our public corporations, and with such power comes responsibility."

It is profoundly important that we decipher what lessons can be learned from the recent corporate scandals, share those lessons with the next generation, and challenge ourselves to make real changes that will have a positive impact for our companies and in our lives. My associate, Glyn Smith, and I have been visiting colleges and universities to share some of our experiences and lessons learned. To help students understand how we got to this new era and what some of the priorities are for individuals and companies to succeed in this environment, I review with them what I have labeled as the Crisis, the Costs, the Changes and the Challenges. I would like to take this opportunity to briefly discuss some of what I share with students.

The Crisis

Moral leadership and character matter. General Norman Schwarzkopf stated, "Leadership is a potent combination of strategy and character. But if you must be without one, be without the strategy." The recent scandals have contributed to an erosion of public trust in our capital markets and reminded us of the importance of the accounting profession, as well as strong moral leadership in America's corporations. The accounting profession is critical to the integrity of the capital markets. Now more than ever, we need the best and brightest students going into the accounting profession, fully aware of what is at stake.

The Cost

There is a great deal at stake – both tangible and intangible. First, there is an impact on the moral and ethical fabric of our nation. Second, our personal and professional reputations, which are impossible to place a value on, are at stake. Reputations can take years to build and minutes to tear down. Third, the success of our capital markets is at stake.

The Changes

We are all aware of the many changes that have taken place from a regulatory perspective. Appearing before Congress in July 2002, Alan Greenspan said: "I don't see how one can effectively legislate morality or character, but what you can do is try to create an environment and legal structure which significantly penalizes malfeasance." In an effort to do just that, the Sarbanes-Oxley Act was signed into law one year ago, and as you know, the Public Company Accounting Oversight Board has been established. In addition, each of the US Exchanges has created its own regulations for companies listing with them, and many companies are proactively addressing areas of concern.

The Challenges

It is important for students to be aware of the challenges companies face from a business perspective such as ensuring strong systems of governance and internal control and complying with Sarbanes Oxley. However, understanding the challenges that each of us face on a personal level and from a human perspective is of equal importance.

As parents, business leaders, and educators, we must encourage students to guard and protect their integrity, and impress upon them the importance of responsibility, accountability, and honor. If integrity is forfeited, peace of mind leaves with it, and no amount of wealth can purchase what is priceless. Students must be able to recognize and resolve moral dilemmas, and have a full awareness of and guard against the temptations and trappings of humanity which may come between them and their ability to make the right decisions.

I share the following personal challenges with students:

1. Learn to handle difficulty and adversity well. Life is not always easy. Difficult situations come to us all. While each of us may go through different doors of difficulty, we all face problems in our everyday living, and our lives are sometimes punctuated by profound challenges. Facing adversity and handling it well can build our character. What is important is how we handle adversity. Do

we have a strong foundation? Are we prepared ethically, emotionally, and spiritually when we find ourselves at the center of a crisis?

2. Become ethically, emotionally, and spiritually fit. Each of us are faced with moral decisions in our daily life—some are easy and some are not, whether to cheat, speed, drink and drive, or tell a lie for example.

Students ask how do we become ethically fit and what does that mean anyway? Businesses establish codes of ethics. What can we do personally to codify our own personal ethics?

Becoming ethically fit first requires knowing what we believe and defining strong moral principles by which we will live and make decisions. For example, some people define their own personal code of ethics in writing.

Second, becoming ethically fit requires attention and commitment. It requires that we seek wisdom and understanding, which can be enhanced by reading and opening our hearts and minds to lessons learned from those who have gone before us. Albert Einstein once advised, "Try not to become a man of success. Try to become a man of virtue."

Third, ethical fitness requires applying ethical decision making when resolving problems. Every decision has a consequence, for good or bad; and we are each responsible for the decisions that we make and the consequences of our actions. We are interdependent and our decisions impact each other. Rudolph Giuliani has a two-word sign on his desk that reads, "I'm Responsible." No matter what our position, we all have a responsibility to ourselves and each other. We should all be accountable all the time, and it is our personal challenge and our responsibility to behave ethically.

We should practice ethical decision making even with decisions, which may seem less important. In other words, small decisions matter. Most criminals probably do not wake up and say, I think that I will become a criminal today. Instead, there is often a slippery slope, a relaxing of values, and a decline in morality. Rudolph Giuliani understood the importance of this precept when he applied the broken windows theory in New York. In his book "Leadership", the former Mayor of New York City discusses this theory, which holds that relatively minor concerns such as broken windows in deserted buildings lead to more serious neighborhood problems.

3. Practice principled leadership. Each of us has an opportunity and an obligation to ensure that the moral fabric of the country is strong whether we are parents who take the time to teach our children the moral virtues and how to apply ethical decision making; teachers who incorporate ethics into our curriculum; or professionals who institute strong systems of governance and set the right tone in our companies. What I communicate to students is that leadership is a position of trust that must not be betrayed. If you are in a leadership position, where will you lead? Students need to understand that there are many paths to go down in life, and that they must take care in choosing their paths. As the leaders of tomorrow, their decisions will impact the lives of many people. They must be cautious in their dealings, acknowledging that consequences follow every decision. The responsibility of making ethical decisions in difficult times may weigh heavy on their shoulders. However, the weight of deception is exceedingly heavier, and exacts a dire toll.
4. Maintain the courage of convictions. In a letter I received from one gentleman, he wrote, "My wife and I try to teach our children that courage is not without fear. Courage is acting in the face of fear." We must help foster courage of conviction prior to the need for it, so that our resolve will be strong when we come to an important decision—when we come to the crossroads.

My advice to students as they continue through school and beyond is first, trust your instincts. If a decision you are about to make doesn't seem quite right, it may not be. Second, don't allow yourself to be intimidated. Above your superiors, your loyalty is to your principles. And third, do what you know is right even though it may be difficult and there may be a price to pay. Dr. William Samson, a professor at the University of Alabama, stated in a recent article: "Integrity costs: loss of clients and loss of job are certainly real consequences of having integrity, but that is the price. There is no other right answer." While he was talking about having integrity in our business dealings, this is certainly transferable to everything we do.

5. Realize the critical impact that attitude has on our lives. Many of you may be familiar with the following quote from Theologian Charles Swindoll that summarizes his philosophy on the importance of attitude: "The longer I live, the more I realize the impact of attitude on life. Attitude, to me, is more important than facts. It is more important than the past, than education, than money, than circumstances, than failures, than successes, than what other people think or say or do. It is more important than appearance, giftedness or skill. It will make or break a company...a church...a home. The remarkable thing is we have a

choice everyday regarding the attitude we will embrace for that day. We cannot change our past...we cannot change the fact that people will act in a certain way. We cannot change the inevitable. The only thing we can do is play on the one string we have, and that is our attitude...I am convinced that life is 10% what happens to me and 90% how I react to it. And so it is with you...we are in charge of our Attitudes."

6. Know what matters most and make a difference. As young people enter the business world, it is easy for them to be lured into the quest for success and amassing material possessions, which can become an unquenchable thirst. It is important to maintain a healthy balance and discipline in life, never forgetting to focus on what matters most and has lasting value: faith, family, and friends. These are the things that provide strength in difficult times and depth in good times.

We can all make a difference. Neither a bright spotlight, a public arena, or a prestigious position, are prerequisites for a life of great significance. Countless lives of exceptional value occur quietly in ordinary circumstances because individuals chose to give the best within themselves—chose consciously not to be defeated. A shining example was a lady from Hattiesburg, Mississippi who wanted others to have the benefit of a college education, which she herself was unable to obtain. Perhaps you have heard of Miss Oseola McCarty, the laundress who established a scholarship fund at the University of Southern Mississippi. Miss McCarty gave \$150,000, which represented a substantial portion of her life savings, for deserving students in financial need.

Miss McCarty's formal education ended when she was 12 years old because her family needed her help working beside them in their home as a laundress. She did not view this role as a hardship. Instead, she took pride in her work and in her ability to help her family. She worked six days a week for 74 years as a laundress. Miss McCarty lived modestly and saved what she could manage from her earnings. Hindered by arthritis, she retired reluctantly at age 86. Among the many lessons Miss McCarty hands down to us are to recognize the difference between want and need, to know that work well done is its own reward, and to realize that one person can make a profound difference. Miss McCarty died September 26, 1996 at the age of 91, yet the light of her life still shines.

7. Treat others with respect and dignity. Strive to be a person of honor, integrity and fair dealing. Strive to live a life without regret. In the rush of the business

world it is easy to overlook the humanity of our daily encounters. The Golden Rule endures because it is such a central tenet of our existence. Living by these truths offers protection from regret and the satisfaction of a life well lived.

In closing, thank you for the opportunity to speak with you and for presenting me with the Accounting Exemplar Award. I am deeply humbled to be the recipient. I wish you the very best of good fortune and success in this vastly important undertaking of educating. The value of your choice to teach—to share knowledge—to give counsel—is immeasurable. May God bless your efforts.

[Award Ceremony Photo Gallery](#)

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2004 Accounting Exemplar Award

The Accounting Exemplar Award of the Public Interest Section is awarded to an individual who has made notable contributions to professionalism and ethics in accounting education and/or practice. The award may be given to an accounting educator or an accounting practitioner. Nominations are now being accepted. Please provide a written nomination specifying the reasons the nominee should receive the award. This written nomination should provide information about the nominee that indicates how the nominee has made notable contributions to professionalism and ethics in accounting education and/or practice either by serving as a role model and/or by making significant contributions to the accounting profession in a manner that serves the public interest. Nominations should be sent to Sarah Stanwick at Auburn University (stanwsd@auburn.edu) by **May 15, 2004**.

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Section Journal News

Call for Papers

Accounting and the Public Interest

**An Academic Journal
published by the Public Interest Section
of the American Accounting Association**

Accounting and the Public Interest is the first exclusively online journal in the American Accounting Association's (AAA) current stable of academic journals and the only one that has as its primary focus to provide a forum for academic research addressing the public interest. Three volumes have been published and the 2004 issue is in process. These can be found at <http://aaahq.org/ic/browse.htm>.

If you have manuscripts suitable for the Public Interest Section's journal, you are strongly encouraged to submit them for consideration. The journal is only as good as the manuscripts submitted. Manuscripts are to be submitted electronically (preferably via email and an attached Word file) to the editor (Jesse Dillard, Portland State University) at jdillard@pdx.edu. If you have questions, please feel free to contact the editor at (503) 725-2278. There is no submission fee for Public Interest Section members, for others there is a \$15 fee.

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Ethical Responsibilities: A Brief Essay

Joni J. Young

A recent essay published in *Accounting Horizons* closed by urging "leaders in the accounting profession and in academe [to] focus on calling individuals to excellence. By presenting the importance of high ethical standards, by teaching the importance of personal integrity, we summon current and future accountants to his or her nobility" (Smith, 2003, 49). Imparting the significance of these matters can not be accomplished by adding a few ethics cases to existing classes nor of requiring students to take a class (or even several classes) focused upon ethics. To seriously explore these issues, I believe we must examine critically our own behaviors as well as the overall content of our curriculum and the messages it may convey. I briefly outline these topics in the remainder of this essay.

I question the effectiveness of any solutions/discussions that appear only to stress the teaching or presentation of the importance of personal integrity. It is not enough to talk about ethics and integrity in the classroom and the hallways nor to point out ethical failures reported in the press; we also need to conduct our interactions with students and colleagues with integrity. Rather than telling our students to act with integrity and to follow high ethical standards, we must attempt to model acting in these ways. We must try to embody integrity even as we know that we will not always succeed. The following questions provide some simple examples of how we might embody integrity in and out of the classroom. Do we update our syllabus and remain current with accounting developments in an effort to provide our students with the latest in accounting regulations? Do we periodically question whether students need to learn materials that have "always been taught" or do we assume that because we were tortured with something like retail inventory methods our students should be as well? Do we treat our students with respect and encourage their questions? Do we admit it when we don't know the answer but offer ways for students to find the answers for themselves? Can we laugh at our own errors and correct them when found? Do we keep our stated office hours? Do we design tests to challenge but not demoralize? When faced with a particularly recalcitrant student (the one plopped in a chair who just won't leave), do we offer a side deal to minimize hassles or do we adhere to the policies outlined in our syllabus? Do we carefully read our colleagues'

working papers and offer comments? Do we return journal reviews on a timely basis? Limitless possibilities exist which offer us opportunities to model behaving with integrity and I am certain that you can add many additional examples.

Second, if we wish our student to practice high ethical standards, we need to seriously consider the possible impacts of the various behavioral models that we present as descriptive and the various approaches to decision-making that we describe as appropriate in our business classes. Within a frequently used behavioral model, people are characterized as agents always searching for an opportunity to shirk. In other words, we teach that people will cheat whenever they get the chance unless contracts are arranged to prevent this outcome. This model seemingly describes cheating as a rational response in most situations. What sort of impact may the assertion that people almost always cheat given the chance have on the ethical behavior of future accountants? Other commonly taught economic models maintain that it is appropriate and expected that individuals will always choose to maximize their individual profit, utility or some other function. These models extol rationality which is seen as cold, calm reason and leave no room for emotion, intuition, compassion or passion to enter into a decision calculus. So given a choice between honest reporting and job loss versus dishonest reporting and a large bonus, what choice is a rational accountant likely to make?¹ By teaching our students to think about the world in these ways, are we helping to construct a world in which cheating and other unethical behaviors are simply described as profit-maximizing strategies?

We also teach our students to use quantitative techniques in problem-solving. We maintain that these techniques enhance our ability to compare disparate things and argue that whenever possible attributes should be quantified and reduced to numbers. (After all, isn't this the purpose of techniques like cost benefit analysis or discounted cash flow analysis?). Numbers and quantification are important and can be useful in decision-making. But in placing our emphasis upon numerical techniques to solve pre-given problems, we fail to impress upon our students the importance of stopping and deciding whether a particular "problem" should be solved. Seen from a particular perspective, the frauds at WorldCom and other places could be described as solutions to the problem of meeting analyst's forecasts. The SPE's at Enron were solutions to the problem of hiding losses and enriching insiders. The numerical techniques we teach do not require that we stop and consider the why of what we are doing. Indeed, they may program us to simply solve the damn problem so that we can tackle the next one. We are not encouraged to question our reasons for engaging in a particular activity and to stop and ask whether we wish to become the sort of person towards which these activities are likely to lead.

In these brief paragraphs, I have explored the responsibility of educators in modeling ethical behavior as well as in assessing how the content of the materials that we present to our students may contribute to future unethical behavior by accountants—our students.

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What Goes Around, Comes Around. Or Does It?

Tim Fogarty

Case Western Reserve University

Those of you that have been in the accounting academy more than a few years remember how actively the "150 hour" legislation was sought by most of the large public accounting firms. For this purpose they enlisted the support of many of us. We helped them make the argument that it wasn't just about helping these firms make more money. Instead, we made the case that the protection of the public required a more educated auditor.

Much water has gone under the bridge since then. The major firms continued to diversify away from auditing to the point that they preferred other identities. They also re-engineered the audit until it was not really an audit. When the financial version of Krakatoa exploded in 2001, there was a brief "back to basics" movement.

Now a different tune is being sung. The large firms are looking at the "150 hour" laws as impediments to their access to cheap labor. Although it has to be admitted that they never wanted to pay a real premium for the fifth year of post-secondary education, some of the firms now have concluded that the fifth year is not worth anything to them. Their research indicates that the performance of a four year graduate and a five year graduate is indistinguishable. Therefore, they tell us via the bully pulpit of nicely turned out booklets and national conference calls, what is the point of all this education?

In fairness, the position of public accounting firms is not to repeal the laws that position accountancy as a graduate level education profession. They call for the 150 hours to be met in ways other than formal education. In other words, hours could be earned by activities such as CPE courses and work experience. The firms now believe that many more things ought to count in guarding the passage of people into the profession.

Gresham's law suggests that bad currency will drive out good currency. What do you

suppose will happen when there is an easy way and a hard way to qualify to take the CPA exam? The call for many paths to "150 hours," where more involve hypothetical hours, is a subtle way to abolish the requirement. One would think that in the wake of the scandals of the century, these firms would be a little embarrassed to go on the offensive with ersatz education.

The academy has not been unified in the wake of this clamor. Those that opposed the 150 hour legislation from its inception now rejoice that the firms have gone full circle, and praise the retrograde "flexibility." Others that see firm demand for labor as the only arbiter of the normative, call the fifth year an idea whose time either never came or has passed. The American Accounting Association, as per usual, is silent. Apparently the organization professes no expertise in educational matters.

The firms that now seek relief from the structure that they petitioned for not long ago, have been hoisted on their own petard. Having suggested that the public interest necessitated "150 hours" of education, it would seem difficult for them to say it now does not. Has accounting education improved so much that we now need less? Has the profession finally tapped into the elusive "best and brightest?" Or is it that the public interest itself is infinitely elastic, so that it is whatever best serves your bottom line?

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Calls for Papers and Other Announcements

16TH ASIAN-PACIFIC CONFERENCE ON INTERNATIONAL ACCOUNTING ISSUES

November 7-10, 2004

Seoul, Korea

SECOND CALL FOR PAPERS

Home Page: <http://www.craig.csufresno.edu/apc>

DEADLINE FOR PAPER SUBMISSION: MAY 15, 2004

The Sixteenth Asian-Pacific Conference on International Accounting Issues will be held on November 7-10, 2004 in **Seoul, Korea**. The main theme of the conference is "Corporate Governance and Accountability". The Conference will provide an important forum for the interaction of different ideas and information between academicians and practitioners, in order to enhance the understanding of international accounting issues in various Asian-Pacific countries.

Co-Sponsors:

- School of Business, Yonsei University, Korea
- Craig School of Business, California State University, Fresno, U.S.A.

Who will come:

Highlights of the 16th Annual Conference				
	SUNDAY NOV. 7	MONDAY NOV. 8	TUESDAY NOV. 9	WEDNESDAY NOV. 10
	08:00-12:00 Workshop	08:30-10:00 Opening Ceremony	09:00-10:30 Concurrent Sessions	One-Day Tour
Morning	"Convergence of Global Financial Reporting and Practices"	10:15-11:45 Plenary Session	10:45-12:15 Concurrent Sessions	

Afternoon	13:00-17:00 Workshop “Publishing Your Research in Scholarly Accounting Journals”	13:45-15:15 Concurrent Sessions 15:30-17:00 Concurrent Sessions	14:00-15:30 Concurrent Sessions 15:45-17:15 Concurrent Sessions
Evening	18:00-20:00 Welcome Reception	18:00-18:30 Pre-Dinner Welcome Cocktail 18:30-22:00 Gala Dinner	

Prominent scholars and practitioners from the United States, Canada, Europe, Taiwan, Hong Kong, Japan, Korea, China, Philippines, Thailand, Malaysia, Singapore, Indonesia, India, Australia, New Zealand, Mexico, Brazil, Chile and other countries are expected to attend the conference.

VISA INFORMATION: Nationals of certain countries may require a visa. All Korean visas MUST be processed through the Korean embassy or consulate. Please contact your local Korean embassy or consulate office for more information.

CONFERENCE WORKSHOPS

SUNDAY, NOVEMBER 7, 2004

8:00-12:00 “CONVERGENCE OF GLOBAL FINANCIAL REPORTING AND PRACTICES”

Leader: Katherine Schipper, FASB Member, U.S.A.

Workshop Fee: US \$80.00

13:00-17:00 “PUBLISHING YOUR RESEARCH IN SCHOLARLY ACCOUNTING JOURNALS”

**Leader: Terry Shevlin, Senior Editor, The Accounting Review; Deloitte & Touche
Professor of Accounting University of Washington, U.S.A**

Workshop Fee: US \$80.00

INSTRUCTIONS FOR CONTRIBUTORS

1. Each contributor is required to submit **online** a double-spaced copy of the full paper or panel discussion proposal in Microsoft Word for Windows format (Windows 95 or higher is the preferred format). Abstracts without full papers will not be considered.
2. For submission of your paper, please go to conference web site www.craig.csufresno.edu/apc and submit your paper as an attached file. The paper cannot contain any page numbers, headers, and footers.
3. All papers will be subject to a blind review process. The submission of a paper for review means the author certifies that the manuscript is not copyrighted, and has not been published elsewhere. Further, abstracts of accepted papers will be published in the Conference Proceedings only if at least one author registers and attends the conference.
4. All submissions must be received by May 15, 2004. Notification about the decision will be made by June 30, 2004
5. Please contact the conference headquarters below for additional information:

Professor Ali Peyvandi or Professor Benjamin Tai
Asian-Pacific Conference on International Accounting Issues
The Sid Craig School of Business
California State University, Fresno
Fresno, California 93740-0007, U.S.A.

Telephone Number (559) 278-2921
FAX Number (559) 278-7336
E-Mail Address alip@csufresno.edu or benjamin@csufresno.edu

Registration Information:

Registration fee US\$300 (registration fee includes Welcome Reception, Two Breakfasts, Two Luncheons, One Dinner, a One-day Tour, and a copy of the Conference Proceedings)

A special registration fee of \$200 (US Dollars) is available to full-time graduate students.

For Registration Form please visit our web site <http://www.craig.csufresno.edu/apc>

Conference Venue:

Grand Hilton Hotel

Rates for standard room are (US Dollars):

- Deluxe (Single or double occupancy) \$130
- Deluxe Plus (Single or double occupancy) \$140

After September 15, the rates will go up to \$180 and \$190 respectively.
The above rates do not include tax and service charges.

10th World Conference of Accounting Historians St. Louis/Oxford — August 1–5, 2004

Call for Papers

ONE—TWO—THREE

ONE CONFERENCE—TWO LOCATIONS—THREE THEMES

The 10th World Congress of Accounting Historians will meet in the USA with a dual venue of St. Louis, MO, and Oxford, MS, from August 1–5, 2004. The Congress will commence in St. Louis on August 1 to celebrate the centenary of the first International Congress of Accountants that was held in St. Louis in 1904 as a part of the World's Fair commemorating the Louisiana Purchase and Lewis & Clark Expedition. The headquarters hotel will be the Renaissance Airport Hotel. The Congress will move by air-conditioned motor coaches to Oxford, MS, on August 3 to give delegates a chance to visit the National Library of the Accounting Profession at the University of Mississippi. The Ole Miss Library is the largest accountancy library in the world. The Alumni House Hotel will be the Congress headquarters. After the Congress, delegates may proceed to Orlando for the American Accounting Association meetings. It may be most convenient to continue your post-Congress air travel from nearby Memphis International Airport.

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Call for Papers

The Academy of Accounting Historians and the Public Interest Section of the American Accounting Association are jointly sponsoring a one-day conference immediately preceding the Orlando National Convention of the AAA.

Conference Particulars

Date: Saturday, August 7, 2004

Venue: Orlando Marriott (AAA conference headquarters)

Time: 9:00AM–4:00PM

Cost: approximately \$35 (breakeven)

CPE: Yes

Conference Papers

Papers may be submitted on any subject appropriate for the two sponsoring organizations. They should conform to the style requirements of either of the two journals mentioned below. Special consideration will be given to history papers that relate to issues of public interest and to public-interest papers that reference history. Typical topics might relate to accounting's role in increasing accountability and transparency in democratic societies and how the public interest has been served or impaired historically by the actions of accounting practitioners. Authors of accepted papers will be urged to submit their work to the journals of the two sponsoring organizations – the Accounting Historians Journal and Accounting and the Public Interest.

Papers should be submitted by June 1, 2004 in electronic form only, prepared using Microsoft Word. Papers should be e-mailed to:

History

Public Interest

Professor Richard Fleischman
c/o Department of Accountancy
John Carroll University
University Heights, OH 44118
(fleischman@jcu.edu)

Professor C. Richard Baker
c/o Department of Accounting & Finance
University of
Massachusetts—Dartmouth
North Dartmouth, MA 02747
(rbaker@umassd.edu)

For further information, contact either Dick Fleischman at 216-397-4443 or Richard Baker at 508-999-9243.

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Participation
European Applied Business Research Conference
Edinburgh, Scotland
June 14–18, 2004

The next European ABR Conference will be held at the Carlton Hotel in the heart of Edinburgh, Scotland during the week of June 14–18, 2004. The hotel where we are meeting has rooms beginning at only £90 Euro per night for a single room package, £55 Euro per person for a double/twin package, and £50 Euro per person for a triple room package. The room package includes a very nice breakfast buffet. A city rich with history and culture offers sites such as the Edinburgh Castle, Arthur's Seat, the Palace of Holyrood House, and the Royal Museum of Scotland. Also known as "Athens of the North," Edinburgh can be rightfully called one of the most beautiful capitals in Europe. Some of the world's greatest writers were born in the area and it is also home to J.K. Rowling, the writer of the Harry Potter books. There are many golf courses along the coastline including the legendary "Old Course."

Submit your abstract or proposal to EABR Conference, PO Box 620760, Littleton, CO 80162 USA or email to cluter@wapress.com by **May 15, 2004**. Any applied business or economics related research manuscript or teaching related manuscript or case is welcome. The format of the paper is not important at this point. The final version on diskette (or email attachment) and conference fee must be received by May 30, 2004. The conference registration fee is \$350 with a \$100 fee for each additional paper presented. Please contact us if a deadline will be missed.

We hope to see you there!

Ron

Ronald C. Clute, Ph.D.
Conference Chair

European Applied Business Research Conference
Conference website: www.wapress.com/eabrcmain.htm

Email: cluter@wapress.com

Telephone: (303) 904-4750

Fax: (303) 978-0413

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