

Report of the President

By Jennifer Joe



Greetings fellow members of the Auditing Section:

I am honored to serve as President of the best section of the AAA. This is not hyperbole. Over and over again, members have expressed how much they value the sense of community, the intellectual stimulation and the comradery enjoyed in our section. As we experience this time of seasonal change, Fall in the Northern Hemisphere and Spring in the Southern Hemisphere, we are reminded of the transformation we seek to engender in our students as they develop into the next generation of accounting professionals.

AAA 2023 Annual Meeting and Executive Committee

When thinking of how I can contribute to making education a transformative experience for our students, foremost in my thoughts at this time is the theme, *Enhancing Audit Integrity*, that I invited members to support when I received the presidential gavel at the AAA annual meeting in Aurora, CO. In fulfilling our charge of preparing students who will serve as future auditors, we can instill in them the importance of the auditor's obligation under Rule 102 to serve as guardians of the public trust. Beyond teaching and mentoring, there are many opportunities for you to contribute towards this theme in your research and service activities. If you are engaged in any activities in connection with our theme of the year, please, do let me know what you are doing.

My thanks to the members of the Annual Meeting program committee: Eric Condie, Georgia Institute of Technology; Christine Gimbar, DePaul University; Roy Schmardebeck, The University of Tennessee; and Tim Seidel, Brigham Young University. They managed the Auditing Section program which included three panels and twenty-one concurrent research paper sessions. We missed seeing many of you at our section lunch meeting. Our numbers were unusually low, and we hope this was an anomaly rather than the start of a new trend. At the meeting we thanked the members of the Executive Committee who completed their service: Christine Earley, Past President and Emily Griffith, Treasurer. Please join me in welcoming the newest members of the Executive Committee: [Chad Stefaniak](#), Vice President Academic

and [Stephen Perreault](#), Treasurer. Related to this change in the composition of the Executive Committee, please note that while we recognize a changing of the guards during our section lunch at the annual meeting, AAA's procedures recognize September 1 as the starting date of the service term for new officers and committee members.

At the section lunch during the annual meeting, I invited members to volunteer for open committee roles. I am happy to report that, although there were few volunteers, all members who volunteered were assigned to a committee. Please be aware that AAA policy requires up to date membership to serve on any Auditing Section committee and to be eligible for section awards. Recently, we were saddened to notify nominees that some submissions were ineligible due to lapsed membership status.

2024 Midyear Meeting in New Orleans, LA

Our 30th [Midyear Meeting](#) will be held at the New Orleans Marriott on January 11-13, 2024. The conference hotel is in an attractive location, requiring only a short walk or ride to several US top-rated restaurants, and live music venues featuring world-renowned musicians. The Midyear meeting Chairs are Josh Gunn, Lauren Reid, Andrew Trotman and Ally Zimmerman, who are hard at work putting together a great program for you. They are assisted by Vice Chairs Eric Condie, Christine Gimbar, Roy Schmardebeck, and Tim Seidel. The preconference Doctoral Consortium will be led by Bradley Bennett, Chair and Jonathan Shipman, Vice Chair.

We are excited to announce that the Center for Audit Quality has joined KPMG as co-sponsors. We are grateful to KPMG and the CAQ for their financial support of the Midyear Meeting.

PCAOB Conference on Auditing and Capital Markets, Washington DC

The [Conference on Auditing and Capital Markets](#) was held on October 5-6, 2023, with more than 300 members attending in-person and online. In her welcome remarks, PCAOB Chair Erica Williams, shared that the current board has "laid out the most ambitious standard-setting and rule-making agenda in PCAOB history." A panel of representatives from institutional investor organizations provided the investor perspective on the Audit Profession and Audit Quality. Most of the program featured Auditing Section members who presented and discussed research papers organized around five topics:

- Audit Partner Accountability, Reputation, and Repercussions
- Auditor Expertise and Team Dynamics
- Diversity, Equity, and Inclusion in the Auditing Profession
- Modeling Assisted Decision Making in Auditing and Audit Regulation
- Critical Audit Matters

The PCAOB's Division of Enforcement and Investigations provided summaries of the most significant cases concluded within the past year. They indicated that their activity is aimed at:

- Rigorous enforcement of standards, rules, and laws
- Making Sanctions count
- Expanding how DEI identifies cases
- Expanding the types of cases pursued

My conference address centered on reminding attendees of the long-standing and mutually beneficial relationship that exists between the PCAOB and the Auditing Section. The PCAOB's first Chief Auditor was Baruch professor Doug Carmichael, an Auditing Section Distinguished Service award recipient. Gary Holstrum, former Auditing Section President, served as the first Associate Chief Auditor and Director of Research for the PCAOB. Today, the Auditing Section's Auditing Standards Committee (chaired by Jon Pyzoha) provides insightful comments informed by research on proposed standards and regulatory changes. You can read these comment letters in our section journal: [Current Issues in Auditing](#). Our members are engaged in service with the PCAOB as academic fellows, advisors on the PCAOB's Investor Advisory Group and the Standards and Emerging Issues Advisory Group, and as presenters at PCAOB in-house seminars.

In my role as Auditing Section President and consistent with this year's Enhancing Audit Integrity theme, I invited the PCAOB to consider including the working conditions of auditors in its inspections of audit firms. I highlighted research by our members which suggests that excessive working hours, auditor disengagement from tasks, partner tone-at-the-top at the engagement level, and audit firm culture are threats to auditors' commitment to their Rule 102 responsibility. I noted that these working condition factors are also sources of the recruiting and retention challenges confronting the accounting profession.

State of the Auditing Section

We are in a sound financial position. The AAA's recalibration of cost sharing for individual section journals and other expenses has benefitted our section. There are, however, certain additional conference related expenses that will be soon passed on to us (and all other sections). Notwithstanding these charges, we anticipate a net positive cash position that will allow us to continue to provide such member benefits as subsidized conference fees and complimentary print copies to *AJPT* authors. We are considering meaningful ways our section can be of additional value for our members. If you have suggestions on how we can enhance your membership experience, please contact the Executive Committee. Our next meeting is scheduled for Thursday January 11th at the Midyear meeting. In closing, I would like to express my gratitude for being chosen to be your President.

I look forward to seeing you in New Orleans.

Jennifer