



**CONTENTS:**

[1. Editorial](#)

[2. Message from the EAA President](#)

[3. EAR News](#)

[4. News:](#)

• [EAA News](#)

- [EAA SECRETARIAT MOVES HOUSE](#)
- [EIASM WORKSHOP ANNOUNCEMENTS](#)

• [European News](#)

- [CIMA REVISE EXEMPTIONS PROCEDURE](#)
- [AUDIT AND ASSURANCE FACULTY OF THE ICAEW WELCOME AUDIT EXEMPTION THRESHOLD DEBATE](#)
- [ASB EXTENDS TRANSITIONAL ARRANGEMENTS FOR UK PENSIONS STANDARD](#)
- [ICAS RESEARCH SUGGESTS COMPANY ANNUAL REPORTS NEED TO CONSIDER USERS' NEEDS](#)
- [ICAEW CHAIRMAN PROPOSES THREE STEPS TO BRIGHTER FUTURE FOR THE ACCOUNTING PROFESSION](#)
- [SARBANES-OXLEY IN EUROPE](#)

• [Other Global News](#)

- [CORPORATE GOVERNANCE AND ACCOUNTABILITY REFORM: THE YEAR IN REVIEW](#)
- [TESTING AND CERTIFICATION PROGRAMME AT THE IASB](#)
- [IASB HOST MEETING OF WORLD'S STANDARD SETTERS](#)
- [NEW FREE GUIDE TO IFRS PUBLISHED](#)
- [US CORPORATE GOVERNANCE FAILS TO MEET CANADIAN STANDARDS SAYS TSX CEO](#)
- [IASC FOUNDATION AND XBRL PFS TAXONOMY RELEASE](#)
- [PWC'S SAM DIPIAZZA INSIGHTS INTO ACCOUNTING IN THE 21ST CENTURY](#)

[5. Congress Update:](#)

- [Reporting on EAA'2002](#)
- [Looking forward to EAA'2003](#)

[6. Other Events](#)

[7. Job Adverts](#)

## [8. Interview: Professor Serge Evraert](#)

## [9. Other Content:](#)

- [Facing up to 2005](#)

[\(Members: View an easy to print version of this newswire from here\)](#)

### EDITORIAL -

WELCOME to the first issue of the re-issued EAA Newswire.

As many of you will know I was asked to take on the role of getting a members' newsletter re-started at the EAA Congress in Copenhagen and was pleased to accept this challenge. I promised to produce the first issue by the end of the year and we have just made it. Further issues are planned on a quarterly basis - March, June, September and December from now on - content allowing.

For this issue we start with a comment and introduction from our President this year - Jens Elling of Copenhagen Business School. We also provide a report on the most recent EAA Congress from two of its main organisers, showing a different view of the event than you may have seen if you attended, and from the chair of the forthcoming event hoping to welcome you to Seville at the start of April providing details of why we should all attend the event. We also include an interview with Serge Evraert - not only a past EAA President and member of the Association for many years, but also the new IAAER President. I interviewed him for this newsletter to see what the IAAER was all about and how he sees the EAA and IAAER developing over the near future. To conclude we are pleased to have a piece on the future of financial reporting in Europe from Peter Walton, of ESSEC Business School in France and ex-editor of our research journal - the European Accounting Review.

As editor, I would like to see future issues of this newswire reflect the wide interests, experiences and knowledge of the members of the association. To achieve this it is necessary to have contributions, or at the very least suggestions of contributions, from you as members. This will make my task somewhat easier, which I will be pleased about, but also improve the depth and quality of this communication, which will make us all pleased I hope. Please therefore send to me suggestions for contributions to any of the sections you will find in this newswire or anything else you think we should be covering. Whilst no promises are made as to what eventually appears, all offers will be considered.

The actual format and nature of the newswire may change over the first few issues as we seek to explore an appropriate pattern for this publication, so please expect some changes of coverage and format for the near future. I would of course welcome your comments on what you find useful, or not so useful, about each one to aid this process.

There are also several areas we have not covered this time I would like to see grow in the future. This includes an opportunity to announce recent PhD awards from your institutions in the area of accounting. Perhaps you can get your recent graduates to send short summarises of their thesis and findings to me for coverage of their contributions in this newsletter?

I would also be pleased to hear about forthcoming events, or receive reports on past events, that occur between each issue of the newswire. In both cases these will help our community follow developments in accounting research in our part of the world - a key aspect of membership in the EAA we all value I am sure.

As yet, we don't have a name for this newswire - no inspiration has come over me I'm afraid.

If anyone has suggestions I'd be pleased to receive them.

I look forward to receiving your feedback as assistance in developing this aspect of EAA membership for our mutual benefit.

Andy Lymer  
EAA Newsletter Editor & Web manager  
December 2002

The editor can be contacted at [newswire@eaa-online.org](mailto:newswire@eaa-online.org) or on +44 870 7415934

#### MESSAGE FROM THE PRESIDENT -

The introduction of an EAA newsletter has been considered for quite some time. Hence, at their Copenhagen meeting in April this year the Publications Committee decided to ask our web manager, Andrew Lymer, to design and operate an electronic newsletter service on a trial basis. At the following meeting the proposal was confirmed by Executive Committee, and now - six months later - the first copy of the newsletter is available on the internet for all our members. Thank you, Andrew.

This newsletter is meant to update members between congresses with information from the various EAA committees, organisers of future congresses, secretariat and others. Hopefully, the newsletter will also become a medium for two-way communication where members will feel free to contribute with news and viewpoints on relevant academic issues in accounting - issues which may be of interest for EAA members in general, future congress organisers etc. Considering the diversity in European accounting the newsletter has the potential of becoming an informal platform for reflections among academics, thus enriching European research and teaching as well as profiling the EAA in the European accounting community. However, to reach this goal we must encourage our members to contribute actively to the newsletter.

Let me give an example of a suggested point for discussion in the newsletter: Should the EAA play a more active and visible role in financial accounting regulation in the EU in the future, taking the recent EU regulation strategy into consideration?

In the past, European academics have contributed in various ways to the fourth and seventh Directives and to the establishment of the Accounting Advisory Forum. The new strategy implies that future regulation will be an on-going process, based on the development of new or revised international financial reporting standards from the IASB. The standards will be obligatory for quoted companies (Group Accounts) in all member countries as from 2005 without possibilities for national adjustment.

Academics within accounting in each member country will thus be confronted with the same theoretical issues related to financial accounting regulation. It goes without saying that the chances of influencing the regulatory process will be greatly enhanced through a joint proposal, presented by the EAA - for example in cooperation with the EU-regulatory body EFRAG. Formally, it could be organised in an "EAA international financial reporting standards committee". Contemporary regulatory issues might be presented for debate in the newsletter and be a regular topic at future congresses. This would allow the committee to obtain valuable feedback from members interested in the different exposure drafts.

In addition to contributing to the technical aspect of regulatory issues, this committee would also be in a good position to introduce a broader economic and social perspective on exposure drafts, reflecting recent research whenever relevant. Informal inquiries among members of EFRAG have shown a favourable attitude to these ideas. It is therefore my intention to include this issue in the agenda for the Executive Committee meeting at the Congress in Seville in 2003.

Jens O. Elling

President  
Copenhagen Business School

[\[Click here to return to Table of Contents\]](#)

## **EAR NEWS AND ANNOUNCEMENTS - <http://www.eaa-online.org/EAR>**

### **Current Outstanding Call for Papers -**

- The Adoption of IAS in Europe (edited by Begona Giner and William Rees)- deadline for submissions is 30th June 2003
- Transitional Economies and changing notions of accounting and accountability (edited by Pat Sucher, Katarzyna Kosmala MacLulich, Irene Jindrichovska & Svetlana Bychkova) - deadline for submissions is 1st June 2003

### **Contents of next issue of EAR (11.4)**

- Institutional perspectives on cost allocations: Integration and extension - S. Modell
- Depreciation in a model of probabilistic investment - A. Arya, J. Fellingham, J. Glover. and D. Schroeder
- Corporate non-participation in the ASB standard-setting process - G. Georgiou
- Accountability and accounting regulation: The case of the Spanish environmental disclosure standard - C. Larrinaga, F. Llana, J. M. Moneva, F. Carrasco and C. Correa
- The impact of voluntary corporate disclosures on the ex ante cost of capital for Swiss firms - L. Hail
- **Debate forum on Zimmerman's conjectures on management accounting research**
- Editorial - K. Lukka
- "If only there were simple solutions, but there aren't": Some reflections on Zimmerman's critique of empirical management accounting research - A. G. Hopwood
- Empirical managerial accounting research: Are we just describing management consulting practice? - C. D. Ittner and D. F. Larcker
- Zimmerman's contentious conjectures: Describing the present and prescribing the future of empirical management accounting research - J. Luft and M. D. Shields
- Homogeneity or heterogeneity of research in management accounting? - K. Lukka and J. Mouritsen

### **Things you may not have known about the EAR website - <http://www.eaa-online.org/EAR>:**

- Full details of each issue of EAR can be found on the EAR home page at <http://www.eaa-online.org/EAR>
- The website also contains details of the next issue due for publication and accepted papers for future issues - regularly updated as papers are accepted.
- Author submission guidance is also on this website
- Latest Call for Papers always go on the EAR website before they go anywhere else

[\[Click here to return to Table of Contents\]](#)

## **NEWS UPDATE**

**This news section is produced in conjunction with AccountingEducation.com - the key global community for accounting educators and researchers. Visit their website at <http://accountingeducation.com/subscribe.cfm> to sign up for their free weekly news alert service - called Double Entries - and join over 5,000 other weekly readers**

receiving weekly news such as above.

## EAA NEWS

### [01] EAA SECRETARIAT MOVES HOUSE

As of 5 December 2002, the EIASM (European Institute for Advanced Studies in Management) who provide the Secretariat services for the EAA have moved to new premises. These are located Place de Brouckère-plein 31, in the beautiful 19th century Hotel Metropole in the heart of Brussels. Inside on the first and second floor is a modern dedicated centre that provides pleasant offices as well as very well equipped conference rooms and meeting rooms.

### [02] EIASM WORKSHOP ANNOUNCEMENTS

EIASM is organising a series of workshops in Accounting. For full details, please visit their website (<http://www.eiasm.org/index1.html>) and select the Functional Calendar of Events.

[Click here to return to Table of Contents](#)

## EUROPEAN NEWS - supplied by [AccountingEducation.com](http://AccountingEducation.com)

### [03] CIMA REVISE EXEMPTIONS PROCEDURE

Having reviewed its exemptions arrangements, CIMA will be introducing a new procedure from 1 February 2003. From this date, an extended 'blanket' policy will enable students with prior achievement in specified academic or professional qualifications which have not previously been considered by CIMA for exemption purposes to receive automatic entitlement to a defined range of exemptions. See further details at

<http://accountingeducation.com/news/news3576.html>

### [04] AUDIT AND ASSURANCE FACULTY OF THE ICAEW WELCOME AUDIT EXEMPTION THRESHOLD DEBATE

The Audit and Assurance Faculty of the Institute of Chartered Accountants in England & Wales has welcomed remarks by the UK Chancellor in the Pre- Budget report in November 2002 that "following the exemption for 200,000 firms of the requirement for a statutory audit we will consult next year on the same deregulation for medium sized firms" as a positive step to ease the burdens on business. See further details at

<http://accountingeducation.com/news/news3541.html>

### [05] ASB EXTENDS TRANSITIONAL ARRANGEMENTS FOR UK PENSIONS STANDARD

The Accounting Standards Board (ASB) has decided to issue an amendment to FRS 17 'Retirement Benefits' to extend the transitional arrangements and therefore defer the mandatory requirement for its full adoption. The amendment is similar to the proposals of the exposure draft that the ASB published for comment in July, which were supported by a majority of commentators. The requirements of FRS 17 as amended will become mandatory for accounting periods beginning on or after 1 January 2005. See

<http://accountingeducation.com/news/news3521.html> for further discussion of this proposal.

### [06] ICAS RESEARCH SUGGESTS COMPANY ANNUAL REPORTS NEED TO CONSIDER USERS' NEEDS

A lack of focus on the user in the process of setting reporting standards is undermining quality in business reporting, according to a research report published recently by The Institute of Chartered Accountants of Scotland entitled 'Voluntary Annual Report Disclosures: What Users Want'.

### [07] ICAEW CHAIRMAN PROPOSES THREE STEPS TO BRIGHTER FUTURE FOR THE ACCOUNTING PROFESSION

Peter Wyman, ICAEW Chairman, speaking at the World Congress of Accountants in Hong Kong in November, suggests the accounting profession must grapple with three problems if it is to address its current decline: to embark on a campaign to ensure that market expectations and understanding of the value and scope of audit are much more realistic, become more transparent about the way professional bodies and professional firms operate and make certain to recruit into our profession the very highest calibre people. See

<http://accountingeducation.com/news/news3498.html> for further details of this speech.

#### **[08] SARBANES-OXLEY IN EUROPE**

A Citigate Financial Intelligence (CFI) survey of 50 of the 297 European companies listed in United States' markets shows a broad intention among Europe's U.S.-listed companies to comply with Sarbanes-Oxley. Based on the survey, threats of non-compliance across Europe appear to have been vastly overstated. In fact, many European countries already comply with major aspects of the new law. See <http://accountingeducation.com/news/news3481.html> for further details on this report.

[\[Click here to return to Table of Contents\]](#)

#### **OTHER NEWS- supplied by [AccountingEducation.com](http://AccountingEducation.com)**

#### **[09] CORPORATE GOVERNANCE AND ACCOUNTABILITY REFORM: THE YEAR IN REVIEW**

This year has witnessed unprecedented activity by U.S. and Canadian federal and provincial governments, securities regulators, self-regulatory organizations and Canadian professional bodies directed towards increasing accountability, integrity and transparency in public companies in order to improve investor confidence. Osler Hoskin and Harcourt LLP have produced an overview of the key initiatives in Canada and the U.S., both new rules and proposed changes. For further details see

<http://accountingeducation.com/news/news3569.html>

#### **[10] TESTING AND CERTIFICATION PROGRAMME AT THE IASB**

In April 2002 the IASC Foundation issued a request for proposal inviting educational and testing providers to submit bids to run a coherent assessment and certification programme for the IASB standard education. Having considered this input, the Trustees have now developed a proposal to establish a testing programme. See further details of these proposals at

<http://accountingeducation.com/news/news3570.html>

#### **[11] IASB HOST MEETING OF WORLD'S STANDARD SETTERS**

The IASB hosted a meeting of world accounting standard-setters in Hong Kong on 18 November 2002. The theme of the conference was convergence of financial reporting standards and the various approaches being adopted around the world as the IASB and other standard-setters seek to achieve the goal of a single set of high-quality global accounting standards. The speeches and presentations made at that meeting can now be accessed. See <http://accountingeducation.com/news/news3499.html> for details of how to access the speeches and other materials presented at this event.

#### **[12] NEW FREE GUIDE TO IFRS PUBLISHED**

Deloitte Touche Tohmatsu has published the third edition of International Financial Reporting Standards: A Practical Guide. This 236-page book provides practical guidance for applying IFRS in preparing financial statements. It enables readers to see at a glance what their financial statements would look like, provides a quick summary of the standards and interpretations, and details the numerous disclosure requirements in an easy-to-check tabular format. See <http://accountingeducation.com/news/news3574.html> to access this guide.

#### **[13] US CORPORATE GOVERNANCE FAILS TO MEET CANADIAN STANDARDS SAYS TSX CEO**

Toronto Stock Exchange (TSX) Group CEO Barbara Stymiest has warned that, "the U.S. Sarbanes-Oxley legislation appears to be off the rails and that the rules and regulations designed to attract and protect investors do not meet the standards already in place in Canada." Stymiest also pointed out the Sarbanes Oxley legislation still requires considerable work by the SEC before it can take effect. But, she said, not only is it no longer clear what the Americans are going to do, it is no longer clear who is going to do it. See further details of this speech at <http://accountingeducation.com/news/news3545.html>.

#### **[14] IASC FOUNDATION AND XBRL PFS TAXONOMY RELEASE**

At the 6th XBRL International Conference - held in Tokyo 11-15 November, 2002 - the XBRL International Steering Committee (ISC) voted unanimously to issue the IAS Primary Financial Statements (PFS) Taxonomy as an XBRL Recommendation and to issue the IAS Explanatory Disclosures and Accounting Policies (EDAP) Taxonomy as a Public Working Draft. See <http://accountingeducation.com/news/news3543.html> for further details.

#### **[15] PWC'S SAM DIPIAZZA INSIGHTS INTO ACCOUNTING IN THE 21ST CENTURY**

Speaking at the World Congress of Accountants, PricewaterhouseCoopers Global CEO Samuel A. DiPiazza, Jr. called on colleagues around the world to reclaim respect for the profession that has eroded in the aftermath of corporate scandals, especially in the United States. "Our biggest task is to rebuild the public's trust in our profession and in the markets by adhering to the highest ethical standards. Without this, all our skills and technology will ring very hollow," said DiPiazza. See <http://accountingeducation.com/news/news3524.html> for full details of this speech.

[Click here to return to Table of Contents](#)

### **CONGRESS UPDATE -**

#### **Report on EAA'2002 - The 25th Anniversary Congress of the EAA**

>From the 25th-27th April 2002, Copenhagen Business School hosted the 25th Annual Congress of the European Accounting Association. For three days around 1,000 participants gathered to discuss accounting research from the wide diversity of approaches that characterises European accounting research. A total of 494 papers were presented, 435 of which were presented in parallel sessions and the remaining 59 in research forums. Adding to this were 10 symposia covering topics from state accounting in the EU to Enron and its consequences. The latter symposium, organised at the last minute on the last morning was a great success, with a full house in the large auditorium to hear Professors Stephen Zeff and Jere Francis present and Professor Geoffrey Whittington to chair an exciting debate where the speakers from the audience included Karel van Hulle from the EU and Professor Katherine Schipper from FASB.

The venue for the congress was Copenhagen Business School's new building at Solbjerg Plads - this venue had been already decided upon before the building itself was even erected in 1999! This gave us plenty of room for the presentations. It is hard to find a venue for 1000 people, even in big cities, and the only alternative would have been the huge Bella Center that in our opinion is more suited to boat exhibitions than an academic conference. This is probably one of the first EAA congresses where almost no constraints were put on the organisers due to lack of space and lecture rooms. Even the research forums took place as small "parallel sessions" and were in some cases better attended than the competing parallel sessions.

As usual the participants came from all over the world. This year the largest contingent came from the UK, where 108 people registered for the congress. This was followed by Spain with 94 participants, Russia with 90 participants and USA with 74 participants. We were particularly pleased to see such a large delegation from Russia, and provided simultaneous translation to Russian of all the symposia at the congress. The Russian presence at the EAA congress is a good sign that Russia is becoming increasingly integrated with the European research community in accounting. We were concerned that Americans, frightened off by travelling by 9/11, would be notable for their absence. However this was not the case, and one well known American, Professor Rajiv Banker set what must be a new record in that he submitted for consideration, and got accepted, 16 papers with a variety of co-authors!

The congress opened with a plenary session celebrating the 25th anniversary of the European Accounting Association. Professor Anthony Hopwood talked about the establishment and development of the association and Professor Karel Van Hulle, from the European Commission, discussed EAA's contribution to European initiatives in accounting

and auditing. Professor Stephen Zeff reflected on the EAA's anniversary from an American perspective and finally Professor Leandro Canibano talked about the role of the EAA in Southern Europe. Following the speeches EAA presented awards to the persons regarded as having made a big contribution to the organisation. These were Professors Anthony Hopwood, Hein Schreuder, Dieter Ordeltshede (received by Günther Gebhardt) and Gerry Van Dyck for service to the EAA and to Professors Anne Loft, Peter Walton, Ann Jorissen for their work as the editors of the European Accounting Review.

The Early Bird reception took place at the Copenhagen Town Hall, where an abundant reception was offered including the famous "town hall pancakes", which are traditionally served for the visitors of the town hall. Lots of food was left, which was unfortunately not the case at the following evenings reception at the Old Stock Exchange. There was far less food than we had ordered and had expected, but we could hardly do much about it - it being rather impracticable to try to order 1000 pizzas! Gradually the hungry hoards were driven to seek food elsewhere. It was lucky that we were near the centre of Copenhagen and so no one had to starve as far as we know.

Both the Town Hall and the Old Stock Exchange were interesting sights in themselves, especially as they are not normally open to tourists. This was also the case for Holmens Church where a concert was performed for delegates with the internationally reknown recorder player, Michela Petri and her husband, Lars Hannibal who accompanied her on guitar. For the first time we could really appreciate how many delegates we had as they filled up every available corner of this beautiful church.

This year, the gala dinner was moved to the last evening of the congress. Nobody had to get up to present papers the following morning and nobody would feel guilty for missing the first presentation. Perhaps this was the reason it became a remarkable evening. At least we cannot remember having seen so many people dancing for so long at any previous gala dinners. The DJ told us afterwards that he was very surprised to find out how lively accounting academics were.

Anne Loft and Kim K. Jeppesen  
(Chairperson & Secretary General EAA'2002)  
Copenhagen Business School

[Editors Note - all the abstracts from the EAA'2002 can still be accessed online as part of our EAA website Presentation Archive - check out the Annual Congress section of the site at <http://www.eaa-online.org/>. This searchable database also contains all abstracts from the Athens Congress in 2002 whilst our old site contains presentation information all the way back to Birmingham in 1995 for each presentation given at each Congress]

### **Looking forward to EAA'2003, Seville, Spain**

We are proud to be the hosts of the 26th EAA Congress that will occur between 2-4th April, 2003 in the city of Seville in the south west of Spain. As in previous years, the event will feature an array of international speakers presenting in keynote sessions an extensive number of papers of high quality and a large exhibition. The EAA'2003 congress home page will be updated with details of these as they become finalized.

The deadline for submission of papers has now passed and we are busy determining which papers are of suitable quality and relevance to be presented at the Congress. Authors of submitted papers for consideration will hear by 3rd February, 2003 whether their offering has been accepted for presentation. Every indication however, points to a very large number of very high quality papers being presented at this event as in previous years.

As in the past, this event will be hosted in a large hotel just on the edge of the old town of Seville. This means in addition to attending the event itself, delegates and their accompanying persons, will be in easy walking distance of all the key sites in the centre of this beautiful city. In fact some of the hotels we are proposing as suitable for delegates will be found within the old town itself. To illustrate some of the sites of Seville we have provided a number of links

below to 'wet your appetite' for visiting us in April. For those planning to combine the trip with a break or holiday in Spain, they will also find themselves well placed to explore one of the most beautiful areas in Europe with nearby beaches, mountains and fantastic countryside.

The social events we have planned for the Congress itself will provide a unique opportunity to see and experience some of highlights of the city outside of normal access times for the public - these include the magnificent cathedral, the Alcazar and the Expo site where the Gala dinner will be held.

We are now accepting delegate registration via the EAA'2003 website which can be accessed directly at <http://www.eaa-online.org/EAA2003>. You will also find further details about this event from this page.

I hope we will be able to welcome as many of you as possible to our event next year which we are confident will maintain the excellent quality of events we have become used to over the years of EAA Congress'.

Professor Guillermo Sierra  
EAA'2003 Organizing Committee Chair  
University of Seville

*[Note: See the paper version of the newswire for further details on the city of Seville]*

[\[Click here to return to Table of Contents\]](#)

#### **OTHER EVENTS - <http://www.eaa-online.org/other/index.cfm>**

Listed below are brief details of other (i.e non-EAA) events that we have been notified about that we consider to be of possible interest to members:

- **Beyond 2005: Financial reporting by EU private companies**  
Event dates: 30-Jan-2003  
Sponsor: Fédération des Experts Comptables Européens (FEE),  
City: Brussels  
The 2005 Regulation is bringing in International Accounting Standards (IAS) for the 7,000 publicly traded companies in the EU. The aim of this one-day conference is to consider the implications for the 4 million private enterprises large and small in the EU that are required to prepare financial statements and the extent to which small companies are likely to follow the IAS road.
- **6th European Conference on Accounting Information Systems**  
Event dates: 31-Mar-2003 to 1-Apr-2003  
City: Seville  
This annual event, brings together academics and practitioners interested in the latest development in accounting information systems research and teaching in a European context. The event is sponsored by CIMA, Bentley College, Elsevier Science publisher, the Universities of Maastricht and Birmingham
- **ISACA Workshops for Europe**  
Event dates: 31-Mar-2003 to 4-Apr-2003 (one day in this period to be confirmed)  
Sponsor: Information Systems Audit and Control Association  
City: Seville  
The Information Systems Audit and Control Association (ISACA) is organizing, hosting and delivering workshops to help academics better understand, and make more use of the CobiT. A workshop is to be arranged either immediately before, or after, the EAA Congress 2003 in Seville.
- **6th Manufacturing Accounting Research conference**  
Event Dates: 26-May-2003 to 28-May-2003  
Sponsor: CIMA, UT  
City: Enschede

The seminar focuses on the interface between accounting innovations and developments in manufacturing and operations.

- **The 7th Interdisciplinary Perspectives on Accounting Conference**

Event dates: 13-Jul-2003 to 16-Jul-2003

Sponsor: Universidad Carlos III de Madrid

City: Madrid

The IPA conference is an established forum for research into the social, political and organizational aspects of accounting theory and practice. For the first time in its 18-year history the IPA will be held outside of Manchester. The IPA 2003 will retain the most distinctive features of past IPAs including: a thorough review of papers received and the presentation of papers by discussants with responses from the author. See the full event listing for further details.

Further details on each event can be found on the EAA website at <http://www.eaa-online.org/other/index.cfm>

#### JOB ADVERTS - <http://www.eaa-online.org/vac/index.cfm>

Following are currently outstanding vacancies from our vacancy advertising service offered via our website. Further details on each position can be found on the website.

For future editions of this newsletter, all outstanding vacancies with deadlines beyond the publication date of each issue will be listed here. If you have a vacancy you would like to have advertised to the membership please email details to the editor to have them included here, and on the website (note - a small charge applies for this service)

- **Lecturing position in Accountancy**

Institution: University College Dublin Business Schools, Ireland

Deadline for applications: 3 January, 2003

- **Lectureships in Accounting and in Finance or Econometrics**

Institution: Queens's University of Belfast , Northern Ireland

Deadline for applications: 3 January, 2003

- **Senior Lecturer/Lecturer/Teaching Fellow in Accounting and Finance**

Institution: University of Newcastle Business School , UK

Deadline for applications: 6th January, 2003

- **Fitzgerald Chair of Accounting**

Institution: The University of Melbourne

Deadline for applications: 31 March, 2003

Our full vacancy service can be found on the EAA website at <http://www.eaa-online.org/vac/index.cfm>

Send vacancy details by email to the Editor at [jobs@eaa-online.org](mailto:jobs@eaa-online.org)

#### INTERVIEW -

##### **Interview with Professor Serge Evraert, incoming President of IAAER and past President of EAA**

For the first issue of this new newsletter we have approached, and been granted, a short interview with Professor Serge Evraert, Professor of accounting at the University of Bordeaux. Serge is not only a longstanding supporter of the EAA, including acting as Chair of the EAA following the 20th Annual EAA Congress in 1998 held in Bordeaux, but has just become the President of the IAAER. It seemed appropriate therefore to question him on the relationship between the EAA and other national accounting associations and the role of the IAAER. Does it make sense for us to be members of both organisations?

*Editor : Serge, you have been elected for a two years term as President of the IAAER at the 9th World Congress of Accounting Educators in Hong Kong in November. What are your first impressions of your new role?*

Prof. Evraert: I would say that, given the quality of the organizers, this 9th Congress of the Association since its creation fourteen years ago was a success both from a research and education perspective with participation of more than 450 colleagues from 50 countries and the active involvement of the delegates of the professional institutions members of the Association. Eleven technical panels and seven educational panels were held and 150 papers were selected, 130 of them for main session presentations and about 20 for research forum presentations. Also of special interest were the joint IAAER/AAA Globalization Roundtable held just before the opening of the Congress which evoked the setting of priorities for improvement of Accounting Education in Asia, Latin America, Africa and Eastern Europe and the Seminar for Directors of Education which addressed advanced topics in accounting education such as multimedia and distance learning, computer based professional examinations, multi disciplinary cases studies , technical versus non- technical professional education for accountants.

*Editor: It sounds like this was an excellent event but could you briefly introduce the IAAER and some of its achievements for the education and research community?*

Prof. Evraert: IAAER is a not-for-profit organization whose mission is to promote excellence in accounting education and research on a worldwide basis. It is the only global association in the area of accounting education and research. Current membership includes nearly 700 individuals, schools and institutions and 48 Accounting and Practitioners' regional or national academic and professional associations - including the EAA. The Executive Committee usually meets twice a year at the EAA and the AAA annual meetings. This network also acts as a federation of accounting associations on a worldwide basis and we wish to extend its role by promoting joint programs and conferences on a national or regional level.

*Editor: Perhaps you could give us some specific examples of recent achievements for the education and research community IAAER has undertaken?*

Prof. Evraert: We have had task forces on several projects whose reports are available on our web site [www.IAAER.org](http://www.IAAER.org) . One such task force was devoted to developing an implementation plan for IFAC IEG N° 9, another to developing a global code of ethics for accounting educators. We also have a task force devoted to participation in the global competencies project and the last so far was the project on "The impact of Globalization on Accounting Education" which has been conducted by Gert Karreman of the Netherlands and supported by the IASM. The results of this study have been published by the International Accounting Standards Board. Our website is also very useful to the network and of course the Cosmos Accountancy Chronicle is delivered twice a year to our members giving them full details of our activities as well as other information.

*Editor: What are your hopes for the future role of IAAER ?*

Prof. Evraert: Recently, financial scandals have seriously impacted public confidence on the alleged benefits of a self-regulated free market economy and it is fair to say that, as accountants, we are concerned about this. Also the move towards global accounting standards for certain type of companies is underway. Thus, our academic and professional organizations have a unique opportunity to act together, pulling in the same direction, but taking advantage of their distinctive competencies, to join our efforts together to think out of the box and foster ethical and innovative attitudes for the benefits of our students, scholars and the whole accounting profession. IAAER provides a wonderful environment in which to take this global view and I would very much encourage EAA members to consider becoming involved in what we do in addition to their membership of the EAA and its corporate involvement in IAAER.

## **OTHER CONTENT -**

### **Facing up to 2005 in Europe**

European companies are facing 2005 and the application of International Financial Reporting Standards (IFRS) with mixed emotions. Those which are listed in the US, or wish to be, are busy pushing the IASB to reduce reconciliation differences - differences with US GAAP which have to be quantified when reporting to the US markets. Those uninterested by the US

markets want the IASB to keep the standards simple and stable.

The two objectives are quite incompatible - reduction of differences means review of existing standards and change. The IASB has, however, heard the views of companies applying IFRS for the first time and agreed that there will be a pause in the implementation of new standards during 2004 and 2005. However, many European companies are going to have to get used to the idea that the point of having a professional standard-setter, instead of rules made by governments, is that the rules can evolve flexibly and quickly.

The IASB has issued a list of changes which will be brought in for application in 2004/5. These are:

- first time application (a comprehensive standard for first time appliers with a more reasoned approach to the problems of switching to a new accounting base);
- improvements to many standards including IAS 32/39 on financial instruments (the idea is to remove anomalies and tidy up existing standards, extraordinary items must disappear, minority instruments must be displayed as part of group equity);
- business combinations revisions (this is a major change: the revisions will bring IFRS into line with the new US approach of not amortising goodwill, but applying impairment);
- share-based payments (stock options given to employees will have to be expensed, a major change in world terms but unlikely to have major consequences for European companies where the practice is not widespread);
- convergence (useful for companies with a US listing but not for anyone else - removal of relatively insignificant differences from US GAAP);
- insurance (insurance companies are going to have hard time coping with 2005 since many of their contracts will be classified as financial instruments falling under IAS 32/39. The phase one insurance standard is designed to clarify and help the transition

These standards are well in hand and the details of likely changes will be known at the latest in early 2003. During the "calm period" the IASB will not be sitting on its hands - it will carry on making standards, and companies should expect a whole bunch of changes to apply in 2006.

The post 2005 changes may well include some radical revisions:

- the IASB is likely to amend IAS 19 on post employment benefits (the Board does not like the "smoothing" approach inherent in the standard and would prefer something nearer to IAS 39 and marking to market);
- performance reporting (a completely new approach to the income statement would move it to showing comprehensive income, with a split between first time measurement of transactions and subsequent re-measurement. Academics will have no difficulty seeing what is involved but practitioners are already getting anxious.);
- revenue and liabilities (this project is at too early a state of advancement to predict what will be recommended, but at present the Board is looking at recording transactions based on when a transaction causes any change in a company's assets and liabilities. This in turn focuses on the implications of executory contracts - when a sale contract has been signed, the sales process is complete, there are potentially assets and liabilities which could be recognised, even if the present tradition is to defer recognition until the end of the earnings process.);
- insurance phase 2 (predicted for application in 2008, this is likely to shake up the insurance industry by introducing a completely new paradigm which measures insurance revenues as a release from risk. The arguments will certainly run for years.);
- deposit taking, lending and securities activities (the IASB is working on a new standard for banks. This is also a long way upstream at the moment, but likely to cause controversy).

Aside from the 2004/5 calm period, the rule book can be expected to change every year - welcome to the world of Anglo-Saxon style regulation!

- by Peter Walton,  
ESSEC Business School, France.

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