The Impact of the PCAOB on the Conduct of the Audit

The Oread
Lawrence, KS

April 26 – 28, 2012
Thursday, April 26
Oread Hotel, University of Kansas
9th Floor Terrace

7:00 – 9:00 Reception

Friday, April 27
Oread Hotel, University of Kansas
Griffith Room

7:00 – 8:00 a.m. Breakfast

8:00 - 8:30 a.m. Welcome and Opening Remarks

Director John Sweeney, University of Kansas
Dean Neeli Bendapudi, University of Kansas
Howard Cohen, Deloitte LLP

8:30 – 9:30 a.m. Brian Croteau, Deputy Chief Accountant SEC
Update on the Activities of the SEC’s Professional Practice Group of the Office of the Chief Accountant

9:30 – 9:45 a.m. Refreshment break

9:45 – 11:45 Research session – Susan Scholz, Moderator

Mandatory Audit Rotation: An International Investigation
Kathleen Harris, The University of Houston
Scott Whisenant, The University of Houston

Training Auditors to Think Skeptically
David Plumlee, University of Utah
Brett A. Rixom, University of Utah
Andrew J. Rosman, University of Connecticut

Lame Duck Auditors: An Effective Constraint Over Management Discretion?
Cory A. Cassell, University of Arkansas, Fayetteville, AR
Linda A. Myers, University of Arkansas, Fayetteville, AR
Timothy A. Seidel, University of Arkansas, Fayetteville, AR
Jian Zhou, University of Hawaii at Manoa
11:45-12:45 p.m.  Lunch – Hancock Room

1:00 – 2:00 p.m.  Dan Goelzer, Former PCAOB Board Member 2002-2012
Re-Examining the Auditor’s Relationship with Audit Committees and with Investors: The PCAOB’s Professional Skepticism and Reporting Model Projects

2:00 – 2:15 p.m.  Refreshment break

2:15 - 3:45 p.m.  Panel discussion: The Past and Future Impact of the PCAOB on the Audit
Bob Kueppers, Deputy CEO, Deloitte LLP
Charles M. Allen, CEO, Crowe Horwath LLP
Zoe-Vonna Palmrose, University of Washington
Dan Goelzer, ex-PCAOB Board Member

Moderator: Cindy Fornelli, Executive Director, CAQ

3:45 – 4:00 p.m.  Refreshment break

4:00 – 5:00 p.m.  Bob Moritz, CEO, PricewaterhouseCoopers

6:00 – 8:30 p.m.  Reception and dinner

Saturday, April 28
Oread Hotel, University of Kansas
Griffith Room

8:30 – 10:00 a.m.  Research session – Scott Bronson, Moderator

Audit Partner Disclosure: An Examination of Investor Reaction to Negative Information and Potential Implications for Auditor Independence
Tamara A. Lambert, University of Massachusetts, Amherst
Benjamin L. Luippold, Georgia State University
Chad M. Stefaniak, Oklahoma State University

Who Did the Audit: Investor Perceptions and PCAOB Disclosures of Other Audit Participants
Carol Callaway Dee, University of Colorado, Denver
Ayalew Lulseged, University of North Carolina, Greensboro
Tianming Zhang, Florida State University

Are Auditors Skeptical of Management’s Level 2 versus Level 3 Fair Value Classification Judgments?
Christine E. Earley, Providence College
Vicky B. Hoffman, University of Pittsburgh
Jennifer R. Joe, Georgia State University
10:00 – 10:15 a.m. Refreshment break

10:15 – 11:45 a.m. Research session – Adi Masli, Moderator

*Can Providing Advice on Management’s Accounting Estimates Improve Auditor Objectivity?*
Jonathan Grenier, Miami University
Bradley Pomeroy, University of Illinois at Urbana-Champaign
Stephen Rowe, University of Illinois at Urbana-Champaign

*Auditing the Audit Committee: A Study of Shareholders’ and Boards’ Efforts to Hold Audit Committee Members Accountable*
Stephanie J. Rasmussen, The University of Texas at Arlington
Jaime J. Schmidt, The University of Texas at Austin

*Watching the Watchdogs: An Examination of the PCAOB Quality Control Inspection Reports on Triennially Inspected Audit Firms and the AICPA Peer Review Reports*
Srinivasan Ragothaman, The University of South Dakota

11:45-1:00 p.m. Lunch and closing

ACKNOWLEDGEMENT

We would like to thank Deloitte and the Deloitte Foundation for their 40 years of generous sponsorship of the Audit Symposium. The interactions of academics and business professionals enabled by this event have greatly enhanced the development of auditing theory and practice.
Participants & Affiliation

Charles Allen - Crowe Horwath
Vicky Arnold - University of Central Florida
Matthew Beck - University of Missouri
Christopher Briggs - PricewaterhouseCoopers
Scott Bronson - University of Kansas
Margot Cella - Center for Audit Quality
Howard Cohen - Deloitte.
Jame Dalkin - US Government Accountability Office (GAO)
Brian Daugherty - University of Wisconsin- Milwaukee
Carol Callaway Dee - University of Colorado-Denver
Debora Deering - University of Kansas
Larry Depp - Deloitte
Bill Dilla - Iowa State University
Christopher Scott Donnelly - Miller, Haviland, Ketter PC, PA
Rajib Doogar - University of Illinois-Urbana Champaign
Bob Duckworth - Deloitte.
Aron Dunn - Allen, Gibbs & Houlik, LC
Christine Earley - University of Providence
Elizabeth Emeigh - University of Kansas
Rob Fisher - University of Kansas
Cindy Fornelli - Center for Audit Quality
Mark Fortino - Bank of Blue Valley
Marshall Geiger- University of Richmond
Daniel Goelzer - PCAOB
Kyri Gorges - KPMG
Jeremy Griffin - University of Notre Dame
Emily Griffith - University of Georgia
Aaron Grist- Ernst & Young
Parveen Gupta - Lehigh University
Karl Hackenbrack - Vanderbilt University
Jackie Hammersley - University of Georgia
Neal Hannon - University of Kansas
Jim Heintz - University of Kansas
Vicky Hoffman - University of Pittsburgh
Chris Hogan - Michigan State University
Jennifer Joe - Georgia State University
Jane Kennedy - University of Washington
Tim Kersey – Deloitte.
Jim Ketter - Miller, Haviland, Ketter PC, PA
Bill Kinney - University of Texas
Carol Knapp - University of Oklahoma
Chris Knapp - University of Oklahoma
Gopal Krishnan - Lehigh University
Jack Krogstad - Creighton University
Robert Kueppers – Deloitte.
Mark Lacy - Deloitte.
Tamara Lambert - University of Massachusetts
Andrew Li - University of Kansas
Ben Luippold - Georgia State University
Ayalew Lulsegel - University of Carolina-Greensboro
Juan Mao - University of Kansas
John Martin - PricewaterhouseCoopers
Adi Masli - University of Kansas
Elaine Mauldin - University of Missouri
Felix Meschke - University of Kansas
Bill Messier - University of Nevada- Las Vegas
Robert Moritz - PricewaterhouseCoopers
Jennifer Muelle r - Auburn University
Ed O’Donnell - Southern Illinois University
Zoe-Vonna Palmrose - University of Washington
Paul Penlar - Ernst & Young
Gary Peters - University of Arkansas
David Plumlee - University of Utah
Christine Porter - University of Kansas
Srini Ragothaman - University of South Dakota
Bob Ramsay - University of Kentucky
Sunita Rao - University of Kansas
Stephanie Rasmussen - University of Texas- Arlington
Stephen Rowe - University of Illinois
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Jaime Schmidt - University of Texas-Austin
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Timothy Seidel - University of Arkansas
Timothy Shaftel - University of Kansas
Michael Shaub - Texas A&M University
Sandra Shelton - DePaul University
Matt Sherwood - University of Kansas
David Smith - University of Nebraska-Lincoln
Rajendra Srivastava - University of Kansas
Johnathan Stanley - Auburn University
Chad Stefaniak - Oklahoma State University
Hannah Stout – University of Kansas
Steve Sutton - University of Central Florida
John Sweeney - University of Kansas
Bill Taylor - Retired- Ernst & Young
Mark Taylor - Case Western Reserve University
Bill Thomas - Baylor University
Anna Thompson - University of Illinois at Urbana Champaign
Sean Toohig - PricewaterhouseCoopers
Miklos Vasarhelyi - Rutgers University-Newark
Nancy Weatherholt - University of Missouri-Kansas City
Scott Whisenant - University of Houston
Janie Whiteaker-Poe - University of Kansas
Christopher Wolf e - Texas A&M University
William Wright - University of Illinois
Yang Xu - University of Kansas
Jian Zhang - San Jose State University
Jian Zhou - University of Hawaii-Manoa
Biographies

Chuck Allen  
Chief Executive Officer  
Crowe Horwarth LLP

Chuck Allen has served as Crowe Horwath LLP’s Chief Executive Officer for the past 5 years. He has more than 35 years with the firm, advancing through the audit and private equity practices. Crowe Horwath LLP is one of the largest public accounting and consulting firms in the United States. Under its core purpose of “Building Value with Values®,” Crowe serves both public and private investors and companies with audit, tax, advisory, risk and performance services.

Margot Cella  
Director of Research  
Center for Audit Quality (CAQ)

Margot Cella is the Director of Research for the Center for Audit Quality (CAQ). Margot serves as the CAQ’s liaison with the accounting and auditing professoriate. She coordinates the activities of the CAQ’s Research Advisory Board, which provides support for scholarly academic research; the Board is comprised of audit firm representatives and academic scholars. Margot also plays a key role in the CAQ’s public policy initiatives, including the Center’s anti-fraud efforts.

Prior to joining the CAQ, Margot worked at Accenture LLP as Global Research Lead for the Products Group, which focused on the consumer goods, retail, pharmaceutical and automotive industries. She was the Director of Research for a large trade association, which produced over 25 major publications each year on consumer and business issues related to the food retailing supply chain. Margot began her career conducting public policy research for federal and state agencies. She directed a major study that evaluated the federal government’s inspection process for nursing homes, analyzing the consistency with which inspectors applied quality of care and quality of life standards and issued deficiency citations. Other areas of focus included health care reimbursement and utilization of services. Margot earned her M.S. in Biostatistics from Georgetown University.
Brian Croteau
Deputy Chief Accountant
U.S. Securities and Exchange Commission (SEC)

Brian Croteau is the Deputy Chief Accountant of the Professional Practice Group within the Office of the Chief Accountant (OCA) at the U.S. Securities and Exchange Commission in Washington, DC. In this position, he plays a key role in the Commission’s work related to overseeing the activities of the Public Company Accounting Oversight Board (PCAOB), managing the resolution of auditor independence issues and ethical matters, and monitoring audit and independence standard setting internationally. He also provides advice and develops positions on issues related to performance of audits, including auditor independence, that are referred to the OCA due to their complexity or policy implications. Brian has also served as Senior Associate Chief Accountant in the Professional Practice Group of OCA during his previous tenure at the SEC from 2004-2007.

Prior to returning to the SEC in June 2010, Brian was a Partner in the National Office of PricewaterhouseCoopers LLP (PwC) from 2007-2010. In this role, his primary focus was on audit quality. Brian performed consultations with engagement teams on complex and judgmental auditing matters, and supported firm quality initiatives, including development and implementation of Firm audit policy and guidance. He also participated in various PwC audit training and webcast initiatives, and had active roles in the firm’s input to PCAOB, AICPA, and IAASB audit standard-setting activities. Additionally, he was active on numerous task forces of the AICPA and the Center for Audit Quality. Brian worked as a senior manager in the Hartford, Connecticut office of PwC prior to joining the SEC staff in 2004. During his previous ten years of employment with PwC from 1994-2004, he managed the audits of both public and private companies.

Brian is a Certified Public Accountant and he is a member of the AICPA. Brian earned his B.B.A. in accounting from the University of Massachusetts at Amherst. He was named 2007 accounting alumnus of the year of the UMass-Amherst Eisenberg School of Management.

Cynthia M. Fornelli
Executive Director
Center for Audit Quality (CAQ)

Cindy Fornelli is the Executive Director for the Center for Audit Quality (CAQ). In 2011, Fornelli was honored for the third time by Directorship magazine as one of the 100 most influential people on corporate governance and in the boardroom, and Accounting Today named her one of the 100 most influential people in accounting for the fifth consecutive year. Fornelli currently serves as a member of the Financial Accounting Standards Advisory Council and the Securities and Exchange Committee Historical Society’s Board of Trustees, Class of 2014. She previously served on the National Association of Corporate Directors’ (NACD) 2010 Blue Ribbon Commission on the Audit Committee and the NACD 2009 Blue Ribbon Commission on Risk Governance. Prior to becoming the Center’s Executive Director, Fornelli was the Regulatory and Conflicts Management Executive at Bank of America. Before joining Bank of America, Fornelli was Deputy Director of the Division of Investment Management of the U.S. Securities and Exchange Commission.
Daniel Goelzer  
Ex-Board Member  
Public Company Accounting Oversight Board (PCAOB)

Daniel L. Goelzer was appointed by the Securities and Exchange Commission as a founding member of the Public Company Accounting Oversight Board in October 2002. He served as Acting Chairman of the PCAOB from August 2009 through January 2011. He left the Board in March 2012.

From 1983 to 1990, Mr. Goelzer served as General Counsel of the SEC. From 1990 until joining the Board, Mr. Goelzer was a partner in the Washington, D.C., office of the law firm of Baker & McKenzie. He practiced securities and corporate law, specializing in matters involving the SEC. From 1969 to 1970, he worked as an auditor in the Milwaukee, Wisconsin, office of Deloitte & Touche.

Mr. Goelzer, a native of Milwaukee, received a B.B.A. (Accounting) from the University of Wisconsin, a J.D. from the University of Wisconsin School of Law, and an L.L.M. from the National Law Center, George Washington University. He is a member of the Wisconsin and District of Columbia Bars and holds a Wisconsin CPA certificate.

Robert J. Kueppers  
Deputy CEO  
Deloitte LLP

Robert J. Kueppers is deputy CEO of Deloitte LLP and has over 35 years of professional experience. In this capacity he works closely with the CEO of Deloitte LLP. He is responsible for regulatory and professional matters, and also serves major clients of the firm in an advisory capacity.

Mr. Kueppers previously served as the senior technical partner with Deloitte & Touche LLP in its national office in Wilton, Connecticut. Prior to that, Mr. Kueppers was in charge of the professional practice group, served as the national director of SEC services, and served as the national director of independence. During his career, Mr. Kueppers was also the chief financial officer of an SEC-reporting manufacturing company in New York and a professional accounting fellow in the Office of the Chief Accountant at the SEC in Washington, DC.

In 2009, Mr. Kueppers was recognized by Directorship magazine as one of the top 100 influential professionals in corporate governance and in the boardroom. Mr. Kueppers is also a member of the University of Minnesota’s Carlson School of Management Board of Overseers, a member of Yale School of Management’s Board of Advisors for the Millstein Center for Corporate Governance, a trustee and past chairman of the SEC Historical Society in Washington, D.C., and Chairman of the Board of Directors of the United Way of New York City and of American Corporate Partners, a nationwide mentoring organization for U.S. veterans.
Bob Moritz is the Chairman and Senior Partner of the US Firm of PricewaterhouseCoopers LLP, after having been elected by the US partnership to serve a four-year term. Prior to that, Bob served as the Assurance Leader of the US Firm from 2006 to 2009; and from 2004 to 2006 was the Managing Partner of the New York office and Metro Region.

Bob joined the firm in 1985 and became a partner in 1995. From 1998 to 2001, he served as the Metro Regional Financial Services Leader. From 2001 to 2004, he led the Financial Services Audit and Business Advisory practice, which includes the banking, capital markets, insurance, investment management and real estate sectors.

Bob served a three-year tour in PricewaterhouseCoopers – Tokyo, providing audit and advisory services to numerous European and US-based financial services organizations operating in Japan.

He is a graduate of SUNY – Oswego and certified by the American Institute of Certified Public Accountants, the New York State Society of CPAs and the New Jersey State Society of CPAs. He is the Chair of the Center for Audit Quality Governing Board; Board member of the Oswego College Foundation; member of the Atlantic Council; the Board of Trustees of The Conference Board and the Partnership for New York City.

Bob resides in Thornwood, NY and has two children.

Zoe-Vonna Palmrose
Hansen Professor in Business Administration
Michael G. Foster School of Business, University of Washington (Seattle)

Zoe-Vonna has published and spoken extensively on a variety of issues related to the quality of financial reporting and auditing, including standard-setting, audit regulation, restatements, materiality, audit litigation, the pricing of audit services, and non-audit services. Zoe-Vonna served at the U.S. Securities and Exchange Commission as Deputy Chief Accountant for Professional Practice in the Office of the Chief Accountant from 2006-2008. In 2008, Treasury and Risk Magazine named her one of the 100 most influential people in finance. Zoe-Vonna served on the Public Oversight Board’s Panel on Audit Effectiveness (1998-2000) and the Auditing Standards Board Fraud Task Force (2000-2002), which developed SAS No. 99, Consideration of Fraud in a Financial Statement Audit. Zoe-Vonna’s research and service has been recognized by numerous awards and she was the 2008 American Accounting Association Presidential Scholar. Zoe-Vonna has been on the faculties at the University of California at Berkeley and the University of Southern California; she is the Accounting Circle Professor Emerita of Accounting at USC. A CPA, Zoe-Vonna received her Ph.D. and MBA from the University of Washington and B.S. from Oregon State University.