



President's Letter



Vern Richardson,
University of Missouri

What an honor it is to serve with you this year!
What a great year it is to be an AIS scholar!

First is our mid-year meeting, to be held in Clearwater Beach, FL, from January 6-9, 2010. Come join us! This is our core means of promoting excellence in research, teaching, and practice for both new and older scholars alike! In addition to great networking opportunities and both research and education paper sessions, we have two very current and intriguing topical speakers. The Friday plenary speaker will be John Tonnison from the Tech Data Corporation. The Friday lunch speaker will be Al Castro from KPMG Forensics. The Saturday lunch speaker will be Kevin Stocks as President-Elect of the AAA as well as editors of journals related to our section (JIS, IJAIS and TAR).

For our CPE workshop, we are collaborating with IMA and Protiviti. The workshop is intended to provide an interactive forum for both teachers and researchers in the area of internal controls. The session will include an introduction to business process controls, a case study breakout session for attendees that will focus on the process of identifying controls that could be automated and what that means for a business. We will also have presentations on automating internal controls and continuous monitoring of controls with a discussion of technology enablement and best practices.

On Friday evening, we will have dinner on the beach at the hotel. Please thank Rick Dull for organizing the meeting, and Martha Eining and Ronny Daigle for coordinating the paper selection process. Please come and make this the best mid-year meeting ever!

As one of our section initiatives, we are working to put together a dynamite information conference for those considering a PhD in Accounting Information Systems. With sponsorship by KPMG, from 22 applications we invited 17 candidates to join us for the conference. This new set of students interested in AIS academics gives us the promise of a rising generation of AIS teaching and research. If you haven't seen the website developed by Terry Glandon at www.aisphd.com. Thanks to Terry! We hope there will be many, many doctoral students and new AIS scholars join us for this conference as well. There will also be 14 current AIS faculty that will assist in putting together one of the best consortia ever.

Along with the many call for papers we get each year, please prepare your research for submission to the annual meeting in San Francisco this August! It promises to be the best annual meeting to date!

Now you can see why I am excited about this year! We are working on great initiatives in our pursuit of excellence and we have so many dedicated volunteers who tirelessly give of their time and energy to make it happen. Thank you for this opportunity to work with you! I hope to see you in Florida!

- President's Letter**
- 2010 IS Mid-Year Meeting**
- Notable Contribution**
- Conferences—ISAR**
- Conferences—AMCIS**
- Book Reviews Call**
- Congratulations!**
- In the Literature**
 - Research on Research
 - IT Acceptance
 - IT Value
 - Conceptual Modeling
 - IT Assurance and Privacy
 - Impact of Networks

[Return to IS Section Homepage](#)

**2010 Information Systems Section Mid-Year Meeting and AIS New Scholar Consortium January 7-9, 2010**

The Information Systems Section of the AAA will hold its 2010 Mid-Year Conference in Clearwater Beach, Florida. The meeting will include a plenary speaker, a pre-conference workshop, panel discussions, research and education paper sessions and forums. We will also be offering a AIS New Scholar Information Conference – to help people considering PhD programs, current PhD students, and early career faculty. Make plans now to join us in January! Register on-line at: http://aaahq.org/meetings/2010IS_online.htm .

Hotel Information:
Hilton Clearwater Beach Resort
400 Mandalay Avenue
Clearwater Beach, FL
Phone: 717-461-3222
Room Rate: \$149

Meeting Information

Workshop on Automating Internal Controls. Please plan to join us the afternoon of January 7, 2010 for an exciting workshop on internal controls. We are collaborating with IMA and Protiviti to conduct the workshop. The workshop is intended to provide an interactive forum for both teachers and researchers in the area of internal controls. The session will include an introduction to business process controls, a case study breakout session for attendees that will focus on the process of identifying controls that could be automated and what that means for a business. We will also have presentations on automating internal controls and continuous monitoring of controls with a discussion of technology enablement and best practices. A second interactive breakout session will focus on developing plans to use the information presented. We are excited to have three experienced and accomplished professionals to conduct the workshop. Presenters include Rosemary M. Amato from Deloitte, and William Thomas and Jose Torres from Protiviti.

AIS New Scholar Information Conference. This is a combination of the 8th annual AIS New Scholar Consortium and a program for Ph.D. students, and those considering Ph.D. programs. We will kick off with a reception on Wednesday evening, January 6th. The consortium is open to all AIS and IS doctoral students and to AIS professors who received their Ph.D. after January 1, 2006. Conference attendees will meet on Thursday, January 7th and will receive advice from seasoned AIS faculty for successfully starting an academic career. The IS section will waive the registration fee for the entire meeting for doctoral students who are members of the IS section. This is made possible by a grant from the KPMG Foundation. Attendees may register for the consortium along with their meeting registration through the AAA online registration system.

Concurrent Sessions. The 2010 meeting will have concurrent sessions featuring both academic research papers and education research papers.

Research Forum. This is an opportunity for authors to discuss their papers in an informal setting.

Strategic and Emerging Technologies Section. The Strategic and Emerging Technologies Section of the AAA will join the IS section in this meeting. Some concurrent sessions will feature papers solely from the Strategic and Emerging Technologies Section.

President's Letter
2010 IS Mid-Year Meeting
Notable Contribution
Conferences—ISAR
Conferences—AMCIS
Book Reviews Call
Congratulations!
In the Literature
- Research on Research
- IT Acceptance
- IT Value
- Conceptual Modeling
- IT Assurance and Privacy
- Impact of Networks

[Return to IS Section Homepage](#)



2010 Notable Contribution to the Accounting Information Systems Literature Award

Call for Nominations

The Information Systems Section of the American Accounting Association announces the 2010 Notable Contributions to the Accounting Information Systems Literature Award competition. Its purpose is to recognize exceptional contributions to AIS research, theory and practice. Award winner(s) will be honored with a plaque presented at the Information Systems Section Business Meeting at the 2010 AAA Annual Meeting.

Criteria for the award

- Impact on accounting information systems research, theory or practice communities
- Relevance to and impact on the IS and accounting research and practice communities
- Topical or methodological originality and innovation
- Exceptional development of theory
- Awards will be granted only if the committee deems a nominated paper's contribution sufficient.

Evaluated criteria will include the quality and quantity of the nominated manuscripts' citations.

This year's committee includes Manuel Sanchez [JSanchez@walton.uark.edu] and Jee-Hae Lim [jh2lim@uwaterloo.ca].

Please send nominations to this year's Committee Chair:

Dan Stone, Gatton Endowed Chair
University of Kentucky
Von Allmen School of Accountancy
355F Gatton Business and Economics Building
Lexington, KY 40506, USA
Phone: 859-257-3043
Fax: 859-257-3654
dstone@uky.edu

Deadline for nominations: **January 15, 2010**

Requirements

Manuscripts:

- o Consideration shall be given to peer-reviewed books, monographs, and journal articles on research topics and methods in the field of accounting information systems (broadly defined).
- o Published journal articles may be in any journal.
- o The work must have been published prior to December 31, 2002.
- o At least one of the authors of the work must be a current member of the AAA.

Nominations:

- o Nomination must be made by an AAA IS Section member.
- o Self-nominations are encouraged.
- o Nominating letters should include statements of the importance of the work and its current or potential impact on accounting information systems theory or practice.
- o Electronic submissions preferred, paper submissions (four copies) accepted.
- o Members of this year's Notable Contribution committee are ineligible for this award.

[Return to IS Section Homepage](#)

President's Letter

2010 IS Mid-Year Meeting

Notable Contribution

Conferences—ISAR

Conferences—AMCIS

Book Reviews Call

Congratulations!

In the Literature

- Research on Research

- IT Acceptance

- IT Value

- Conceptual Modeling

- IT Assurance and Privacy

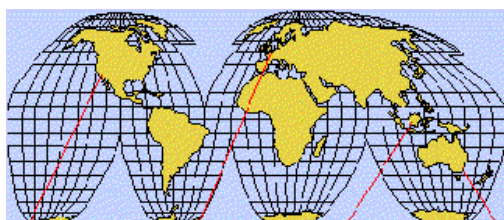
- Impact of Networks



Conferences—ISAR

Call for Papers-ISAR 2010

16th Annual International Symposium on Audit Research Singapore 24 and 25 June, 2010



The 16th Annual International Symposium on Audit Research (ISAR) will be hosted by Nanyang Technological University on 24 and 25 June, 2010 in Singapore. ISAR is jointly organized by Nanyang Technological University, the University of Southern California (USA), Maastricht University (Netherlands), and the University of New South Wales (Australia). The symposium will be held at the Marina Mandarin hotel, Singapore.

Scope of Topics

The scope of ISAR is intended to be broad and includes research papers and panels that deal with all aspects of auditing, attestation and assurance. Papers that utilize any of a broad range of research methodologies will be considered.

ISAR 2010 will coordinate with the World Continuous Auditing & Reporting Symposium [WCARS] to present research that focuses on information technology and continuous auditing. Papers in this area are to be submitted to ISAR as indicated below, and subject to regular review. ISAR 2010 will also be preceded immediately by a by-invitation ACCA/IAAER miniconference in conjunction with the ACCA/IAAER call for academic research proposals [<http://www.iaaer.org/research>] that support the work of the International Auditing and Assurance Standards Board. During the mini-conference, proposal winners will present their research designs and preliminary results.

Submission of Papers

To be eligible for presentation, manuscripts must follow the style guidelines of *Auditing: A Journal of Practice & Theory*. Please pay particular attention to the format and length requirements – the body of the manuscripts should not exceed 7,000 words or approximately 20-25 double-spaced pages. Please submit a single document with a title page which includes author(s) affiliation(s), and the contact author's email address. Accepted papers will not be published in formal proceedings and thus may be submitted to any appropriate journal for publication.

Paper Submission Deadline and Requirements

Papers including the title page should be submitted electronically in Adobe Acrobat or Word formats. Papers, and where appropriate, related research instruments must be received no later than **31 January 2010**, and should be sent to: papers@isarhq.org.

Further Information

If you have questions about paper submission please email to pers@isarhq.org. For questions about the symposium please contact Hun Tong Tan at AHTTAN@ntu.edu.sg or Ted Mock at tmock@ucr.edu. Further information is also posted at the ISAR website at www.isarhq.org where you can also register for email updates on ISAR 2010.

President's Letter

2010 IS Mid-Year Meeting

Notable Contribution

Conferences—ISAR

Conferences—AMCIS

Book Reviews Call

Congratulations!

In the Literature

- Research on Research

- IT Acceptance

- IT Value

- Conceptual Modeling

- IT Assurance and Privacy

- Impact of Networks

[Return to IS Section Homepage](#)



Conferences—AMCIS

CALL FOR PAPERS

16th Annual Americas Conference on Information Systems (AMCIS) Accounting Information Systems Track August 13 – 15, 2010 Lima, Peru

The Special Interest Group on Accounting Information Systems (SIGASYS) is pleased to announce a track on Accounting Information Systems at the upcoming 16th Annual Americas Conference on Information Systems (AMCIS 2010) to be held in Lima, Peru. The Accounting Information Systems track will highlight research that focuses on the link between accounting and information systems, including topics that range from IT governance to interorganizational information systems and draws from a variety of disciplines like accounting, psychology, sociology, cognitive science, behavioral science, economics, politics, computer science, and information technology. We invite you to submit your original research to one of the following Accounting Information Systems mini-tracks.

Accounting Information Systems Mini-tracks

Mini-track One: *General Accounting Information Systems*

Mini-track Co-chairs:

Dr. Virginia Franke Kleist (West Virginia University)

virginia.kleist@mail.wvu.edu

Dr. Jamey Worrell (University of Alabama at Birmingham)

worrellj@uab.edu

This mini-track includes any topics in the field of accounting information systems (AIS) that are not included in the other specialized mini-tracks described below. Appropriate topics for this mini-track include (but are not limited to) system integration, IT governance, risk assessment and management, value of information systems, information assurance seals, global AIS, and case studies.

Mini-track Two: *IS Control, Audit and Reporting*

Mini-track Co-chairs:

Dr. Ashley Davis (San Jose State University)

ashley@davissolutions.com

This mini-track is focused on the role that AIS plays in capturing and storing transaction, ensuring their accuracy, timeliness and validity, and satisfying the organization's legal and regulatory requirements. AIS provides the vast majority of data required for operational, tactical, and strategic decision making, as well as the basis for interorganizational information sharing and external reporting to various stakeholder groups. Appropriate topics for this mini-track include (but are not limited to) continuous auditing, auditing end user systems, internal audit, COSO, CobiT, AS5, forensic auditing, data mining/business intelligence, querying, ebXML, XBRL, AIS use and data ambiguity.

Mini-track Three: *Accounting Information Systems Models, Design and Implementation*

Mini-track Co-chairs:

Dr. Matthew Guah (Erasmus University) guah@ese.eur.nl

Dr. Carsten Felden (TU Bergakademie Freiberg)

carsten.felden@bwl.tu-freiberg.de

This mini-track is focused on the role that AIS plays in creating models to help better store, process and represent the organization's resources, events and agents. This mini-track is intended to promote research on the different data and process models for AIS. Appropriate topics for this mini-track include (but are not limited to) AIS design, Resource-Event-Agent (REA) models, data models, enterprise systems, interorganizational information sharing, and data relevance.

Submission Guidance and Important Dates

Submissions must represent original work that has not been published in a journal or conference proceedings. At least one author for each accepted paper must register for the conference. Submissions will be peer-reviewed using a double-blind system. Submission format and general conference information may be found at <http://www.amcis2010.org/home/>.

January 4, 2010: AMCIS 2010 submission system available (<http://mc.manuscriptcentral.com/amcis2010>)

February 26, 2010: Submissions due

April 12, 2010: Acceptance notification

April 26, 2010: Camera-ready copies of accepted manuscripts due

Please contact the mini-track chairs or the track chair Dr. Carlos Ferran (Pennsylvania State University, cferran@psu.edu) with any questions you may have.

President's Letter

2010 IS Mid-Year Meeting

Notable Contribution

Conferences—ISAR

Conferences—AMCIS

Book Reviews Call

Congratulations!

In the Literature

- Research on Research

- IT Acceptance

- IT Value

- Conceptual Modeling

- IT Assurance and Privacy

- Impact of Networks

[Return to IS Section Homepage](#)



Book Reviews Call

The IS section seeks book reviews for publication in *Journal of Information Systems* (JIS). If you are interested in contributing, please contact Rob Pinsker at rpinsker@odu.edu.

- President's Letter**
- 2009 IS Mid-Year Meeting**
- Notable Contribution**
- Conferences—ISAR**
- Conferences—AMCIS**
- Book Reviews Call**
- Congratulations!**
- In the Literature**
 - Research on Research
 - IT Acceptance
 - IT Value
 - Conceptual Modeling
 - IT Assurance and Privacy
 - Impact of Networks

[Return to IS Section Homepage](#)



Congratulations!

Long-Time IS Section Member Honored with Outstanding Researcher Award

Dr. Murphy Smith, long-time IS Section member and accounting professor at Texas A&M University's Mays Business School, was presented the Outstanding Researcher Award by the American Accounting Association Strategic and Emerging Technologies Section at its annual meeting in New York City in August 2009. As stated on the award, Smith was recognized "for his extraordinary academic achievements and leadership in research."

During his academic career Smith has taught classes at the bachelors, masters, and doctoral level. Smith is ranked in the top one percent of U.S. accounting faculty according to number of articles published in leading accounting journals and ranked second for total articles published regarding accounting information systems. His work has been cited in various news media, including *Fortune*, *USA Today* and *The Wall Street Journal*. Regarding information technology, Smith says, "Technology continues advancing. To succeed, businesses must identify and apply new technologies that benefit their operations."

Smith's research examines topics such as Internet financial reporting, cybercrime, disaster recovery planning, and XBRL, an Internet based document language that has been adapted for business and financial reporting purposes. Smith says: "XBRL in conjunction with the worldwide movement toward International Financial Reporting Standards is expected to yield a powerful synergy that will facilitate a better quality of financial reporting around the globe." Smith has given a number of keynote addresses on International Financial Reporting Standards at academic and professional accounting conferences, including the fall 2008 Council Meeting of the American Institute of CPAs.

Photo: Dr. Murphy Smith (left) receives the Outstanding Researcher Award from Dr. Stewart Leech, Professorial Fellow of the Department of Accounting and Business Information Systems at the University of Melbourne.



[Return to IS Section Homepage](#)

- President's Letter**
- 2009 IS Mid-Year Meeting**
- Notable Contribution**
- Conferences—ISAR**
- Conferences—AMCIS**
- Book Reviews Call**
- Congratulations!**
- In the Literature**
 - Research on Research
 - IT Acceptance
 - IT Value
 - Conceptual Modeling
 - IT Assurance and Privacy
 - Impact of Networks



In the Literature ~ Juan Manuel Sanchez

I hope this e-mails finds everyone doing well this fall!

I decided to keep the existing format largely unchanged as most of you may have already grown into it. I made one minor change. Given the growing interest in the impact of economic (social) networks, I added a category reviewing a few papers on this area.

As in previous columns, the focus was on the information systems literature as most of you may be aware of what's going on in the accounting literature. The papers are categorized within topical areas (e.g., Research on Research, Business Value of IT) you may already be familiar with.

Thank you very much for the honor of serving the IS Section!

Juan Manuel Sanchez

- President's Letter**
- 2010 IS Mid-Year Meeting**
- Notable Contribution**
- Conferences—ISAR**
- Conferences—AMCIS**
- Book Reviews Call**
- Congratulations!**
- In the Literature**
 - Research on Research
 - IT Acceptance
 - IT Value
 - Conceptual Modeling
 - IT Assurance and Privacy
 - Impact of Networks

[Return to IS Section Homepage](#)



In the Literature: Research on Research

WHY TOP JOURNALS ACCEPT YOUR PAPER

Detmar, Straub. *MIS Quarterly*, Sep2009, Vol. 33 Issue 3, piii-x, 8p

ABSTRACT: The author discusses his opinion on a study in 1994 that focused on the criteria for high quality research in management information systems and on why some research papers pass the review process for publication. Concepts such as the marketing of innovative products, the science paradigm, and the use of popular topics or themes in research are mentioned, as well as the development of a manuscript for submission to a high-tier journal.

- President's Letter**
- 2010 IS Mid-Year Meeting**
- Notable Contribution**
- Conferences—ISAR**
- Conferences—AMCIS**
- Book Reviews Call**
- Congratulations!**
- In the Literature**
 - Research on Research
 - IT Acceptance
 - IT Value
 - Conceptual Modeling
 - IT Assurance and Privacy
 - Impact of Networks

[Return to IS Section Homepage](#)



In the Literature—Research on User Participation/Acceptance of IT

OFFSHORE INFORMATION SYSTEMS PROJECT SUCCESS: THE ROLE OF SOCIAL EMBEDDEDNESS AND CULTURAL CHARACTERISTICS

Rai, Arun, Maruping, Likoebe M., Venkatesh, Viswanath. *MIS Quarterly*, Sep2009, Vol. 33 Issue 3, p617-A7, 32p.

ABSTRACT: Agency theory has served as a key basis for identifying drivers of offshore information system project success. Consequently, the role of relational factors in driving project success has been overlooked in this literature. In this paper, we address this gap by integrating the social embeddedness perspective and the culture literature to theorize how and why relational factors affect the success of offshore IS projects that are strategic in nature. We identify organizational and interpersonal cultural differences as critical success factors in this context. Using data from a longitudinal field study of 155 offshore IS projects managed by 22 project leaders, we found evidence of a relationship between hypothesized relational factors and two measures of offshore IS project success—namely, project cost overruns and client satisfaction—over and above the effects of project characteristics and agency factors. Specifically, we found that information exchange, joint problem solving, and trust reduce project cost overruns and improve client satisfaction. We also found a relationship between cultural differences at the organizational and team level, and offshore IS project success. The model explained 40 percent and 41 percent of the variance in project cost overruns and client satisfaction, respectively, for projects with a client representative. For projects with no client representative, the model explained 35 percent and 37 percent of the variance in project cost overruns and client satisfaction, respectively. Collectively, the results have important theoretical and practical implications for how client- vendor relationships should be managed when partnering with offshore firms and designing offshore IS project teams.

- President's Letter**
- 2010 IS Mid-Year Meeting**
- Notable Contribution**
- Conferences—ISAR**
- Conferences—AMCIS**
- Book Reviews Call**
- Congratulations!**
- In the Literature**
 - Research on Research
 - IT Acceptance
 - IT Value
 - Conceptual Modeling
 - IT Assurance and Privacy
 - Impact of Networks

[Return to IS Section Homepage](#)



In the Literature : Research on Determining IT Value

FUTURE PROFITABILITY, OPERATING CASH FLOWS, AND MARKET VALUATIONS ASSOCIATED WITH OFFSHORING ARRANGEMENTS OF TECHNOLOGY JOBS

Kimberly Dunn, Mark Kohlbeck, Matthew, Magilke. *Journal of Information Systems*; Fall2009, Vol. 23 Issue 2, p25-47, 23p

ABSTRACT. We investigate profitability, operating cash flows, and value relevance associated with offshoring arrangements of technology-oriented jobs. Offshoring is the business practice of moving substantial portions of a firm's business operations (and jobs) to another country usually to take advantage of lower labor costs or other production factors in developing countries. Offshoring carries social costs as local jobs are lost which may limit realization of benefits. We find that firms that offshore technology-oriented jobs report greater earnings and operating cash flows following an offshoring event as the relative size of the offshoring arrangement increases. Consistent with these results, the market only values offshoring beyond the impact recognized in the financial statements for larger offshoring arrangements. A valuation discount actually exists for smaller offshoring arrangements suggesting either (1) costs exceed potential benefits or (2) the perception that benefits are only realized through economies of scale. We document both benefits and costs that are important for those firms considering offshoring arrangements and their stakeholders.

INVESTMENTS IN INFORMATION TECHNOLOGY: INDIRECT EFFECTS AND INFORMATION TECHNOLOGY INTENSITY

Neerah Mittal, Barrie R. Nault. *Information Systems Research*. Linthicum. Mar 2009. Vol 20, Iss. 1, pg 140, 16 pgs.

ABSTRACT: Many studies measure the value of information technology (IT) by focusing on how much value is added rather than on the mechanisms that drive value addition. We argue that value from IT arises not only directly through changes in the factor input mix but also indirectly through IT-enabled augmentation of non-IT inputs and changes in the underlying production technology. We develop an augmented form of the Cobb-Douglas production function to separate and measure different productivity-enhancing effects of IT. Using industry-level data from the manufacturing sector, we find evidence that both direct and indirect effects of IT are significant. Partitioning industries into IT-intensive and non-IT-intensive, we find that the indirect effects of IT predominate in the IT-intensive sector. In contrast, the direct effects of IT predominate in the non-IT intensive sector. These results indicate structural differences in the role of IT in production between industries that are IT-intensive and those that are not. The implication for decision-makers is that for IT-intensive industries the gains from IT come primarily through indirect effects such as the augmentation of non-IT capital and labor.

THE VALUE TO THE CUSTOMER OF RFID IN SERVICE APPLICATIONS

Heim, Gregory R., Wentworth Jr., William R., Peng, Xiaosong (David), *Decision Sciences*; Aug2009, Vol. 40 Issue 3, p477-512, 36p

ABSTRACT: This article examines how customer value may be affected by deploying radio frequency identification (RFID) technologies within service environments. Business articles promote operational cost savings and improved inventory management as key benefits of deploying RFID. In response, service firms are using RFID to reengineer service transactions and customer touchpoints. Customers may view these RFID applications to offer both benefits and drawbacks. This article demonstrates that individuals will recognize far more value from RFID service applications than just cost savings and inventory availability. The article analyzes qualitative survey responses on the value gained from RFID to identify a broad list of value objectives—benefits and drawbacks—associated with RFID service applications. The article contributes to academic literature by providing salient value dimensions for return on investment models of service RFID applications and for future empirical analyses of means-ends and value-profit chain models. Managers can use the list of dimensions to develop rich business cases for evaluating the benefits and costs from enhancing service operations with RFID. The identified drawbacks also provide managers with a resource for understanding potential risks of RFID applications.

President's Letter

2010 IS Mid-Year Meeting

Notable Contribution

Conferences—ISAR

Conferences—AMCIS

Book Reviews Call

Congratulations!

In the Literature

- Research on Research

- IT Acceptance

- IT Value

- Conceptual Modeling

- IT Assurance and Privacy

- Impact of Networks

[Return to IS Section Homepage](#)



In the Literature : Research on Conceptual Modeling

President's Letter

2010 IS Mid-Year Meeting

Notable Contribution

Conferences—ISAR

Conferences—AMCIS

Book Reviews Call

Congratulations!

In the Literature

- Research on Research

- IT Acceptance

- IT Value

- Conceptual Modeling

- IT Assurance and Privacy

- Impact of Networks

ITHE BRAIN AS THE ORIGINAL ACCOUNTING INSTITUTION

John Dickhaut. *The Accounting Review*. American Accounting Association: Nov 2009. Vol 84, No. 6; pp. 1703-1712.

ABSTRACT: The evolved brain neuronally processed information on human interaction long before the development of formal accounting institutions. Could the neuronal processes represent the underpinnings of the accounting principles that exist today? This question is pursued several ways: first as an examination of parallel structures that exist between the brain and accounting principles, second as an explanation of why such parallels might exist, and third as an explicit description of a paradigm that shows how the benefits of an accounting procedure can emerge in an experiment.

[Return to IS Section Homepage](#)



In the Literature : Research on IT Assurance and Privacy

- President's Letter**
- 2010 IS Mid-Year Meeting**
- Notable Contribution**
- Conferences—ISAR**
- Conferences—AMCIS**
- Book Reviews Call**
- Congratulations!**
- In the Literature**
 - Research on Research
 - IT Acceptance
 - IT Value
 - Conceptual Modeling
 - IT Assurance and Privacy
 - Impact of Networks

CONCEDE OR DENY: DO MANAGEMENT PERSUASION TACTICS AFFECT AUDITOR EVALUATION OF INTERNAL CONTROL DEVIATIONS

Christopher J. Wolfe, Elaine G. Mauldin, Michelle Chandler Diaz. *The Accounting Review* American Accounting Association: Nov 2009. Vol 84, No. 6; pp. 2013-2037.

ABSTRACT: In an internal control audit, the consequences and assessment subjectivity of control problems motivate managers to try to persuade auditors to lower the assessed severity of an observed control deviation. We report an experiment in which 106 audit seniors evaluate either information technology (IT) or manual control deviations that are potentially indicative of significant deficiencies, after exposure to persuasion tactics based in either concession or denial. For IT control deviations, we find that auditors assess the significance of deficiency lower and the perceived adequacy of management's explanation higher for concessions than for denials. For manual control deviations, we find no differences between concessions and denials. Our results provide evidence of a systematic bias in auditor judgment and indicate a rationale for the ubiquity of management persuasion attempts around control deviations—sometimes they work.

EXAMINING THE POTENTIAL BENEFITS OF INTERNAL CONTROL MONITORING TECHNOLOGY

Masli Adi, Gary Peters, Vernon Richardson, Juan Manuel Sanchez, Forthcoming at *The Accounting Review*.

ABSTRACT: We analyze the potential benefits that firms can realize from implementing technology specifically aimed at monitoring the effectiveness of their internal control systems. The Committee of Sponsoring Organizations of the Treadway Commission asserts that effective internal control monitoring should enhance the efficiency of internal control processes, and in turn, the assurance over such processes (COSO 2009a). We develop hypotheses to test the realization of these potential benefits. Specifically, we identify a sample of firms that implemented internal control monitoring technology in response to the internal control requirements of the Sarbanes-Oxley Act. Consistent with our hypotheses, we document that the implementation of internal control monitoring technology is associated with lower likelihood of material weaknesses, smaller increases in audit fees, and smaller increases in audit delays during the post-SOX time period. We discuss the potential implications of our findings for research related to continuous monitoring, client-provided assurance assistance, and information technology governance.

[Return to IS Section Homepage](#)



In the Literature : The Impact of Economic and Social Networks

INTERFIRM STRATEGIC INFORMATION FLOWS IN LOGISTICS SUPPLY CHAIN RELATIONSHIPS

Klein, Richard and Rai Arun. *MIS Quarterly*, December 2009, Vol. 33 Issue 4, p735-762, 28p.

ABSTRACT: This paper focuses on strategic information flows between buyers and suppliers within logistics supply chain relationships and on subsequent relationship-specific performance outcomes. Our analysis of dyadic data collected from 91 buyer--supplier logistics relationships finds that buyer and supplier strategic information flows positively impact the relationship-specific performance of both sharing and receiving parties. Specifically, each party gains financially from improved management of assets, reduced costs of operations, and enhanced productivity. Moreover, each benefits operationally from improved planning, control, and flexibility of resources. Buyer dependence on the supplier increases buyer strategic information flows to the supplier. Additionally, buyer IT customization and both buyer and supplier trusting beliefs in the receiving party positively impact strategic information sharing with partners. This study suggests that partnerships for supply chain services engage in cooperative initiatives to generate relational rents and are an alternative to conventional "arms length" transactional exchanges. These partnerships need to be motivated to go beyond the sharing of order-related information (which must occur in transactional exchanges) and to share strategic information (which has the potential for both additional rent generation and risks of misappropriation).

BUSINESS VALUE OF PARTNER'S IT INTENSITY: VALUE CO-CREATION AND APPROPRIATION BETWEEN CUSTOMERS AND SUPPLIERS

Vernon Richardson, Rod Smith, Pankaj Setia, Working Paper, University of Arkansas.

ABSTRACT: This research examines value impacts of a partner's IT usage in a customer-supplier network. Prior research assessing network level dynamics of IT have examined industry level effects, and in this research we extend the examination to the level of a dyad. Specifically, we examine partner related value creation, co-creation and appropriation of value between firms within customer-supplier relationships. SEC Filings are used to identify approximately 5,868 unique dyadic pairs of customer-supplier over the period 1991 to 2005, and hypothesis are tested using a sample of 15,028 customer-supplier dyad-years. Our results indicate that a partner's IT usage co-creates value for the overall relationship, and relative value impacts of a firm's own and partner's IT intensity may be different. Also, contrary to views of customer's exploitation of supplier, our study finds that an increased IT intensity enhances the probability of value being generated for both the partners in a dyad.

ON-LINE SOCIAL NETWORKS IN ECONOMICS

Adalbert Mayer. *Decision Support Systems* Vol. 47 Issue 3, June 2009, Pages 169-184

ABSTRACT: This paper describes how economists study social networks. While economists borrow from other fields like sociology or computer science, their approach of modeling of social networks is distinguished by the emphasis on the role of choices under constraints. Economists investigate how socioeconomic background and economic incentives affect the structure and composition of social networks. The characteristics of social networks are important for economic outcomes like the matching of workers to jobs and educational attainment. I review the theoretical and empirical literature that investigates these relationships and discuss possible implications of new, Internet based, forms of social interactions.

VIRTUAL WORLDS-PAST, PRESENT, AND FUTURE: NEW DIRECTIONS IN SOCIAL COMPUTING

Paul R. Messinger, Eleni Stroulia , Kelly Lyons, Michael Bone, Run H. Niu, Kristen Smirnov and Stephen Perelgut , *Decision Support Systems*, Vol. 47 Issue 3, June 2009, Pages 204-228

ABSTRACT: Virtual worlds, where thousands of people can interact simultaneously within the same three-dimensional environment, represent a frontier in social computing with critical implications for business, education, social sciences, and our society at large. In this paper, we first trace the history of virtual worlds back to its antecedents in electronic gaming and on-line social networking. We then provide an overview of extant virtual worlds, including education-focused, theme-based, community-specific, children-focused, and self-determined worlds – and we analyze the relationship among these worlds according to an initial taxonomy for the area. Recognizing the apparent leadership of Second Life among today's self-determined virtual worlds, we present a detailed case study of this environment, including surveys of 138 residents regarding how they perceive and utilize the environment. Lastly, we provide a literature review of existing virtual world research, with a focus on business research, and a condensed summary of research issues in education, social sciences, and humanities.

ARE ONLINE AUCTION MARKETS EFFICIENT? AN EMPIRICAL STUDY OF MARKET LIQUIDITY AND ABNORMAL RETURNS

Robert J. Kauffman, Trent J. Spaulding, and Charles A. Wood, *Decision Support Systems* Vol. 48 Issue 1, December 2009, Pages 3-13

ABSTRACT: Technological advances have facilitated investment in collectibles through online auction markets, where information regarding product characteristics, current and historical prices, and product availability is available to millions of market participants. However, market inefficiencies may still exist, where prices do not reflect market information and where savvy speculators can profit. Using *unit root and variance ratio tests*, we examine 8538 rare stamp and 56,997 rare coin auctions to evaluate the *efficiency of online markets*. In particular, we study *market liquidity, abnormal returns* and *weak-form efficiency*. We find an inverse relationship between market efficiency and liquidity. Bidder competition intrinsic to liquidity increases the chances that uninformed bidders drive up item prices, leading to the observed market inefficiencies.

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