



INTERNATIONAL ASSOCIATION FOR
ACCOUNTING EDUCATION AND RESEARCH

COSMOS ACCOUNTANCY CHRONICLE

A publication of the International Association for Accounting Education and Research

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July 2003

Donna L. Street, editor

INTERNATIONAL ASSOCIATION FOR ACCOUNTING EDUCATION AND RESEARCH

PRESIDENT'S LETTER



Serge Evraert

Dear members and friends,

For this second issue of Cosmos for 2003, I am pleased to draw your attention to the ongoing activities of our Executive Committee members who have committed much time to implementing new initiatives and projects for the association. Firstly, we must signal the Executive Committee held in April in Sevilla, where many decisions were made.

Of paramount importance is the next International Research Conference for Accounting Educators co-organised by the South African Accounting Association and the IAAER in Durban South Africa 30 June - 2 July 2004. I strongly encourage you to attend. The organizing committee has done a terrific job to keep the registration fee low and facilitate

your stay at very reasonable conditions. This will indeed be a great event in a fascinating place and rapidly developing economy.

In the international area the Executive Committee has decided to hold technical or research conferences every year and also to hold roundtables or offer workshops in partnership with our institutional members on a voluntary basis. An example will be "Critical Thinking Skills" and "A New Model for Introductory Accounting", two workshops that the IAAER will conduct at the 6th International Congress on Education Innovations in Economics and Business Administration in Mexico, September 2003. Also, our next World Congress, which will continue to be paired with the IFAC World Congress, will take place in Istanbul Turkey 9-11 November 2006. The event will be organized by our colleague Recep Pekdemir and the Expert Accountant's Association of Turkey and the Union of the Certified Public Accountants of Turkey.

In Hawaii at the meeting of the American Accounting Association, the Executive Committee will determine the Scientific Committee for our research conference to be held in Bordeaux France in Fall 2005.

Also I should emphasize that the Executive Committee expects:

- a lot from the IAAER committees and task forces to be set this summer in Education and Ethics and other projects,
- the active participation of all our individual and institutional members
- the active participation of our Vice – Presidents at Large who have received extended responsibilities for setting local networks in some regions of the world where our membership is still scattered or to be developed thus helping to create new connections between academics and practitioners.

CONTINUED ON PAGE 3

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Accounting Association of Australia and New Zealand

African Academic Accountants Association

American Accounting Association

**Asociación Española de Contabilidad y Administración de
Empresas (AECA)***

Association of Accountants of CIS Countries

British Accounting Association

Canadian Academic Accounting Association

European Accounting Association

French Accounting Association

Hong Kong Academic Accounting Association, Ltd.

Indian Accounting Association Research Foundation

Irish Accounting & Finance Association

Japan Accounting Association

Korean Accounting Association

Mexican Assoc. of Schools of Accounting & Business

Southern African Accounting Association

COSMOS ACCOUNTANCY CHRONICLE

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COSMOS Submission Deadlines:

January 2004 Issue: December 1, 2003

All materials should be submitted to Donna Street (Donna.Street@notes.udayton.edu) on an IBM compatible disk (preferably in Word) or as an e-mail attachment. Please do not fax materials.

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July 2003

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IAAER SCHEDULE OF ACTIVITIES

Honolulu, Hawaii
American Accounting Association Meeting

Executive Committee and Council
 Tuesday, August 5, 2:00 – 4:30 p.m.
 Hilton Hawaiian Village, Rainbow 1, Rainbow Tower

General Business Meeting
 Tuesday, August 5, 4:30 – 5:30
 Hilton Hawaiian Village, Rainbow 2&3, Rainbow Tower

Durbin, South Africa
South African Accounting Association

Executive Committee and Council
 June / July 2004
 Time and location to be announced

IAAER / French Accounting Association
Research Conference
Bordeaux, France
 October 2005
 Details forthcoming

PRESIDENT'S LETTER
CONTINUED FROM PAGE 1

During these hard times for the profession, we must not only be scientists but also and more than ever be present in public debates, involved in our institutions to motivate and encourage people to serve for the well being of our communities, advocate transparency and relevant information for implementing decision making in all kinds of organizations and ensure, which is less easy, responsible and fair public and private governance through the channel of faithful accounting and reporting.

Serge Evraert

For Updated information on Conferences and News from
Institutional Members
Visit COSMOS On Line At
<http://www.iaaer.org>



Current president Serge Evraert (second from right) along with past presidents Bel Needles, Murray Wells and Sid Gray

IAAER

International Association for Accounting Education and Research

What's New



INTERNATIONAL ASSOCIATION FOR ACCOUNTING EDUCATION AND RESEARCH

Minutes of Joint Executive Committee / Executive Council Meeting

April 2, 2003

Sevilla, Spain

The 2002-05 Executive Committee and the Executive Council meeting was called to order by President Serge Evraert at 9:10 a.m. on April 2, 2003, at the Sevilla Melia Hotel. In attendance were Agnes Cheng, Serge Evraert, Guiseppe Galassi, Michel Guindon, Simon Ho, Bryan Howieson, Peter Moller, Peter Pope, Salvador Ruiz de Chavez, Lesley Stainbank, Donna Street, Gary Sundem, Mike Walsh, and Peter Wilson. Gert Karreman was a guest for part of the meeting.

President Serge Evraert presented an update on his activities, including interviews with the French press and with Newswire. He also met with the IFAC president who expressed a willingness to cooperate with IAAER, especially on programs for emerging economies.

A discussion of memberships ensued. It was decided that the Executive Committee should approve waivers of dues for certain institutional members. Such waivers are based on a KPMG diversity grant. G. Sundem was to check with Bel Needles to find out the status of the grant; the existing grant apparently ends in June 2003. Also on membership, it was decided that individual memberships should be for 3-year periods, with the terms for renewals at conferences decided for each individual conference. G. Sundem will prepare new membership and renewal forms. Finally, G. Sundem will check with Bel Needles or Tatiana Krylova about the status of affiliate members and procedures for application and renewal of such members.

Use of the IAAER member e-mail list was discussed. This should be used carefully, with the president approving any mass e-mails using the list. There are instances where it would be a service to members to be informed about something, but this list should not be abused.

P. Moller presented the financial report. IAAER is no longer using EAISM for financial transactions. We have bank accounts in Germany and the U.S., and P. Moller and G. Sundem will coordinate receipts and expenditures. Also on a financial dimension, the committee discussed briefly the financial results of the Hong Kong conference – including a discussion of whether break-even on a conference should be before or after counting the membership dues received. The Hong Kong conference generated \$12,375 in member dues.

P. Pope then discussed the symposium in London on executive compensation and share-based payments. About 50 persons attended the Jan. 16-17 conference by invitation – a mixture of academics and practitioners. The feedback was very positive. ICAEW published a summary of the conference. The budget for the conference was £25,000, but less than that was spent.

President Evraert thanked P. Pope for his efforts on the conference and will write a thank-you to ICAEW.

D. Street reported on Cosmos. The January issue is posted on the Web site, and the next issue will be July. JIFMA will grant IAAER members access to its online archive; a Web site link will be created. JIFMA needs authors for its institutional perspectives section. It was suggested that keynote speakers from conferences might be a good source.

S. Ho distributed a report on the World Congress, which was a great success. The total cost was about \$170,000, of which about half came from registrants and half from sponsors. It was suggested that IAAER prepare a statement on conference management, so that future conference organizers can learn from the experience of those who ran past conferences.

M. Guindon next presented a report on the recent IFAC Education Committee meeting in Brazil. He described the convergence on a set of continuing professional development standards and some of the issues the committee faced. Comments from IAAER and others are still being digested by the committee. He also reported that UNCTAD would like to get a comparison of professional qualifications with a goal of achieving mutual recognition. IAAER could play a role as an independent assessor.

Gert Karreman joined the group and discussed his EIASM project, “Impact of Globalization on Accountancy Education,” and passed around a copy of the book. He had presented his results in Hong Kong, and at this meeting he focused on extensions from the original project. He suggested that IAAER could have a role as an independent, objective, academic organization that could give credibility to international standards for accountancy education. He presented several ways in which the project might proceed and several alternatives for IAAER involvement, from being the prime sponsor of the project to providing feedback and possible oversight. The demand for the study was discussed, and M. Walsh indicated that IFAC, the UN, multinational firms, and the academic community would all find value in the study. The IAAER Executive Committee expressed general support for the project, but it made no formal commitment at this time. President Evraert will consider a task force to form a recommendation for IAAER’s possible role in the project.

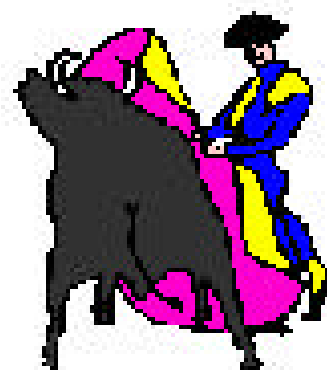
The final agenda item was an update on future conferences:

- a. Mexico roundtable – S. Ruiz de Chavez and A. Cheng presented plans for the roundtable. 250 attendees are expected. Eric Cohen and Susan Wolcott have been lined up as speakers.
- b. Canada conference – probably to be scheduled with the CAAA conference in Vancouver in May 2004 with CGA Canada as joint sponsor. M. Guindon is still working on a possible topic.
- c. South African conference – L. Stainbank passed out brochures for the conference, to be held in Durban on 30 June – 2 July 2004. The IAAER is hosting this jointly with the southern African Accounting Association.
- d. Possible conference in Bordeaux in 2005. This is to be discussed further at the Executive Committee meeting in August.
- e. World Congress in Turkey in 2006. Serge is to meet with the representatives from Turkey sometime while in Sevilla.

Finally, there was a brief discussion of how to promote IAAER within the academic accounting associations in various countries. It would be desirable to have IAAER representation at the annual meetings of these organizations – as we have tried to do in the past.

The meeting was adjourned at 12:30 p.m.

Gary L. Sundem, Secretary



IAAER ACADEMIC / PROFESSIONAL INSTITUTIONAL MEMBERS

Academy of Accounting Historians	Ghana Accounting Institute
Accademia Italiana de Economia Aziendale (Italy)	Hong Kong Academic Accounting Association, Ltd.
Accounting Association of Australia and New Zealand*	Hong Kong Society of Accountants
African Academic Accountants Association	Indian Accounting Association
American Accounting Association*	Indian Accounting Association Research Foundation
American Institute of Certified Public Accountants	The Institute of Certified Public Accountants in Ireland
Arab Society of Certified Accountants	The Institute of Chartered Accountants in Australia
Asociación Española de Contabilidad y Administración de Empresas (AECA)*	The Institute of Chartered Accountants in England & Wales
Association for Chartered Accountants in the U.S. (ACAUS)	The Institute of Chartered Accountants in Ireland
Association of Accountants of CIS Countries*	The Institute of Chartered Accountants of New Zealand
Association of Chartered Certified Accountants	The Institute of Chartered Accountants of Scotland
Association of International Accountants	The International Association of Financial Executives Institutes
British Accounting Association*	Irish Accounting and Finance Association*
Canadian Academic Accounting Association*	Japan Accounting Association*
Canadian Institute of Chartered Accountants	Japanese Association for International Accounting Studies
Certified General Accountants' Association of Canada	Korean Accounting Association
Chartered Institute of Public Finance and Accountancy	Mexican Association of Accounting and Management Faculty
Consiglio Nazionale dei Ragionieri e Perti Commerciali	Mexican Association of Schools of Accounting & Business
CPA Australia	National Association of State Boards of Accountancy
European Accounting Association*	Nepalese Accounting Association
Federacion Argentina de Consejos Profesionales de Ciencias (Argentina)	Societa Italiana di Storia della Ragioneria
Federation of European Accountants (FEE)	The Society of Certified Public Accountants (India)
French Accounting Association*	Southern African Accounting Association*

**Denotes Executive Council Members*

NEWS FROM INSTITUTIONAL MEMBERS

The British Accounting Association

The BAA (a registered charity established in 1947) is a UK organisation which brings together those interested in teaching and research in the areas of accounting and finance.

The BAA currently has about 800 members, many of whom are employed in UK Higher Educational institutions. Other members include representatives from leading firms of accountants as well as a significant number of private individuals and people based outside the UK.

The annual subscription rates are £25 for payment by direct debit or £30 if you pay by cheque or credit card (reduced subscription rates are available for unsalaried registered PhD/MPhil students). The benefits of membership include:

- free subscription to the quarterly refereed journal *The British Accounting Review*;
- a copy (in the year of publication) of the biennial *The British Accounting Review Research Register* - the authoritative reference work on UK accounting and finance departments and the lecturing/research interests and publications of 1,500 academic staff members over 100 UK institutions.

If you would like to join the BAA, please contact our Administrator.

ACCA Adopts IAAER's Global Code of Ethics for Accounting Educators

ACCA is one of the first accountancy bodies to adopt IAAER's new Global Code of Ethics for Accounting Educators.

Commenting on the incorporation of the Code into ACCA's quality assurance scheme for tuition providers – the University and College Registration Scheme (UCRS) – Clare Minchington, Head of Education at ACCA said:

“Attention has focused, in recent months, on the ethics of accountants in practice and on the teaching of ethics, but not on the behaviour of the educators themselves. The Code of Ethics is timely, and has enhanced our existing quality benchmarks by ensuring that ACCA tuition providers worldwide strive for the highest standards.”

The UCRS strengthens links between ACCA and tuition providers, offering the support and encouragement necessary to enhance the standards of tuition and service for ACCA students.

The scheme awards three levels of registration - Standard, Premier and Premier Plus. These levels establish new benchmarks in quality tuition provision to which tuition providers across the world can aspire.

Almost 300 colleges worldwide have registered under the scheme. Its success reflects unprecedented demand for ACCA tuition worldwide, which is reinforcing ACCA's position as the largest, and fastest-growing, international accountancy body.

To find out more, please contact:

The Education Department
ACCA
29 Lincoln's Inn Fields
London WC2A 3EE
United Kingdom
tel: +44 (0)20 7396 5891
fax: +44 (0)20 7396 5968
e-mail: m.russell@accaglobal.com

University of York British Accounting Association's Annual Conference April 14-16 2004

The University of York's main campus at Heslington is a 200-acre landscaped park, well-known for its lake, and is located only 10 minutes from the centre of York. The historic City of York has numerous award-winning attractions, including a stunning cathedral and the world's best railway museum, where a reception for conference delegates will be held.

Further details about the venue and programme can be found on the web at www.shef.ac.uk/~baa.

<http://www.meeting.co.uk/>

Japanese Association for International Accounting Studies

JAIAS will hold its 20th annual meeting at Rikkyo University, Tokyo, on August 27-28, 2003.

Japan Accounting Association

JAA will hold the 62nd annual meeting at Kinki University, Osaka, on September 10-12, 2003.

The Institute of Chartered Accountants in Ireland

The Institute of Chartered Accountants in Ireland has announced the appointment of Ronan O'Loughlin as Director of Education and Training with effect from June 30, 2003. Mr. O'Loughlin (46) is a Chartered Accountant and was previously the Director of Education at the Institute of Taxation in Ireland.

**BETA ALPHA PSI
STUDENT HONORARY AND SERVICE ORGANIZATION
INVITES GLOBAL PARTICIPATION**

Beta Alpha Psi is a student honorary and service fraternity comprised of accounting, finance, and information technology students. The fraternity has over 250 chapters on university campuses throughout the United States and has recently amended its charter to extend the opportunity to participate to universities around the globe. Beta Alpha Psi is highly selective in its entry requirements for both university chapters and student initiates, who must meet high academic qualifications to be considered for membership. Each chapter is required to report on professional and service activities throughout the academic year, and those which excel are recognized publicly and financially. Beta Alpha Psi has long been considered an excellent indicator of a student's professional potential, and the fraternity is supported by an advisory forum of large accounting and corporate firms in the U.S. The Associates include:

**Accounting Web
American Institute of CPAs
Baxter International, Inc.
BDO Seidman, LLP
Becker Conviser Professional Review
The Boeing Company
Cargill, Inc.
Chevron Corporation
The Coca-Cola Company
Deere and Company
Deloitte & Touche LLP
Ernst & Young LLP
Exxon Corporation
GE Capital Corporation
Grant Thornton LLP
Internal Revenue Service
KPMG, LLP
McGladrey & Pullen, LLP
Micromash
PricewaterhouseCoopers LLP**

There are now petitioning chapters in Asia, and the first non- U.S. chapter will likely be installed in fall of 2003. If your university would have an interest in learning more, please contact our national office at:

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(212) 596-6090 phone
(212) 596-6288 fax
bap@bap.org e-mail



INDIAN ACCOUNTING REVIEW

EDITOR

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University of Calcutta, Kolkata

Annual Subscription Rates

Individual : US \$ 25; Institution : US \$ 40

Statement of Policy, Requirements & Guidelines Policy

Indian Accounting Review (IAR) is a bi-annual research journal sponsored by the Indian Accounting Association Research Foundation. It is published in June and December each year. It is a refereed international journal with the review process being double blind.

The scope of the journal encompasses all areas of accounting including auditing, taxation, management accounting, and information systems. IAR seeks to publish high quality, research-oriented and original articles. It encourages both fundamental and applied research works.

Submission requirements

Three copies of manuscripts should be submitted for consideration for publication in IAR. Manuscripts from abroad should be accompanied by a US \$30 non-refundable *submission fee* payable by cheque in favour of 'IAA Research Foundation'.

All manuscripts should be typed double-spaced. A separate list of references should be used, not made a part of the footnotes. Footnotes, also double-spaced, should be listed at the end of the paper. Manuscripts should not normally exceed 25 pages including figures, tables, footnotes and references, printed on 8½" x 11" paper.

Each manuscript should contain a non-mathematical *abstract* of not more than 150 words. There should be a *title page* containing the name of the article, authors' names, affiliations and corresponding author's address. The names of the authors should not appear on the first page of the manuscript to facilitate blind review.

The submission of a manuscript to IAR means that the author certifies that the manuscript is not copyrighted, nor has it been accepted for publication (or published) by any refereed journal; nor is it being refereed elsewhere, at the same time.

Submission address

Manuscripts from the U.S.A., Canada, Mexico, South-American and European countries should be submitted to :

Professor Gyan Chandra, Consulting Editor, IAR, Dept. of Accounting, School of Business Admn., Maimi University, Oxford, OHIO-45056, USA, with an intimation to the Editor (e-mail: iaarf@cal3.vsnl.net.in).

Manuscripts from other countries should be submitted to : **Professor Bhabatosh Banerjee**, Editor, IAR, 164/78 Lake Gardens, Flat B-10, Kolkata-700045, India.



Durban 2004

CALL FOR PAPERS

SOUTHERN AFRICAN ACCOUNTING ASSOCIATION AND THE
INTERNATIONAL ASSOCIATION FOR ACCOUNTING EDUCATION AND
RESEARCH

BIENNIAL INTERNATIONAL CONFERENCE

International Research Conference For Accounting Educators

DURBAN – KWAZULU-NATAL, SOUTH AFRICA

30 JUNE - 2 JULY 2004

Deadline for submission: **31 January 2004**

The 2004 SAAA and IAAER international conference will be held at the Holiday Inn Durban-Elangeni (www.southernsun.com/Sunrise/). Durban is situated on the east coast of South Africa in the province of KwaZulu-Natal. A holiday in one of the nearby game reserves (www.rhino.org.za) or a trip to the world heritage sites of the uKhahlamba/ Drakensberg Park (www.drakensberg.org.za) or the Greater St. Lucia Wetland Park can easily be combined with your travel arrangements to the conference. The conference will be hosted by the University of Natal.

Papers on all aspects of accounting research are welcome. Possible topics include, but are not limited to:

International Accounting
Financial Accounting
Auditing and Internal Auditing
Finance and Financial Management
Taxation
Management Accounting

Information Systems and Computer Auditing
Accounting Education
Corporate Governance
Accounting History
Public Sector Accounting and Nonprofit accounting
Social and Environmental Accounting

Accepted papers will receive, if requested by the author, a fast-track review for publication in either the South African Journal of Accounting Research (SAJAR), the Journal of International Financial Management and Accounting (JIFMA), Management Accounting Research (MAR) or Accounting and Business Research (ABR).

For more information contact Agnes Cheng at acheng@uh.edu or Lesley Stainbank at stainbankl@nu.ac.za.

First Announcement

The 10th World Congress of Accounting Educators

**“Challenges and Recent Developments in International
Accounting Education and Research”**

9-11 November 2006
Istanbul-Turkey

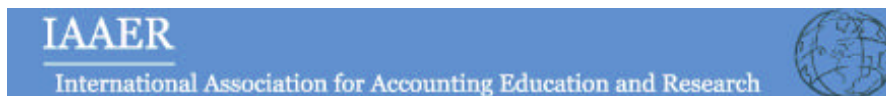
Organizers and Hosts:

TMUD-EAAT
The Expert Accountants’
Association of Turkey
<http://tmud.org.tr>

TURMOB The Union of
the Certified Public
Accountants of Turkey
<http://www.turmob.org.tr>

Co-Organizer:

IAAER
International Association for Accounting Education and Research
<http://www.iaaer.org>



Further Information:

Recep Pekdemir, pekdemir@turk.net
Serge EVRAERT, evraert@montesquieu.u-bordeaux.fr

Call For Papers

10th Anniversary (2004) Mid-Year Conference of the International Accounting Section of the American Accounting Association

Funding Provided by the KPMG Foundation

1. Houston, Texas - March 4-5, 1995
2. Vancouver, British Columbia, Canada - March 29-30, 1996
3. New Orleans, Louisiana - March 13-15, 1997
4. Chicago, Illinois - April 3-4, 1998
5. Orlando, Florida - January 8-9, 1999
6. Tampa, Florida - January 9-10, 2000
7. Phoenix, Arizona - January 12-13, 2001
8. Fort Lauderdale, Florida - January 11-12, 2002
9. Orlando, Florida - February 7-8, 2003
- 10. San Diego, CA - January 30-31, 2004**

Call for Papers and Panel Proposals

The conference facilitates teachers, researchers, & practitioners interested in international accounting to exchange information, network, and discuss emerging issues. Papers or panel discussions on any area of international accounting are welcome.

\$500 Prize - Best International Accounting Education Paper

The best international accounting education or curriculum paper submitted to the Mid-Year Conference will win a \$500 prize, which may be used to offset travel costs. To win the prize, at least one author of the paper must register, attend, and present the paper at the conference. If the winning paper has multiple authors, the prize will be divided evenly among the authors.

\$500 Scholarships for Doctoral Students

A special session will feature the work of doctoral students and/or new PhD's engaged in international accounting research. A limited number of \$500 scholarships to attend the conference will be available for doctoral students submitting papers. Scholarship applications must be in the form of a letter of recommendation from the PhD advisor. For more information, contact Prof. Paquita Friday, University of Notre Dame, Email: pfriday@nd.edu.

Saturday Night Reception to Recognize Past Presidents of the Section

The conference will include Lunch both Friday and Saturday as well as Receptions both Friday and Saturday evening.

Deadline: September 15, 2003. All papers and proposals must be in English. **It is preferred and strongly encouraged that papers may be emailed as a Word attachment to jhora@sandiego.edu.** No papers will be accepted by fax. Author(s) will be notified of conference acceptance/rejection by November 1, 2003. For those using hard copy paper submissions, send four copies of papers or panel proposals to:

Papers

Prof. Judith A. Hora
School of Business
University of San Diego
5998 Alcala Park
San Diego, CA 92110-2492
Phone: (619) 260-4220
Email: jhora@sandiego.edu

Panels

Prof. Joseph H. Godwin
Department of Accounting & Taxation
Seidman School of Business & Administration
Grand Valley State University
401 W. Fulton, 4th Floor
Grand Rapids, MI 49504-6431
Phone: (616) 331-7413
Email: godwinj@gvsu.edu

Registration and hotel information should be available by August 15, 2003.

Conference updates will be posted on the AAA International Section web sites at: <http://www.cba.uc.edu/cbainfo/ias>

CALL FOR PAPERS AND CONFERENCE ANNOUNCEMENTS

2nd WORKSHOP ON PERFORMANCE MEASUREMENT AND MANAGEMENT CONTROL

Nice, France, September 18-19, 2003

Chairmen: Pierre-Laurent BESCOS and Eric CAUVIN (EDHEC at Nice, France)

Invited Speakers: Marc J. EPSTEIN (Rice University, Houston, U.S.A.) and Jean-François MANZONI (INSEAD, Fontainebleau, FRANCE)

The first edition of the EIASM workshop on performance measurement and management control was a great success. Over 100 scholars participated in the workshop, 50 papers were presented, some of which later appeared in a book published by JAI Press (Elsevier Science) in the US and Europe. In light of the success of this first workshop, and to continue to explore and exchange on these issues, a second edition of the workshop will take place in 2003.

As in the first edition, the workshop will be focused broadly on "performance measurement and management control". But we also want to give this second workshop a particular emphasis on methods and approaches that are associated with superior organizational performance, defined broadly.

This workshop will provide a full exploration of the current research on these topics, as well as an opportunity to discuss current research, current corporate practice and future trends in research and practice. The two invited speakers will present their most recent work on management control and performance measurement. This will include an update on the current research in the field and extensive discussion of business practices and trends in these areas.

For more information, please contact:

EIASM
Graziella MICHELANTE
Rue d'Egmont 13 - 1000 Brussels - Belgium
Phone : +32 2 5119116 - Fax +32 2 5121929
Email: michelante@eiasm.be
WORKSHOP WEB SITE: <http://www.eiasm.be>

CONFERENCE ANNOUNCEMENT ACADEMY OF ACCOUNTING HISTORIANS 2003 RESEARCH CONFERENCE

November 6-8, 2003
Denton, Texas

Conference Theme: "Accountability- Pre-Post Enron: Alternative Global Views"

The theme of the 2003 Academy of Accounting Historians' Research Conference, "Accountability- Pre-Post Enron: Alternative Global Views" is intended to stimulate a historical analysis of the concept of accountability. Specifically, we are interested in an evaluation of:

- In search of the moral compass
- Accounting and auditing responsibility
- The role of accounting research in rendering accountability invisible
- Corporate culture and its impact on accountability
- Professional ethics
- Impact of standard setting on accountability
- Corporate governance
- Abdication of academia in the advancement of normative research
- History of earnings management
- History of off-the-balance sheet financing
- An educator's response to Enron
- A historical analysis of how the profession responds to crisis
- History of auditor rotation

Registration: Registration is \$125. This fee includes a Thursday night reception, Friday and Saturday continental breakfasts, Friday and Saturday luncheons, and Friday evening dinner. Registration forms should be returned to Sarah A. Holmes, Department of Accounting, Texas A&M University, 4353 TAMU, College Station, TX 77843-4353

Hotel Accommodations: The conference will be held at the Radisson Hotel Denton & Eagle Point Golf Club. The conference rate is \$99 plus tax per night- single or double. Reservations should be made directly with the hotel at 940-384-2254 or by Fax at 940-384-2244. Be sure to reference the Academy of Accounting Historians.

Airport: Denton is served by the Dallas/Ft. Worth Airport. Shuttle services will be provided.

CONTEMPORARY ACCOUNTING RESEARCH CONFERENCE

The Canadian Academic Accounting Association
announces the

18th CAR Conference

Toronto, Ontario

November 8-9, 2003

Email: car@caaa.ca

(plus Doctoral Consortium on November 7th)

CALL FOR PAPERS 10TH WORLD CONGRESS OF ACCOUNTING HISTORIANS

St. Louis/Oxford, August 1-5, 2004

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. Sessions will be held at the St. Louis Mercantile Library, which was founded in 1846. The headquarters hotel will be the Renaissance Airport Hotel. The Congress will then move by air-conditioned motorcoaches to Oxford, MS, on August 3 to give delegates an opportunity 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. There will be activities during the motor coach trip devoted to accounting history topics, such as featured speakers and videotapes. After the Congress, delegates may proceed to Orlando, FL, for the American Accounting Association meetings. It may be most convenient to continue your post-Congress air travel from nearby Memphis International Airport.

Papers are invited on **any** accounting history topic. Papers that address any of the three Congress themes are particularly desired. The three Congress themes are:

1. International Congresses of Accountants
2. Accounting for Transportation and Financial Industries
3. Archival-Based Accounting Research

1. International Congresses of Accountants:

Since 2004 marks the centenary of the first International Congress of Accountants in St. Louis, a major theme of the 10th World Congress of Accounting Historians is scholarship on the sixteen International Congresses of Accountants, the nine International Congresses of Accounting Educators, and the nine preceding World Congresses of Accounting Historians.

The International Congresses of Accounting Educators started in 1962 and were conducted just before or after the International Congresses of Accountants, either in the same city or nearby. Leadership of the IAAER [International Association for Accounting Education and Research] will assist in reviewing papers for this theme. Some examples of possible paper topics include (1) Examination of a Specific Congress; (2) Continuity and Discontinuity of the Congresses; (3) Concept of International Congresses; (4) Key Players at Each Congress (Biographies); (5) Seminal Papers; (6) Splitting the Congresses in 1962; (7) Continuing Themes and Topics Across the Years; and (8) International Accounting Standards Movement.

2. Accounting for Transportation and Financial Industries:

As the Gateway to the West, St. Louis is an appropriate venue for research on accounting for railroads, canals, riverboats, stagecoaches, airlines, and automobiles. The Mercantile Library is also a repository of several transportation collections. Thus, the Congress will highlight papers dealing with transportation-related industries throughout the world. Papers can include analyses of financial statements, accounting innovations, and the people who played a role in the development of transportation accounting. Similarly, St. Louis has historically been a financial center for Western development, so histories related to accounting for all types of financial institutions will be a focus of the Congress.

3. Archival-Based Accounting Research:

Because the library at the University of Mississippi is a treasure trove of accounting archival records, one of the Congress themes will be to emphasize archival-based research. Such research can be based on any type of organization. Examples include analyses of accounting innovations, diffusion of accounting innovations, impact of the environment (such as war, depression, or competition) on accounting, impact of accounting on the environment, and examples of company histories based on accounting records.

In addition to papers on the three Congress themes, papers on other topics of accounting history are also welcome.

The 10th World Congress is sponsored by the **Academy of Accounting Historians**. The co-conveners of the Congress are Richard Vangermeersch of the University of Rhode Island, and Dale L. Flesher of the University of Mississippi. Manuscripts for review should be sent to the following address:

Dr. Dale L. Flesher
Patterson School of Accountancy
University of Mississippi
University, MS 38677
E-mail: acdlf@olemiss.edu

Papers may be submitted in either hard copy or electronic format (electronic submissions should be in either WORD or WordPerfect format). All papers should be submitted in English. Special consideration will be accorded those papers prepared by scholars who use English as a second language so as to facilitate the broadest acceptance and presentation of materials. The Congress program will focus around the best papers received. All papers will be double-blind refereed and, subject to consent, the accepted papers will be published as refereed Congress Proceedings on the Congress website. A hard-copy volume of abstracts will also be distributed. The deadline for submissions is **February 28, 2004**. Earlier submissions are encouraged.

PRELIMINARY CALL FOR PAPERS
AACF 1st ANNUAL INTERNATIONAL ACCOUNTING
CONFERENCE

AACF (Accounting Academicians' Collaboration Foundation of Turkey) is pleased to organize the first Annual International Accounting Conference on the effects of convergence on International Accounting issues and Financial Reporting that will be held in **November 2004** in Istanbul, Turkey. The main theme of the conference is "On the Way to Convergence" that will be in effect starting 2005. Having an International conference on this issue will provide an excellent forum for researchers and practitioners to exchange ideas and opinions on the theoretical and practical aspects of implementation and the benefits such a convergence will generate.

The conference will assemble a forum of plenary sessions, research paper presentations and panel sessions to discuss the issues related to the convergence of accounting rules by prominent international scholars and practitioners.

Completed papers from academicians and practitioners on the effects of convergence of accounting rules on financial reporting and international accounting are invited. Although not binding following is a list of possible topics of interest:

- History of harmonization of the accounting standards
- Effect of Convergence on:
 - o Financial Reporting
 - o Financial Statement Analysis
 - o Investors' Decision Process
 - o Capital Markets
 - o Auditing Standards and Audit Process
 - o Quality Costs and Environmental Accounting
 - o Software Design
 - o Creating a Global Certification
 - o Managerial Decision Process
- Problems Faced And Solutions Developed During The Adaptation Process- Country Experiences
- Problems faced by the Multinational Companies
- Emergence of universal ethic rules

Papers should be submitted online to the conference site www.modav.org.tr/~conf2004 in Word document format (Windows 95 and higher versions are preferred). All papers should be in advanced stage of completion and should adhere to the style requirements of *the AR*. Submission deadline is **March 1, 2004**. All papers will be blind-refereed by international referees. Authors of accepted papers will be notified by **May 15, 2004**. At least one author of the submitted papers should register. Conference and registration details will be announced in the first call for papers.

For further information please contact the conference headquarter:

Can Simga-Mugan,
Asso. Prof. of Accountancy
AACF 1st Annual International Accounting Conference
Dept of Management
Bilkent University
Bilkent, Ankara, Turkey
phone: +90 (312) 290-1526
fax: +90 (312) 266-4958
e-mail: simga@bilkent.edu.tr

**EARNET - EUROPEAN AUDITING RESEARCH
NETWORK SYMPOSIUM
31st October – 1st November 2003
Manchester, England**

The European Auditing Research Network, will be holding its second Symposium on 31st October and 1st November 2003 in Manchester, England. This meeting will build on the first EARNet Symposium held in 2001 in Wuppertal, Germany, which provided a very successful forum for academics, practitioners, policy makers and standard setters to discuss auditing research and current issues in the auditing environment.

The venue is Chancellors Hotel and Conference Centre, a specialist conference venue operated by the University of Manchester. As a leading United Kingdom city, Manchester offers a wide range of attractions and assistance will be offered to those seeking to arrive early or extend their stay after the symposium. The Symposium organizers are Professors Stuart Turley and Christopher Humphrey, University of Manchester.

Programme

The Symposium will commence mid-morning on 31st October (11.00 am approx.) and finish early afternoon on 1st November 2003 (2.00 pm approx.). The programme will include:

- Presentation of papers on a range of areas of auditing research, with discussants' comments
- Plenary address by Dietz Mertin, Chair of the International Auditing and Assurance Standards Board
- Panel discussion on: Internationalisation – the Agenda for Auditing Research, Practice and Regulation
- Sessions for European doctoral research presentations
- Exhibition of research methods publications
- Conference dinner

Registration Information

The registration fee for the Symposium is £190. This includes: overnight accommodation on 31 October, conference pack and papers, Conference dinner, lunches on 31 October and 1 November, tea and coffee breaks. Early registration is advised as accommodation at the conference venue is limited. Participants registering after this has been allocated will be housed at a nearby hotel and may be asked to pay a small supplementary charge (from £25).

Non-residential rate – The fee for non-residential delegates is £150.

Additional nights – Assistance can be provided with arranging additional nights accommodation for early arrival or late departure. The cost will be from £50.00 per night upwards.

Registration should be made by completing the following registration form at: <http://www.earnet.uni-essen.de>

All enquiries concerning the symposium may be sent to Stuart Turley – s.turley@man.ac.uk or +44 161 275 4015.

About EARNet

EARNet was founded in April 2000. It is intended to foster research and exchange of ideas among auditing scholars and researchers on a European level. Its objectives are to promote European auditing research (primary objective) and to contribute to European policy making (secondary objective). Further information concerning the European Auditing Research Network membership is available on our website at <http://www.earnet.uni-essen.de>.

This flyer is available for download at: <http://www.earnet.uni-essen.de>

**FOURTH ASIAN PACIFIC INTERDISCIPLINARY
RESEARCH IN ACCOUNTING CONFERENCE
Singapore 4 – 6 July 2004
APIRA 2004 EMERGING SCHOLARS' COLLOQUIUM
(2 – 3 July 2004)
Organised by Singapore Management University
(Supporting Organisation: Nanyang Business School,
Nanyang Technological University)
In association with Accounting, Auditing & Accountability
Journal**

The triennial APIRA conference now moves to the "Lion City" Singapore, following on from its predecessors in Sydney (1995), Osaka (1998) and Adelaide (2001). APIRA is the premier interdisciplinary accounting research conference in the Asia – Pacific region, rotating in a three year cycle with the European IPA and the New York CPA conferences.

With a reputation for academic rigor, and the participation of accountancy's foremost thinkers, APIRA 2004 promises to attract strong representation from accounting researchers the world over. Some of the most prolific researchers from the United Kingdom, Europe, North America, the Asia-Pacific region, and many other countries are represented in APIRA's



International Editorial Committee. A strong interdisciplinary program of research papers and forums addressing the relationships between accounting, auditing and accountability and their social, institutional, economic and political environments will be included in the program.

This interdisciplinary accounting conference is dedicated to the advancement of accounting knowledge and practice. It provides a platform to discuss the interaction between accounting/auditing and their social, economic, institutional and political environments.

Conference sessions and papers will critique contemporary theory and practice, examine historical and interdisciplinary dimensions of accounting, debate policy alternatives, and explore new perspectives for understanding and change in the accounting discipline.

APIRA 2004 will be held at the Grand Hyatt Singapore, and its associated Emerging Scholars' Colloquium (2 -3 July) will be held at the beautiful Bukit Timah campus of Singapore Management University. The conference's plenary speakers on the subjects of corporate governance and management control will include Professors Niamh Brennan (University College Dublin), Trevor Hopper (University of Manchester), and Ken Merchant (University of Southern California).

Key Dates:

Deadline for electronic paper submissions: *(only full papers considered for refereeing)* **30 January 2004**

Submission of Revised Paper: **30 April 2004**

Early Bird Conference Registration: **30 April 2004**

Fees:

Early Bird Registration (by 30 April 2004)

- Full Registration (S\$595)
- Full-time Postgraduate Student (S\$365)
- Emerging Scholars' Colloquium (S\$50)

Regular Registration (after 30 April 2004)

- Full Registration (S\$695)
- Full-time Postgraduate Student (S\$415)
- Emerging Scholars' Colloquium (S\$60)

For further enquiries, please contact:

Ms Adelene Ang

Singapore Management University

Email: aang@smu.edu.sg

Professor Lee D Parker

The University of Adelaide

Email: aaaj@commerce.adelaide.edu.au

For full conference and colloquium details, access the
SINGAPORE APIRA website now!

<http://www.accountancy.smu.edu.sg/Apira/index.htm>

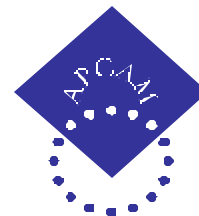
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using www.Google.com, type in "APIRA 2004"





**FACULTAD DE CONTABILIDAD Y ADMINISTRACIÓN
UNIVERSIDAD DE GUANAJUATO
MEXICAN ASSOCIATION OF ACCOUNTING AND BUSINESS FACULTY
(APCAM)**



CALL FOR PAPERS

VI INTERNATIONAL CONGRESS ON INNOVATIONS IN TEACHING ACCOUNTING AND BUSINESS

September 17-19, 2002

Toluca City, México

The Mexican Association of Accounting and Business Faculty has organized since 1998 an annual international congress on innovations in teaching accounting and business. The first Congress took place in the Universidad Autónoma de San Luis Potosí and the second in the Universidad Juárez Autónoma de Tabasco. The third, fourth and fifth congresses were hosted by the Universidad del Valle de México, the Benemérita Universidad Autónoma de Puebla, and the Universidad de Guanajuato, respectively.

In 2003 the Sixth International Congress on Innovations in Teaching Accounting and Business will take place at the Business and Accounting School of the Universidad Autónoma del Estado de México, located in Toluca City.

These congresses provide an opportunity for faculty and practitioners interested in international accounting and business to learn about innovations in academic programs, to exchange information and teaching experiences, and to discuss interesting issues about innovations in teaching.

Papers on any topic of innovations in teaching accounting and business are welcome. As an example, the leading topics are:

- Educational model
- Syllabus and curriculum
- Teaching-learning process
- Development of entrepreneurial skills
- Evaluation and assessment
- Teaching and continuous improvement

Papers should be sent printed in original and in a 3 1/2" diskette. File must be typed in Word '97 for Windows '95 or '98, using Times New Roman 12 points double-spaced and, margins of 2.5 cm. left and right and 3 cm. top and bottom. Papers should be between seven and twenty-five pages including charts and graphics, numbered at the bottom center. On the cover page it has to have the title of the paper, name or names of authors, affiliation, topic in which they want to participate, telephone and fax number and e-mail address. A resume has to be included of one page maximum. Please send the paper to the people mentioned below.

Deadline

Submissions of papers should be delivered by July 15, 2003 to:

Eva Ruelas, CPA, Executive Director, APCAM, A.C., Nuevo León 144-Mezzanine, Hipódromo Condesa, 06170 Cuauhtémoc, México, D.F., MÉXICO, Tel.: (5255) 5211 89 88 Fax: (5255) 5211 09 29

E-mail: apcam@consultoreseneducacion.com.mx

Notification of papers accepted will be August 15, 2002.

Note that Spanish is the official language of this Congress, but English simultaneous sessions may be programmed according to the number of submissions



Individual Membership Application – 2003 to 2005

Fees		Amount Enclosed
US\$ 45	For 3 years	_____
EUROs 40	For 3 years	_____
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Exp. Date

Signature _____

If paying by credit card, fax or e-mail this form to 1-206-685-9875 or glundem@u.washington.edu. Mail checks in dollars to: Gary Sundem, University of Washington Business School, Box 353200, Seattle, WA 98195-3200 USA, and checks in Euros to: Hans Peter Moeller, School of Economics and Business Administration, Aachen University of Technology, D-52056 Aachen, Germany.

Last May, President Serge Evraert attended the Congress of the Association of Accountants and auditors of the CIS countries in Moscow where he gave a speech on “**IAAER, Ethics and the Future of Accounting**” published hereafter.



Dear Colleagues, Dear Friends,

It's always a challenge to be involved in an international conference as a guest invited to deliver a speech. Let me say first how honored I feel at the moment to have this privilege. Several years ago, I could not imagine I would attend the annual meeting of the Russian Association of Accountants especially in this historical and prestigious location.

During these changing times an invitation of the President of a global organization such as the IAAER, along with the increased and significant participation of Russian academic and practitioners to numerous conferences as the World Congress of Accountants and the European Accounting Association annual conference, exemplifies how your country is now enrooted in our international accounting community and participates in all debates now challenging the future of the economic and business world, the accounting profession and the evolution of society at large.

I will first introduce the IAAER, its missions and contributions to education and research, its involvement in the academic and professional communities in a global context then shift to some views regarding the future of the accountancy profession.

IAAER Presentation

Founded in the early eighties, the IAAER is a unique, global organization for academics (800 members from more than 70 countries) and a federation of academic and professional associations (currently approximately 50).

Our main objective is to be a catalyst between individual members from academia of many countries and institutional members from academic and practitioner associations in accounting, effectively acting for excellence in accounting education and research. Implementing actions on our own and also with global or regional institutions for a better recognition of the usefulness of financial and management accounting reports is also within our scope. The target is of course the public at large and especially the political and business world which clearly do not yet understand the great importance of transparency, completeness and reliability of the information provided to all stakeholders, which is designed to improve the well being of society.

To us, topics and avenues for action in this direction have been a continuum for almost 15 years and have been again expressed in Hong Kong where we held our 9th congress last year. To quote some of the headlines detailed in our journal “Cosmos Accountancy Chronicle” we want to:

- promote common values for goodness, honesty, quality of available public information and transparency ;
- set and strengthen links and exchanges all around the world ;
- Work with institutions and professionals.

Here is the framework for present and future action in the coming years. In order to complete this ambitious and ongoing program, we intend to further implement our Code of Global Ethics, which called for defining our responsibilities “in Accounting Education and Academic Research” and also for extension of those responsibilities to the Accounting Profession. We will also follow up with the Global Education Research Project conducted recently which compared accounting qualifications in many countries. The results have been published by the International Accounting Standards Board and we'll act for implementation of IFAC IEG 9.

We will continue organizing Forums and Accounting Roundtables on a yearly basis as those presently in preparation this year. We will also continue holding academic or specialized research conferences every two years like the last one co-sponsored by the ICAEW, one of our institutional members, in London last January on stock options and management incentives. Another forthcoming conference is being actively prepared by the South African Academic Accounting Association, again one of our institutional members, in Durban in early July 2004. Initiatives are in progress by our Turkish colleagues for our World Congress of Accounting Educators to be held in Istanbul just before the IFAC World Congress of Accountants in 2006.

Shifting now to more general topics to be addressed by the accounting profession, I will select first some features of the context in which the accounting profession will operate and also address shortly the issue of preparing and auditing company accounts in highly uncertain and regulated markets.

Context for applying our skills

Remember that the last 20 to 30 years in the west have been the years of management and financial accounting dominated by the financial markets more precisely by the financial community. High emphasis was placed on creating value to shareholders and on rewarding top management based on results. Some fever invaded the capital markets. Privatization of state owned banks and companies were at stake in Africa, Latin America, Asia and Europe. Within this period, overseas investments and savings grew dramatically reaching peaks never observed during the past century. Barriers to competition were broken down. High tech firms rose then fell as do flowers blossoming at springtime and later fading away. Computer data processing took over the day to day management of manufacturing and service firms and is now taking over a significant part of accounting and control workplaces.

Those years were times of unexpected changes which also occurred in the political arena.

We know the result: certainly global and regional benefits as a consequence of the positive impact of opening markets and increased technical progress. That cannot be denied. The economic situation improved in different areas of the world. Despite some downturns which increased underemployment, the growth rates of most economies rose steady. Some with double digit performances. Within such euphoric contexts, no limits appeared to challenge the ability of top business managers to provide a welfare state using technical devices such as mergers, takeovers, hybrid financing, derivatives, all kind of business alliances, stock options, and so forth and so forth.

My opinion is that this general optimism did not prevent us from the extreme disappointment caused by the downturns which happened after the year 2000 and the corporate scandals which burst out later.

The real question is the following. What did the accounting profession, within those euphoric years, do to signal the possible risks which might arise and which did actually arise afterwards?

I would say nothing significant. We, for instance, as academics did not seriously challenge the optimistic views conveyed through the financial markets. I don't mean that either elaborating a conceptual framework for the financial

statements, or working for a set of commonly accepted international accounting standards, or European accounting harmonization is worthless. Certainly it's worth doing. But we actually fully entered the "market for excuses" finding technical but still controversial accounting devices for old reemerging topics such as fair value accounting, accounting for intangibles, derivatives, and stock options. We have been focusing on the effects of accounting situations not on the causes. We did not seriously discuss the consequences of opportunistic behavior by managers with the possible exception of earnings management studies and to a less extent by discussing creative accounting techniques. We fully accepted the idea that the company would work for one stakeholder, the shareholder forgetting the others. Therefore with the confused ideas of the CEO solving the agency problem in behalf of the shareholder the question of corporate governance fell short and was not even seriously discussed in most countries specially our continental countries. On the contrary, when the discussion emerged, it was not conducted globally but on a piecemeal basis.

In other words, we missed part of the point by focusing on content issues rather than on ethical, behavioral and communication issues. Thus, we should not be surprised to observe that the public's image of accountants has been seriously damaged and distorted. The media (frequently fond of sensationalism which still identify accounting as a technical and practical device) and the businessmen and the politicians (who frequently ignore its information content and properties and lobby as much as possible to avoid transparency and reap some benefits from creative reporting techniques) will certainly not change their attitudes in the foreseeable future. It is therefore urgent to make known out of specialists' circles that our discipline is filled not only with information and objectivity but also with selecting policies which result in economic consequences.

Drawing up and auditing the financial accounts

On one hand, times are changing, and it's more and more difficult to argue that the world is going to be a free trade arena, a global place, "the small village metaphor", briefly speaking, and the fairy tale world where all of us are supposed to "think globally and act locally".

On the other hand, coping with self interest problems, acting for faithful/fair value representation of the situation of enterprises is our actual and next challenge.

Many cases such as the Credit Lyonnais, Elf and Vivendi in France, Worldcom and Enron in the US, to quote just a few but significant affairs, have clearly revealed at least three things:



1. The assumption of enterprises working for only the interest of the shareholder, a well established belief on the financial markets, won't answer the basic issues the world has to face.
2. We need to educate our students and practitioners on ethical issues and ethic behavior.
3. We must extend responsibilities, and perhaps change our methods, when auditing and certifying company accounts.

1. It is straightforward to achieve consensus on the first point. It's widely recognized, and I dare say it is a long accepted tradition at last in countries of continental accounting, that all stakeholders of a company must be served and not a single set of them (i.e. those who hold a majority of the shares in business considerations). Moving away from that tradition has caused thousands of billions of dollars to be destroyed within a couple of years in the western world sharply cutting the savings and retirement benefits of honest people thus destroying trust in the ability of pension funds, entrepreneurs and capital markets to make the right business allocation and management decisions for the welfare of the people. Having several major audit companies involved in some of the big scandals, certainly did not provide increased consideration and benefits to the accounting profession.

Moreover shifting to social responsibility and environmental accounting issues, it is now quite clear that unregulated market forces joined by pursuit of selfish interest by unscrupulous managers and ignorance or vested interest / opportunistic behavior in the political arena are irrelevant to ensure protection to public investment and savings.

We have actually observed strong deviations from the normal path of a market economy. Obviously new measures and new ways and means to report performance are called for. It's an

urgent issue to encourage all attempts and experiments in social responsibility accounting and to foster the recognition of new stakeholders as the citizens, the community and the economic and social partners.

2. Teaching Ethics, Ethical Behavior and Fraud to managers, financial analysts, bankers, auditors, barristers and first of all to our students and junior auditors is an obligation that we can't escape. It's straightforward to change our teaching methods at least if we all share the views expressed above and if individually willingness is present. Many studies completed over the past 20 years on the behavior of auditors have clearly shown on a general basis that if more than half of them adopted conventional and post conventional attitudes thus ensuring compliance with law and moral attitudes, an ethical gap still remains which is quite surprising given the standards of the profession.

In fact it's the exclusive duty of our profession to change people's behavior by ensuring relevant courses, practices and procedures inside and outside the classroom and inside and outside accounting offices. We have also to teach the economic and social consequences of accounting policy choices and extend the scope of financial reporting not only in the business areas but beyond, reaching not for profit accounting areas and particularly governmental accounting. Those are achievable targets. Our professions must only believe in their usefulness and implement adequate projects to achieve those goals

3. Ensuring fair corporate governance and independence of the auditor is the last point. Again we know what factors drive the independence of the auditor. They have been long documented in field studies and surveys conducted by academics in different countries.

Teamwork, proper analytical reviews by partners, turnover of associates, enforcement of ethics rules, sophistication of education and training, lengthening the terms of mandates, enforcement of auditor's legal responsibility as well as developing auditing standards to be followed by the profession and other constraints are useful techniques among others. But there are also negative forces: bids and competition, pressures over the audit fees, performance related pay, conservatism in conducting the analysis, time constraints, structure of revenues for auditing companies; and relation to money among the associates which can play an opposite role.

Actually to restore public trust through professional involvement, we must put the emphasis on the preparation, passage, and enforcement of rules devoted to the improvement of the quality of recognized and disclosed financial information. For instance, the Sarbanes – Oxley Act in the US requires from the CEO (Chief Executive Officer) and

the CFO (Chief Executive Officer) the certification of the annual accounts and periodic reports and also improves the content of the reports. Under the provisions of this act those who provide a certification knowing that the certification does not meet the criteria stated in the law may be fined up to 1 to 5 million USD and imprisoned for up to twenty years depending on the nature of the infraction made to the law. Also excellent ideas are the reduction of the facilities of lending to officers and directors, accelerated reporting of insider trading transactions and periodic SEC review of company filings, disclosure of material off-balance sheet transactions and the creation of a public accounting oversight board.

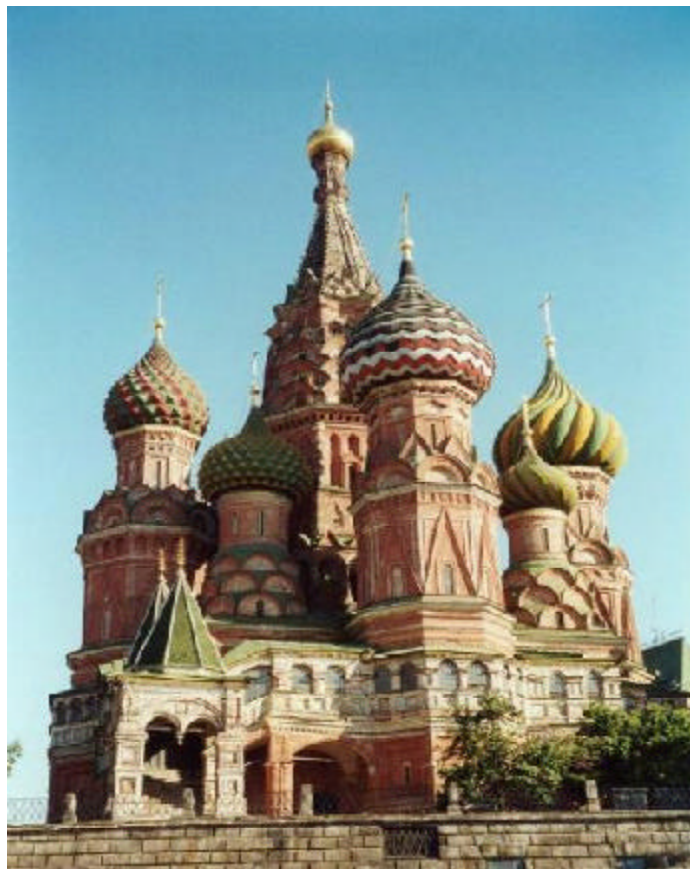
This is the legal side. It clearly shows that to date even the stake taken by the State to supervise the elaboration of the accounting and auditing standards/laws by the profession as exemplified by the long tradition of the National Accounting Council under the supervision of the Ministry of Finance and of the Ministry of Justice in France or more recently the FASB (Financial Accounting Standards Board) in the US and the ASB (Accounting Standards Board) in the UK were clearly not enough to ensure a faithful representation of the company accounts.

Then probably the auditing profession should change some of its methods to address contemporary issues. If you look at some of the big business scandals which took place recently, for instance Lincoln Savings and Loan, Enron, WorldCom, in the US, and Vivendi in France, all the companies mentioned really used straightforward and well known accounting devices to bend or break the rules. In all these cases, the financial statements conveyed clear signals which could have drawn the attention of the partner in charge of the audit over the different areas requiring detailed inspection and control. That could be downturns in the industry, recent major change in the business model, recognition of unrealized income, change in the structure of revenues and expenses with reports of operating profits in new areas versus stagnation and loss in traditional business, and abnormal amounts of goodwill capitalized or deducted from shareholder equity.

Even a summary analytical review of the information released by the company on its activities, of the business context and model and a financial analysis of the structure of the income statement and of the cash flow statement would have conveyed the right signals for further investigation. What does that mean from a practical standpoint? It means that insufficient attention is paid to the fundamentals and little to analyzing the strategic context in which the company

operates. Reports are taken for granted by the auditor and mainly ignored. On the contrary, a lot of time is devoted to detailed controls and confirmation of accounts which probably creates less value to the understanding of the business risks than a global and strategic analysis. In fact, the relevance of controls are as important and perhaps more important than the number. We thus need strategic auditing able to answer simple questions documenting substance over form situations such as the straightforward following one: If those facts happened recently in the business environment of the company or have been reported by the company... we might have a problem with the financial statements and reports!

I am convinced that the ability of the whole profession: academic and practitioners might show in the areas mentioned above. Enlarging the number of stakeholders, educating and training for ethics, complying with the law and finally improving and changing the process of auditing will help remove a significant part of the "expectations gap" to which many people often refer and will increase the quality of the information published and disclosed.



JOURNAL OF INTERNATIONAL FINANCIAL MANAGEMENT AND ACCOUNTING

In 1999 JIFMA formed a new relationship with IAAER and became the official research journal for the IAAER. JIFMA publishes original research dealing with international aspects of financial management and reporting, banking and financial services, auditing and taxation.

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