

## ■ Editorial



I have edited the EAA Newsletter for a year now. Yes, time flies so fast! Meanwhile, I have got some queries on the editorial process of the Newsletter. Thus, I would like to encourage you to submit call for papers, stories of the EAA events and some other material directly to me by e-mail. Please send your material in Word or Pdf format by 10th of February, May, September or December depending on which issue you would like to get it published. Please keep in mind that the main idea of the published writing is to further develop accounting research and to make announcements to members of the EAA.

In this issue, Begoña Giner, the President of EAA, will summarise the news regarding the EAA in her presidential letter. She will also tell us some statistics on submissions for the annual conference that will take place in Ljubljana in May. Several calls for papers remind us that our research community offers many options to networking and developing our research projects. Last but not least, Toomas Haldma and Kertu Lääts will introduce accounting traditions in Estonia where the annual congress will be held in 2014.

I hope to see you in the annual congress in Ljubljana!

Yours,

*Hanna Silvola*

[Hanna.Silvola@tse.fi](mailto:Hanna.Silvola@tse.fi)

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## Letter from the president, Begoña Giner

Dear Colleagues,

Another term has passed, and unfortunately the world still seems to be stuck in a continuing economic nightmare... Nevertheless, here I am once again with the latest news about EAA activities.

Our annual conference, the most important event that we organize, will take place in Ljubljana, Slovenia in May. Without doubt this event requires enormous research efforts by most EAA members. This year 900 papers were submitted, and the Scientific Committee has just finished its selection process. The authors of about 750 papers have just received the good news that their papers have been accepted for presentation at the conference. Approximately half of them will be presented in the research forum, and the others in parallel sessions. As on previous occasions some of these papers will be discussed by an expert. These numbers are in line with those of previous years, although the acceptance rate has increased slightly, from 82% to 84%. Given that the requirements have not changed, this is a sign of improvement in the overall quality of submissions.

Two important changes are worthy of note. Firstly, the comments made by the reviewers have been released to the authors, and secondly, all accepted papers will be posted on the website after registration. Both changes have come about following suggestions made by EAA members, and the first in particular has required more of reviewers. This in turn explains the enlargement of the Scientific Committee to approximately one hundred members.

Thus, I wish to express my sincerest gratitude to all Committee members who have graciously given their time to analyze the quality of the papers in order to help the SSC make the best decisions, and at the same time to pro-

vide the authors with highly valuable comments - despite the large number of papers reviewed, about 20. In particular I would like to avail of this opportunity to thank Herve Stolowy for his excellent leadership of both committees. Of course I should not forget to mention all those researchers who contribute to the success of the event by sending their papers and attending the conference.

Also related to the upcoming conference is the Doctoral Colloquium that will take place in Bled and as usual it will be held before the meeting. In total 117 applications were submitted, culminating in 36 young researchers from twelve countries who can look forward to receiving feedback on their research projects from a distinguished international faculty. As already announced, the Colloquium has been expanded by adding a fourth track, thus increasing the number of students by nine. I would like to thank the Co-Chairs, Jan Mouritsen and Bill Rees, for their tremendous efforts in organizing the sessions, and selecting not only the students but also the highly experienced and diverse academic panel to achieve a really successful meeting. As this is Jan's final year, I especially wish to thank him for all the time and dedication that he has devoted over the last six years to help develop the Colloquium and make it into the big success that it is today.

Furthermore, I want to express my gratitude to the anonymous EAA members who have participated in the election process of their Board representatives. The elections have culminated with eight names. There have been no changes in the representatives from Austria, Portugal, and Australia/New Zealand, but the other five, the representatives from Estonia, Italy, Poland, Turkey, Asia, and North America, will all provide new faces to the Board.

There have also been another two important processes where many EAA members have participated; I am referring to the nominations for the Presi-

dent Elect and for the two new Management Board members. Following the Corporate Governance Guidelines, the long lists of nominees must be reduced to one name for the President Elect, and a shortlist for the Management Committee. Both proposals will have to be approved by the Board and the General Assembly in Ljubljana.

The Management Committee is having an interim meeting in mid-February to deal with some operational and strategic issues, such as the nominations for the different positions to be approved by the next General Assembly. We are considering some changes to improve the working procedures of the Management Committee. In addition we will also take into account some changes that the Publications Committee is suggesting regarding the termship of the editors of the Journals and the Newsletter. Any future changes may require modifications to the association's bylaws, and would have to be discussed and approved by majority at the General Assembly. Consequently, I would kindly ask you all to attend that meeting. Moreover, as this is the meeting where the new EAA President will be approved, I think it is vital that s/he gets considerable support from EAA members.

As already mentioned in one of my earlier letters, the MC is at present updating the EAA website, which we hope will be in operation very soon.

Last but not least, I am very pleased to inform you that since the 1<sup>st</sup> of January EAA is represented in two significant ways within the international accounting regulatory infrastructure. On that date Aileen Pierce assumed the Chair of the Consultative Advisory Group of the IAESB (International Accounting Education Standards Board), one of four standards setting boards under the auspices of IFAC (International Federation of Accountants).

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## Letter from the president (cont'd)

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Since the 1<sup>st</sup> January also I am a member of the IFRS Advisory Council. I think this is really important for the EAA, as it is the first time an EAA representative sits on the Council. I am sure that the efforts of the Financial

Reporting Standards Committee, and in particular of the Chair, Peter Walton, have been instrumental in achieving a place for EAA on the Council.

Without further ado, I look forward to seeing you all in Ljubljana. I believe that while each EAA congress is different, they are always extremely en-

riching and at times even challenging. Needless to say, I now urge you all to make your plans as soon as possible, and come and enjoy a truly wonderful experience at the 2012 EAA conference.

*Begoña Giner*  
EAA President



### News on *European Accounting Review*

Forthcoming articles in the EAR:

Audits, Reputation, and Repeated Interaction in a Capital Budgeting Setting, *Markus C. Arnold & Dominik Schreiber*

Enforcement of Accounting Standards in Europe: Capital-Market-Based Evidence for the Two-Tier Mechanism in Germany, *Jörg-Markus Hitz, Jürgen Ernstberger & Michael Stich*

The Impact of Corporate Governance on IFRS Adoption Choices, *Arnt Verriest, Ann Gaeremynck & Daniel B. Thornton*

The Effect of Conference Calls on Analysts' Forecasts - German Evidence, *Moritz Bassemir, Zoltan Novotny-Farkas & Julian Pachta*

Self-serving Bias in Annual Report Narratives: An Empirical Analysis of the Impact of Economic Crises, *Thomas Keusch, Laury H.H. Bollen & Harold F.D. Hassink*

Economic Consequences of Accounting Enforcement Reforms: The Case of Germany, *Jürgen Ernstberger, Michael Stich & Oliver Vogler*



### News on *Accounting in Europe*

The following articles appeared in *Accounting in Europe Volume 9 Issue 1*:

#### Issues in European accounting

Time to Endorse the ISAs for European Use The emerging market's perspective, *Metka Duhovnik*

#### Issues in European Accounting

The legitimacy of the IASB. *Philippe Danjou and Peter Walton*

EC Green Paper Proposals and Audit Quality. *Reiner Quick*

#### Research Articles

Can translations achieve comparability? - The case of translating IFRSs into Swedish. *Jörgen Dahlgren and Sven-Arne Nilsson*

Choices in IFRS adoption in Spain: determinants and consequences. *Angels Fitó, Francesc Gómez & Soledad Moya*

On the Definitions of Income and Revenue in IFRS. *Christopher Nobes*

#### Research Note

Adoption and benefits of management accounting practices: An inter-country comparison. *Selçuk Yalçın*

### Upcoming EIASM Events

Here are some of the upcoming EIASM events. For a full list, please visit [www.eiasm.org](http://www.eiasm.org).

MAR 2012 - Manufacturing Accounting Research Conference, Jun 13-15, 2012, Helsinki, Finland

2nd Workshop on Current Research in Taxation, July 2-3, 2012, Münster, Germany

7th International Conference on Accounting, Auditing and Management in Public Sector Reforms, September 4-6, 2012, Milan, Italy

4th Workshop on Audit Quality, September 27-28, 2012, Santa Margherita Ligure, Italy

8th Interdisciplinary Workshop on "Intangibles, Intellectual Capital & Extra-Financial Information" September 27- 28, 2012, Grenoble, France

3rd EDEN Doctoral & Young Scholar Seminar on Visualising, Measuring and Managing Intangibles and Intellectual Capital, September 24- 29, 2012, Grenoble, France

■ Call for papers

## European Accounting Association 2nd Workshop on Writing to Publish in International Accounting Journals

University of Economics, Prague, 7-8 September, 2012

Members of the European Accounting Association are frequently required to publish in highly ranked English language journals to secure tenure and/or to improve their promotion prospects. Employing institutions compete in a global environment that increasingly pursues accreditation and other recognized indicators of perceived quality which are based on, among other things, the research output of their academic staff. As part of its mission, the European Accounting Association aims to support and improve the quality of accounting research undertaken by its members and to improve the chances of its publication and impact.

In response to requests from members, the Association is organizing a workshop on writing and publishing in international journals, initially restricted to members based in Eastern Europe\*. The workshop aims to attract participants who wish to enhance their writing skills and publication effectiveness. Although the workshop will prioritize scholars at the early stages of their academic career, the faculty facilitating this workshop is happy to consider other applications from the targeted geographic region.

In order to ensure an interactive workshop, the number of participants is limited to 18.

\* Countries targeted by this initiative are Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, and Ukraine. Although priority will be given to scholars established in these countries, scholars originally from these countries, but currently affiliated with academic institutions in other countries, will also be considered.

### *Organization of the Workshop*

The Workshop will be held in the premises of the University of Economics, Prague, Czech Republic on September 7-8, 2012. It will start on September 7 at 1.30 pm and will finish on September 8 after lunch. The Workshop will consist of faculty presentations on the critical success factors for publishing in international journals. Moreover, experienced Faculty will explore potential research opportunities and contributions arising from institutional uniqueness of Eastern European settings and topics of particular relevance to economic, professional and educational development in the region. These presentations will provide guidance on best practice for writing and publishing, with particular reference to *European Accounting Review* editorial policies, publication process, how to handle the review process, as well as offering insights into common mistakes. Moreover, the workshop will require presentations by participants, addressing the challenges they face when writing and pursuing publication in English language journals. Finally, the workshop will include small group mentoring to improve writing aspects of participants' current research projects.

The European Accounting Association will liaise with the University of Economics at Prague to provide the workshop venue. Furthermore, the European Accounting Association will cover participants' tuition fee for the workshop as well as lunches and refreshments during the workshop. Participants are expected to cover their own transportation and accommodation expenses.

### *Faculty*

Salvador CARMONA. IE Business School (Spain).

Katerina HELLSTRÖM. Stockholm School of Economics (Sweden).

Jiri NOVAK. Charles University in Prague (Czech Republic)

Ann VANSTRAELEN. Maastricht University (The Netherlands).

Aljoša VALENTINČIČ. University of Ljubljana (Slovenia)

### *Local Organizers*

Marcela ŽÁROVÁ. University of Economics. Prague

Ladislav MEJZLIK. University of Economics. Prague

### *Applications*

Scholars interested in participating in the Workshop should submit one copy of their résumé to [salvador.carmona@ie.edu](mailto:salvador.carmona@ie.edu), the paper they intend to present at the workshop as well as a short statement of how the Workshop could specifically help their work-in-progress. The deadline for submissions is **June 4**, 2012. A decision will be made by July 2, 2012.

## ■ Invitation and Call for Applications

# 3rd WHU Doctoral Summer Program in Accounting Research “Current Issues in Empirical Financial Reporting Research”

WHU – Otto Beisheim School of Management, Vallendar (Germany), 9-12 July, 2012

### Introduction and Objectives

The WHU Doctoral Summer Program in Accounting Research (SPAR) is intended to introduce European PhD students in financial accounting to some of the central theoretical, methodological and practical issues involved in conducting high-quality research. The 3rd SPAR focuses on “Current Issues in Empirical Financial Reporting Research”, including accounting choice, earnings management and the economic consequences of IFRS adoption. As part of the SPAR faculty, Laurence van Lent, the Editor of *European Accounting Review*, will offer his views on conducting, reviewing and publishing research. The SPAR will focus on research applying quantitative methods to archival data.

Throughout the four-day program, participants will be working with each other and with the SPAR faculty. Participants will have the opportunity to discuss their doctoral work with the faculty. There will also be ample opportunity to socialize and network.

### Preliminary program outline

Day 1 - Monday, July 9, 2012

#### *Research on IFRS adoption*

- IFRS adoption and earnings management
- Identifying and implementing open research questions surrounding IFRS

Day 2 - Tuesday, July 10, 2012

#### *Earnings management and accounting choice*

- Design choices in tests of earnings management
- Accounting choice: determinants, consequences, and econometric issues
- Discussion/feedback sessions on participants’ doctoral projects

Day 3 - Wednesday, July 11, 2012

#### *Presenting, discussing, reviewing and publishing financial reporting research*

- Workshop presentation (and etiquette)
- Conducting academic peer reviews
- Publishing in peer-reviewed journals – an editor’s view (Prof. Van Lent)
- Discussion/feedback sessions on participants’ doctoral projects

Day 4 - Thursday, July 12, 2012

#### *Conducting an empirical study*

- Data collection using capital-market and accounting data bases
- Data preparation using Stata
- Applying statistical tests in Stata

### Faculty

The 3rd WHU Doctoral SPAR will be taught by:

**Prof. Dr. Daniel W. Collins**, Tippie College of Business, University of Iowa, Iowa City, U.S.A.

**Prof. Dr. Igor Goncharov and Prof. Dr. Thorsten Sellhorn**, WHU – Otto Beisheim School of Management, Vallendar, Germany

**Prof. Dr. Laurence van Lent**, Tilburg University, Tilburg, the Netherlands / Editor, *European Accounting Review*

### Venue and organization

The 3rd WHU Doctoral SPAR will be held at WHU – Otto Beisheim School of Management. It is organized by the Chair of Accounting (Prof. Dr. Thorsten Sellhorn): Burgplatz 2 · D - 56179 Vallendar, Germany. Phone: +49 261 6509-231. Fax: +49 261 6509-239. Email: [accounting@whu.edu](mailto:accounting@whu.edu).

Website: [www.whu.edu/accounting](http://www.whu.edu/accounting)

Vallendar is located about 5 km from Koblenz, a 2000 year-old town situated in the picturesque landscape of the Rhine and Moselle rivers and surrounded by four low mountain ranges. It is around one hour away from Frankfurt (Main) Airport and from Cologne/Bonn Airport, either by car or by train. A direct train connection (RE 8) runs from Cologne/Bonn to Vallendar. There are also convenient train options connecting Frankfurt (Main) Airport to Vallendar or nearby Koblenz. For details: <http://www.whu.edu/en/campus-life/anfahrt/>.

### Practicalities

The full program will be conducted in English. To ensure an effective learning environment, the number of participants is limited to 24. Interested doctoral students are asked to submit their application in electronic form to [ac-counting@whu.edu](mailto:ac-counting@whu.edu) by **May 14, 2012**. Applications should include: A brief curriculum vitae (1-2 pages) indicating previous undergraduate and graduate coursework in accounting, finance and empirical methods; *and* a brief outline (2-3 pages) of the doctoral research being pursued.

Applicants will be informed about admission decisions by **May 28, 2012**. There is a participation fee of 100 € that covers course materials, lunches, catering during class hours, and the Monday night dinner. Other meals and activities as well as accommodation and traveling will have to be paid individually by the participants. WHU will help participants obtain inexpensive accommodation close to campus.

Successful participation in the program will earn 3 ECTS credits from the WHU doctoral program. A detailed syllabus and reading list will be distributed to participants by May 28. Participants are expected to read the assigned material and prepare a written paper review prior to the SPAR.

## Call for applications

# Doctoral Program in Accounting, Reporting, and Taxation (DART)

University of Graz – University of Vienna – WU Vienna University of Economics and Business

Sponsored by the Austrian Science Foundation (FWF)

### Scope and Organization

DART is a doctoral program in Accounting, Reporting, and Taxation with a comprehensive view of economics-based research and a strict focus on quantitative methods and modeling. It is located in Graz and Vienna, Austria, and is a joint PhD program of the **University of Graz, the University of Vienna, and the WU Vienna University of Economics and Business**. The program is taught in English and covers all major fields of accounting: financial accounting, management accounting, auditing, taxation, and corporate governance. DART offers a stimulating learning and research environment plus financial support to outstanding students from around the world.

### DART - Ph.D. Program Description

The program offers a series of PhD courses in accounting and research opportunities in six areas:

- Auditor regulation and audit quality (University of Graz)
- Accounting and corporate governance (University of Graz)

- Taxation and incentives (University of Graz)
- Managerial performance measurement (University of Vienna)
- Accounting and Intangibles (WU Vienna University of Economics and Business)
- Financial Reporting Quality (University of Graz)

Students admitted to DART are required to enroll with the appropriate formal doctoral program at one of the three participating universities. At the beginning of each program, students attend an intensive set of core courses, such as analytical and empirical methods, applied to accounting, finance, and economics. It also includes courses in mathematics and statistics, and economic modeling. Advanced courses are electives that students select depending on their specialization. These courses provide them with the necessary knowledge to engage in their own research. After the course phase, the students enter their thesis-writing phase. They benefit from a strong interaction with the faculty and their advisors.

Admitted students are offered full funding by a scholarship unless financed by other sources. Students are strongly encouraged to take the opportunity to go abroad for a semester, preferably to the home institution of the external member of their supervisory committee to share their work with other researchers in the field. Opportunities for such mobility are manifold because of the faculty's large network of connections to researchers and universities around the world.

### Application procedure and further information

For details on the doctoral program and scholarships, the application process, the program requirements and pre-requisites, please visit the DART homepage: <http://www.dart.ac.at>

### Application deadlines:

- Early applications are strongly encouraged. Admission starts immediately and will continue until all positions are filled. Applications must be received by **March 31, 2012**.
- Only electronic applications are accepted.

■ Call for proposals and participation  
**Paper Development Workshop**  
 Bucharest (Romania), 12 June, 2012



Association of Chartered Certified Accountants (ACCA) will host a Paper Development Workshop in Bucharest, Romania on Tuesday June 12 in conjunction with the AMIS 2012 Conference. The objective of the workshop is to provide doctoral students, early career researchers and emerging scholars (hereafter referred to as emerging scholars) from transitional economies with feedback on their research prior to the resulting paper being submitted to a quality journal. Representatives of the ACCA and IAAER will select the research projects to be featured during the workshop and will attend the workshop to provide comprehensive feedback and guidance to the participants.

Emerging scholars are invited to submit unpublished papers and research proposals (i.e. paper ideas) to be considered for presentation at the workshop. Up to 12 papers/proposals will be selected for presentation at the workshop. The author of each selected paper/proposal will receive a travel grant of up to €500 to offset the cost of attending the IAAER and ACCA workshop and AMIS 2012 conference. In the case of co-authorship, the authors will share the travel grant.

On Monday night June 11, the workshop will begin with a reception where the emerging scholars participating in the workshop can informally network with ACCA and IAAER representatives.

The workshop will be held all day Tuesday June 12. During the morning sessions, internationally recognized scholars will participate in panels addressing general research skills development. These sessions will provide a platform for discussion of research ideas and issues. Following lunch, emerging scholars will make their research presentations. Following each

research presentation, ACCA and IAAER representatives will assess the work and provide guidance on ways to increase the quality of the research project and hence its publication potential. Written feedback will also be provided to the participants prior to the workshop to assist them in identifying ways to modify the paper/proposal prior to the workshop.

Papers/proposals should be submitted on or before 2 April 2012 to Professor Donna Street at [dstreet1@udayton.edu](mailto:dstreet1@udayton.edu). Papers should not exceed 20 pages (including tables and references). Research proposals (paper ideas) should not exceed five pages. All submissions should be double-spaced, utilize size 12 Times New Roman font, and be in English. Each submission should include a brief (one page or less) bio of the author including information regarding the author's current employer (university) and the author's doctoral granting institution and the date the PhD was received (or in the case of doctoral candidates the anticipated date for receiving the PhD).

Authors selected to participate in the workshop will be notified about the acceptance of their paper/proposal no later than 2 May 2012. Authors need to confirm their participation by 15 May 2012. All participating authors must attend the entire workshop on Tuesday and the reception on Monday night. Please make your hotel and travel arrangements with these dates in mind.

**There is no fee for attending the workshop.** However, the spaces are limited. **Attendance is also open to emerging scholars not presenting at the workshop; however, you must register your interest in participating in advance. Please register your interest in attending the workshop via email by 2 May 2012 to [dstreet1@udayton.edu](mailto:dstreet1@udayton.edu).** Your email should include an abbreviated CV.

Early application is encouraged. The €500 travel allowance is not available for non-presenting participants, but all workshop participants may be (upon expression of their interest) accommodated at low rates in the host university's facilities, in double rooms, on campus, within walking distance from the venue. As places are limited, expression of early interest is highly encouraged. In case of acceptance to the workshop, please clearly express your interest for accommodation in the university's facilities as early as possible.

The ACCA and IAAER believe the Paper Development Workshop will provide valuable feedback and networking opportunities for the emerging scholars attending. We hope you will consider submitting a paper/proposal. If you are not eligible to participate in this program, please encourage emerging scholars on your faculty and doctoral students to submit a paper/proposal.

Papers/proposals addressing the following areas are especially welcome and encouraged:

- Auditing and society (including audit in developing economies and advocating audit and assurance)
- International Financial Reporting Standards
- Integrated Reporting
- Corporate Social Responsibility
- Public Sector Accounting
- Improving governance and ethical conduct
- Championing entrepreneurship: sound finance and governance for SMEs
- Teaching cases

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## Paper Development Workshop (cont'd)

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The following internationally recognized scholars have confirmed their participation at the workshop:

- David Alexander, University of Birmingham (emeritus)
- Mary Barth, Stanford University
- Jane Broadbent, Roehampton University
- Robert Faff, University of Queensland
- Martin Glaum, Geissen University
- Allan Hodgson, University of Queensland
- Katherine Schipper, Duke University
- Donna Street, University of Dayton
- Ann Tarca, University of Western Australia
- Matthew Tsamenyi, University of Birmingham
- Jeffrey Unerman, Royal Holloway's University of London

For further questions, to submit an interest of participation, or the submission of a research proposal, please email Professor Donna Street, at [dstreet1@udayton.edu](mailto:dstreet1@udayton.edu).

### KEY DATES

Deadline for proposal submission: **2 April 2012**

Selection decisions advised: **1 May 2012**

Deadline to accept invitation to present at the workshop: **15 May 2012**

Call for submissions

## IMA Case Writing Competition

Institute of Management Accountants



The Association of  
Accountants and  
Financial Professionals  
in Business

IMA (Institute of Management Accountants) is soliciting submissions for a case writing competition. Cases in any area of management accounting or related fields are invited.

Cash prizes for the winning cases will be

- \$2,000 for first place
- \$1,000 for second place
- \$500 for third place

Cases submitted to the competition will automatically be reviewed for publication in the *IMA Educational Case Journal (IECJ)*.

The mission of the *IECJ* is to publish teaching cases and research related to case writing or teaching with cases in management accounting and related fields. International submissions are welcome and encouraged. The journal is listed in Cabell's Directory of Publishing Opportunities in Accounting.

### Submissions

- Submissions of cases (and teaching notes) should follow the *IECJ*'s submission guidelines (available at [www.imanet.org/IECJ](http://www.imanet.org/IECJ)).
- Manuscripts previously published or currently under review by other publications are not acceptable.
- Submission of cases reflecting "real world" situations are preferred.

All cases should be submitted electronically in MS Word or PDF format to [rlawson@imanet.org](mailto:rlawson@imanet.org) no later than **May 31, 2012**, to be eligible for the competition.

Prize winners will be announced by June 30, 2012.

Questions regarding the case competition or the *IMA Educational Case Journal* can be sent to Raef Lawson, *IECJ* Editor, at [rlawson@imanet.org](mailto:rlawson@imanet.org).

## Call for papers

### 5th European Risk Conference

Luxembourg, 13-14 September 2012

**Doctoral Colloquium:** 12 September 2012

**Main Conference:** 13-14 September 2012

The European Risk Research Network (ERRN) is pleased to invite you to the 5th European Risk conference to be held in Luxembourg, Grand-Duchy of Luxembourg on 13-14 September 2012.

Organized and hosted by the Public Research Centre Henri Tudor, the conference aims to bring together practitioners and academic researchers in the risk domain. The conference will enable doctoral students, academics and practitioners to present their work during parallel sessions on topics relating to risk and risk management. The conference includes a business forum session addressed by leading practitioners from the field of risk.

Interest in risk and risk management has continued to increase as financial and non-financial companies endeavor to achieve success in environments that appear more uncertain than ever. This conference encompasses all risk related topics whether from an accounting, finance or management perspective.

Doctoral students, academics and practitioners are invited to submit papers to be presented during parallel sessions on topics relating to risk, risk management, internal control and corporate governance.

These topics may include:

- Quantitative and qualitative tools for risk management (stress test, scenario, capital management, control, modeling...)
- Internal and external reporting of risk
- Risk and performance measurement
- Risk and accounting (the incorporation of risk into accounting measures and external audit)
- Internal audit (risk based auditing)
- Liquidity, credit, operational or reputational risk
- Risk management in the public sector
- Management of partnership and joint venture risks
- Risk governance (risk fund governance, role of governance in risk management, internal control issues, compensation)

- Risk culture
- Risk appetite
- Risk regulation (the evolution and impact of regulation such as Basel II, III, Solvency II, UCITS, ...)

Applicants are required to submit a **full paper by May 14th, 2012** to [philip.linsley@york.ac.uk](mailto:philip.linsley@york.ac.uk). Please indicate whether you wish your submission to be considered for the doctoral colloquium (to be held on 12 September immediately preceding the main conference), or the main conference, or both. Authors will be notified of acceptance end of June, 2012.

All presenters will be allocated an academic discussant who will provide the author(s) with a written feedback in addition to leading the discussion of the paper following the presentation. We also intend providing practitioner feedback to supplement the academic feedback. A prize will be awarded for the best conference paper.

You are welcome to contact Prof. Philip Linsley on the above email address if you have any questions and a dedicated website will be made available in the coming weeks.

## Call for papers

### Quantitative Approaches in Managerial and Financial / Accounting 25th European Conference on Operational Research

Vilnius (Lithuania), 8-11 July, 2012

The stream "Quantitative Approaches in Managerial and Financial Accounting" will be organized at the 25th European Conference on Operational Research (EURO XXV). The conference will take place 8th - 11th July in Vilnius, Lithuania. For more information, please see <http://www.euro-2012.lt>.

The subject of the conference is - OR connecting sciences. OR is in its own right a multi-disciplinary field. The Conference will focus on the most relevant topics and issues of European and global science in the field of OR theory and advanced applications. The key speakers are Ralph E. Gomory, Finn E. Kydland and Hans-Jürgen Zimmermann.

The topic covers a wide spectrum of quantitative approaches in all areas of accounting. If you apply OR-methods for data analysis, forecasting, optimization, simulation, etc. in accounting, please feel free to register and submit an abstract. The submission deadline for abstracts via the conference homepage is 29th February 2012.

Call for papers

## Special Issue: Top Management Impact on Management Control

Journal of Management Control

### Editors:

**Prof. Andrea Dossi**, SDA Bocconi School of Management, Italy

**Prof. Utz Schäffer**, WHU – Otto Beisheim School of Management, Germany

Management control systems (MCS) – defined by Simons (1990) as formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities – have been a very popular research topic. A lot of contingency-based research focused on rather “technical” issues regarding the development, adaption, use and impact of MCS. These studies argue that organizational and environmental contingencies determine the design and use of MCS. In contrast, the upper echelons approach of strategic choice (Hambrick & Mason 1984; Carpenter et al. 2004; Finkelstein et al. 2009) notes that organizations do not make choices, but key actors – such as CEOs and CFOs – do. So far, theoretical insights and empirical findings about the relevance of top executives in designing, perceiving and using MCS are still rare. Notable exceptions include recent studies which analyzed the relationship between individual CFO characteristics and the usage of innovative management accounting systems (Naranjo-Gil et al. 2009) or the impact of leadership style on senior management's use of planning and control systems (Abernethy et al. 2010). The related question of how top management characteristics relate to the organization and management of the Finance Function also remains largely unanswered.

This special issue of the *Journal of Management Control* (JoMaC) intends to shed more light on the ambiguous interaction between top executives' characteristics on the one hand and MCS characteristics and the organization of the Finance Function on the other hand.

We invite empirical, theoretical, and/or

methodological papers, whose focus may include but is not limited to:

1. **MCS use by top executives:** How do top managers perceive and use MCS? Are differences in top executives' personalities, values, and beliefs predictive of differences in their MCS use?

2. **Impact of top executives on the design and use of MCS in organizations:** Which characteristics of top executives may affect MCS design and MCS use by other managers? Which characteristics may affect the specification of MCS packages?

3. **Impact of corporate governance and culture:** How may governance and culture moderate the relationship between top executive characteristics and MCS design or use?

4. **Impact of top management team characteristics or processes on MCS design and use in organizations:** Which team characteristics and/or processes may affect the MCS design and its use? How may top management team characteristics moderate the relationship between strategy and MCS?

5. **Impact of CEO characteristics on the Finance Function role:** What characteristics of top managers may affect the organization of the Finance Function? Are certain CEO characteristics predictive of the organizational role and power assigned to the CFO/Finance Department?

6. **Impact of CFO characteristics on the organization and management of the Finance Function:** Which personal characteristics and competences may affect the CFO role? Are certain CFO characteristics predictive of the MCS package design and use?

7. **Impact of CFO, Finance Director, etc. characteristics on the transformation processes in the Finance Function:** are the CFO and Finance People characteristics determinants/enablers of the effectiveness in the management of change of the Finance

Function? How may the Finance People characteristics impact on the effectiveness of MCS change and (re) design?

**JoMaC** is an international journal concerned with operational and strategic planning and control systems and their processes and techniques. It was founded in Germany as the "Zeitschrift für Planung und Unternehmenssteuerung" in 1990 and has a strong reputation as a dedicated academic journal open to high-quality research on all aspects of management control. JoMaC is available via Springer Press at 5,486 institutions worldwide. The journal has a high download usage and short review and production cycles. Accepted papers are published online first 20 to 25 days after acceptance.

We kindly invite authors to submit their papers for a double-blind review process using our electronic review system **Editorial Manager**. Please feel free to contact us if you have any further questions.

**Language:** English

**Review:** Double-blind review process

**Length:** max. 75,000 characters, including abstract, footnotes and references, 1.5 spaced

**Deadline:** November 30, 2012

**Application:** via Editorial Manager JoMaC web site: <https://www.editorialmanager.com/jmac/>

**Editors for the special issue:**

**Prof. Andrea Dossi**, SDA Bocconi School of Management, Milano, Accounting, Control and Corporate Finance Department. Phone: 02.5836.6886 - 6413. E-mail: [andrea.dossi@sdbocconi.it](mailto:andrea.dossi@sdbocconi.it)

**Prof. Dr. Utz Schäffer**, WHU – Otto Beisheim School of Management, Institute of Management Accounting and Control (IMC), Burgplatz 2, D-56179 Vallendar, Germany. Phone: ++49 (0) 261 6509 700. E-mail: [utz.schaeffer@whu.edu](mailto:utz.schaeffer@whu.edu)

■ Call for papers

## Special Issue: Management Control in the Automotive Industry

Journal of Management Control

With its ever increasing product variety produced in globalized supply chains, decreasing product lifecycles caused by volatile customer demands in highly competitive markets, and its complex logistics processes the automotive industry is both a key driver of innovations and a challenging field for researchers. The aim of this special issue is to help researchers and decision makers to truly explore and understand the processes involved in management decisions in the automotive setting. It is intended that contributions will provide a better understanding of modeling and analysis to evaluate new method and model deployments, through identifying the constructs associated with a global automotive supply chain.

Focusing on all aspects of managing an automotive supply chain topics of this special issue could include (but are not limited to) areas such as the following:

- Performance measures and efficiency analysis for product variety
- Group Technology and Group Assembly
- Strategic network design in the automotive industry
- Risk management in automotive supply chains
- Environmental and sustainability issues
- Management of procurement for diversified parts

- Planning and scheduling of production and logistics operations
- Just-in-Time logistics
- Outbound and reverse logistics in the automotive industry
- Demand management and lifecycle planning
- Managing the operations/marketing interface
- Layout and assembly systems design
- Ergonomics in automotive production systems
- Applications and case studies

The Journal of Management Control (JoMaC) is the international version of the reputational German speaking Journal „Zeitschrift für Planung und Unternehmenssteuerung“ (ZP or ZPUS), which changed to an English speaking journal in 2011. JoMaC is focused on operational and strategic management and control systems and their processes. JoMaC is available via Springer Press at 5,486 institutions worldwide. The journal has a high download usage and short review and production cycles. Accepted papers are published online first 20 to 25 days after acceptance.

We kindly invite authors to submit their papers for a double blind review process using our electronic review system **Editorial Manager**. Please feel free to contact us if you have any further questions.

**Language:** English

**Review:** Double blind review process

**Length:** 75,000 characters including abstract, footnotes and references, one and a half spaced

**Deadline:** September 30, 2012

**Submission:** via JoMaC Editorial Manager web site <https://www.editorialmanager.com/jmac/>

**Editors for the special issue:**

**Prof. Eng. Daria Battini** Ph.D.  
University of Padua,  
Department of Management and Engineering  
Stradella S. Nicola, 3  
I-36100 Vicenza  
eMail: [daria.battini@unipd.it](mailto:daria.battini@unipd.it)

**Prof. Dr. Nils Boysen**

Friedrich-Schiller-University Jena  
Department of Business and Economics  
Carl-Zeiß-Str. 3  
D-07743 Jena  
eMail: [nils.boysen@uni-jena.de](mailto:nils.boysen@uni-jena.de)

## ■ Call for papers

# Communication in Accounting Education

Accounting Education: an international journal

**Accounting Education: an international journal** (The official education journal of the IAAER) invites submissions for a themed issue on communication in accounting education. Accounting, often described as “the language of business,” requires a diverse set of written and oral communication skills. The importance of communication in accounting education appears particularly timely today, as evolving international accounting standards and demands for increased transparency require accountants to be clear, responsive, audience-focused communicators. In addition, employers consistently report their need for accounting graduates with strong written, oral, and interpersonal communication skills. Accounting educators face the challenge of designing and delivering programmes that reflect current and evolving standards, meet employers’ and clients’ expectations, and educate students to make informed communication choices in order to achieve desired results and build relationships.

Invited Guest Editors for this themed issue are F. Elizabeth Gray of Massey University, New Zealand, and Lynn Hamilton of the University of Virginia, U.S.A. AE’s usual editorial/review policies will apply: please see submission guidelines at <http://www.tandf.co.uk/journals/authors/raedauth.asp>

Submissions should be original work which investigates any aspect of communication in accounting education, including papers that focus on the identification, development and/or assessment of communication skills in accounting programs, and the influence of communication skills on employment outcomes for graduates.

The Guest Editors are amenable to quality research drawing on field or experimental investigations, archival or survey research, interpretive or critical studies, and case study research. We particularly encourage international perspectives. The following listing is indicative of topics of interest but is not intended to be exhaustive:

- Writing skills in accounting education
- Interpersonal skills, interviewing and information gathering in accounting education
- The growth of communication technologies in accounting education
- Presentations and presentation technology in accounting education
- Communication apprehension
- International and cross-cultural communication in accounting education
- Integrating communication into the accounting curriculum: faculty perspectives
- Engaging practitioners in curriculum design
- Assessing approaches to and methods of teaching communication in accounting
- Narration, story-telling, and explanatory strategies in accounting education
- Leadership communication and mentoring in accounting education

Suggested manuscript length is 5-6,000 words, but this is negotiable (and will be less for Research Notes and Teaching Notes). Teaching Resources are also invited.

The final deadline for submissions is **31 December 2012** with publication currently scheduled for late 2013. Early submissions are welcome and encouraged, and potential contributors are requested to notify the Guest Editors of their interest. Submissions should be made electronically in accordance with AE’s policies and style, and sent to both **Guest Editors:**

### **Dr. F. Elizabeth Gray**

School of Communication, Journalism, and Marketing, Massey University, Wellington, New Zealand  
E-mail: [F.E.Gray@massey.ac.nz](mailto:F.E.Gray@massey.ac.nz)

### **Associate Professor Lynn Hamilton**

McIntire School of Commerce, University of Virginia, Charlottesville, U.S.A.  
E-mail: [hamilton@virginia.edu](mailto:hamilton@virginia.edu)

## ■ Call for papers

# Developments in Accounting Education on the Orient

Accounting Education: an international journal

Accounting Education: an international journal (The official education journal of the IAAER) invites submissions on any topic examining aspects of accounting education in higher education institutions or professional accounting bodies located in the geographical region of the Orient.

The Orient is a vast geographical region that embraces a considerable variety of spoken languages, local accounting practices requirements, differentiated business environments, and varied levels of educational technology tools from chalk-and-board to laptop and wireless internet. Accounting is, however, a global requirement and profession that can be found in all sorts and types of businesses and not-for-profit organisations.

Hence, the exchange of knowledge and experiences from various regions of the globe can attract the attention to new dimensions in accounting education that could be applicable in other parts of the world. Thus it would be interesting to spread the knowledge about accounting learning environments, teaching techniques, and the preferred tools under different circumstances.

Submissions should report on original research or make connections between educational research or theory, and accounting teaching practice. Reviews of special benefits and/or problems of using certain books, software, and other technological resources used in accounting class rooms are also invited.

The deadline for submissions is **31 December 2012**, although earlier submissions will be welcomed. Submissions should be made electronically (Word files only please), in English, to:

**Professor Richard M S Wilson**

Editor-in-Chief

*Accounting Education: an international journal*

(The official education journal of the IAAER)

e-mail: [R.M.Wilson@LBORO.ac.uk](mailto:R.M.Wilson@LBORO.ac.uk)

Manuscripts should be prepared in accordance with the journal's *Notes for Contributors* which can be found on the publisher's website: [www.informaworld.com](http://www.informaworld.com)

## Call for papers

# Journal of Co-operative Accounting and Reporting (JCAR)

Journal of Co-operative Accounting and Reporting (JCAR) is an open access, peer-reviewed and refereed international journal published by *Centre of Excellence for Accounting and Reporting for Co-operatives (CEARC)* at the Sobey School of Business, Saint Mary's University in Canada. The main objective of JCAR is to provide an intellectual platform for international scholars of co-operatives and social enterprises. JCAR aims to promote the study of accountancy and reporting for co-operatives, credit unions, and mutual organizations.

The journal publishes research papers focused on co-operatives, credit unions, and mutual organizations in all areas of accounting, including:

Accounting Theory and Practice; Accounting Standards; Accounting Education; Auditing; Accounting Information and Systems; Accounting Systems Management; Behavioural Accounting; Cost/Managerial Accounting; Performance Measurement and Analysis; Financial Management; Tax Accounting; Public Responsibility and Ethics; Technology Innovation Management; and Knowledge Management.

JCAR publishes original papers, review papers, conceptual framework, analytical and simulation models, case studies, empirical research, technical notes, and reviews of books and accounting standards.

**JCAR is inviting papers for its inaugural issue, which is scheduled to be published in the Spring of 2012.**

For further information, please contact the editor, as below. Website: <http://www.coopaccounting.coop/journal/>

Send your manuscript to the editor at [jcar@smu.ca](mailto:jcar@smu.ca)

Editor, Journal of Co-operative Accounting and Reporting, Centre of Excellence for Accounting and Reporting for Co-operatives (CEARC), Sobey School of Business, Saint Mary's University, Halifax, NS B3H 3C3

■ Call for papers

## Conference on Environmental Management and Accounting

University of Coimbra (Portugal), 25-26 October, 2012

### *Introduction*

**GECAMB 2012** is the Portuguese CSEAR (Centre for Social and Environmental Accounting Research) conference. One of the main objectives of the conference is to share knowledge about new instruments, policies and strategies aimed at sustainable development, from the interdisciplinary domains of accounting, economics and environmental planning and management. Another important objective of the conference is to create a constructive and informal environment that encourages a critical reflection and discussion about this matters.

GECAMB 2012 will also include a session for the discussion of PhD and Masters Projects in this area. The objective is to allow young researchers to present their research projects and/or first results of their work for analysis and discussion. Each project discussion will be led by a *discussant*.

### *Plenary Speakers*

Plenary speakers include:

- Pablo Archel
- Jeffrey Unerman (Royal Holloway - University of London)
- Arménio Rego (to confirm)

### *Call for Papers*

Papers are invited in all areas of social and environmental accounting and environmental and sustainability management accounting. Both full papers and research-in-progress papers (in Portuguese or in English) can be submitted. Discussion and debate will be encouraged with each presentation limited to 20 minutes. Full papers can be submitted from now.

Please note that **deadline** for full papers (in Portuguese or in English) is **4th of June 2012**, and should be emailed to:

Ana Luísa Cardoso: [ge-camb2012@fe.uc.pt](mailto:ge-camb2012@fe.uc.pt)

The Scientific Committee's decisions will be notified by 15th of July 2012.

### *Research-in-Progress Papers*

Any research-in-progress projects, which are submitted, should also contain a brief description of the following aspects:

- Research problem
- Research methodology
- Database or method for collecting data
- Expected results (or preliminary results, if available)

Anticipated and/or experienced difficulties in the course of the project.

### *Conference Website*

The conference website is available forthcoming:

<http://www4.fe.uc.pt/gecamb2012/>

For more information contact the Organizing Committee by emailing:

[gecamb2012@fe.uc.pt](mailto:gecamb2012@fe.uc.pt)

### *The Organizing Committee:*

*Ana Maria Rodrigues*

*Liliana Pimentel*

*Teresa Eugénio*

*Natália Canadas*

Call for papers

## Accounting in Central and Eastern Europe

### Research in Accounting in Emerging Economies

#### Guest Editors:

**Cătălin Albu** (The Bucharest Academy of Economic Studies, Romania) and

**Răzvan Mustață** (Babeș-Bolyai University of Cluj-Napoca, Romania)

Transition and emerging economies have attracted an increased interest from researchers, international organizations, money lenders and other investors over the course of the last decades. Countries in Central and Eastern Europe, most of them former components of the communist bloc, have suffered diverse influences over time. Historically, the advent of communism in the 1950s has stopped the economic and political development of these countries. Its fall during the late 1980s and early 1990s triggered severe changes in the economic and social environment, with profound consequences on the countries' accounting and business models.

The accounting regulatory process of these countries has mostly been a public one, although some countries also involved private sector and professional bodies. The main user of accounting information was reported to be the State. The accounting model of these countries was reformed sometimes in successive steps and not always quite consistent with each other, to follow the model(s) of more advanced countries such as France, Germany or the USA. Additionally, the need to present the countries as modern ones, with a view to attract foreign investors, raised the regulators' interest in the International Accounting Standards/International Financial Reporting Standards.

Thus, IASs/IFRSs and the IASC's conceptual framework were considered at various times and in different approaches as model to reform financial reporting in these countries. Additionally, the countries' political will to join the European Union compelled the regulators to ensure a high level of harmonization with the European Directives even before these countries joined the EU, and concluded with their enactment subsequently (when they became full members).

Also, CEE economies do not make exception to findings in other emerging economies: a lower level of development of the accounting profession, lower focus on professional judgment, and lesser quality of financial reporting. Managerial accounting seems to be in an incipient stage of development, with historically less focus on decision-making, especially during the communist period. Audit is a fairly recent profession. The market capitalization of stock exchanges in these countries are understandably less developed than those of western economies.

It is in the midst of this process of change and reform that we call for theoretical and empirical papers that will further our understanding of accounting issues in CEE countries. We are particularly (although not exhaustively) interested to receive papers that investigate:

- The role of the State in designing the financial reporting model
- The impact of IAS/IFRS in practice
- The role of corporate governance

- The process of management accounting change in organizations
- The stage of development and the role of corporate social responsibility
- The development of the accounting profession
- The quality of financial reporting and auditing
- The IT developments.

The deadline for submission of full papers is **15 April 2012**. **Early submissions are strongly encouraged**. A regular double blind review process will follow. Accepted papers will be published in a special issue in 2013. Please prepare your manuscript according to *Research in Accounting in Emerging Economies* guidelines. For details, visit

<http://info.emeraldinsight.com/products/books/series.htm?PHPSESSID=gv6b3119piv9558ph9flrgd50&id=1479-3563>

All enquiries and electronic submissions of papers should be sent to the guest editors:

**Cătălin Albu**  
([catalin.albu@cig.ase.ro](mailto:catalin.albu@cig.ase.ro)) and

**Răzvan Mustață**  
([razvan.mustata@econ.ubbcluj.ro](mailto:razvan.mustata@econ.ubbcluj.ro))

European traditions in accounting

## Accounting tradition in Estonia: The reflections of accounting changes in the dynamic context

Toomas Haldma and Kertu Lääts



Estonian accounting tradition should be viewed in the transitional context of political and economic systems. More than 20 years occurred transformations from a centrally planned to a market economy involved significant legal and institutional changes in the whole accounting area. Estonia, as a rather small country (population 1.34 million, territory 45, 215 km<sup>2</sup>), can be considered as a distinguishable example of these changes. We hope to shed more light on the accounting reforms and their effects on the Estonian accounting research and practice.

### Accounting reforms in Estonia

More than fifty years lasted Soviet period in Estonia, when the planning economy principles via rigid state regulations were assumed to maintain the macro-economic balance of the economic system. The employed accounting methods and techniques had centralized state focus and were used at all enterprises without detailed customization to the particular circumstances at the organisation's level. In the planning economy conditions the main goal of enterprises was to fulfil a plan, which had been drawn out by the state institutions.

The enterprise managers had not much responsibility about production efficiency and products quality. The accounting system was the dominant instrument for planning and budget control. In general accounting did not serve the interests of enterprises, but

the interests of state and its ministries. In planning economy conditions, accounting had a relatively low status, being inflexible and unresponsive to market innovations. Contrary to the West, the prestige of accounting was extremely low in the previous Soviet Union.

Through the collapse of centrally planned economy in the late 1980s the situation in the accounting area in Estonia changed substantially. Estonia started to aspire towards market economy when it was still a part of the Soviet Union.

The accounting reforms in Estonia during last two decades can be viewed as an example, how to build up its national accounting system in the conditions of economic transformations. The accounting reforms can be distinguished between three different stages: the introductory stage (1990-1994), the system-building stage (1995-2002) and the system improvement stage (since 2003).

### Introductory stage

In July 1990, more than a year before independence was regained in August 1991, the Regulation on Accounting was adopted by the Estonian Government. This event was the first step towards creation of market-economy accounting environment in Estonia marking the beginning of the spread of accounting disharmony within the Soviet Union. This event started also the introductory stage in formation of market-economy accounting environment. Although, in the contemporary sense, the Regulation was quite modest in content and volume, consisting of only ten pages, the actions spurred by the Regulation greatly contributed to and helped create a favourable environment for the adoption of the basic principles of market economy accounting, preparing movement to the second

stage of the Estonian accounting reform.

After the introduction of the Estonian Regulation on Accounting in 1990, there was some discord between the legal requirements and the actual accounting practice, as many accountants with their Soviet-era background failed to grasp the intrinsically different nature of financial accounting in the conditions of market economy. However, various retraining programmes and accounting disciplines taught at the universities and other higher education institutions have had considerable influence on the accounting profession and supported the accounting knowledge transfer into the organisations.

### System-building stage

The significant incentive for the system-building stage of accounting reform has been the European integration decision, when Estonia submitted an application to join the European Union in the middle of the 1990s. The most important question for Estonia (and probably for other transition countries) was: how to build a forward-looking and flexible accounting regulation system, which would enable integration into and harmonization with the European accounting framework. First of all, this concerned business accounting, but the question was expanded to the whole accounting area. In June 1994 the first Estonian Act on Accounting (EAOA) was passed by the Estonian Parliament and came into effect in January 1995. One of the most conceptual issues of the EAOA was an attempt to create the facilities for merging the Continental European approach with the Anglo-American approach.

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## Accounting tradition in Estonia (cont'd)

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In these circumstances the accounting framework and procedures in Estonian companies and institutions have since 1995 been legally regulated by the EAOA as a frame-law and by the Estonian Accounting Standards (EAS) issued by the Estonian Accounting Standard Board. This combination had a number of advantages, in particular in the initial period of the accounting reform, speeding it up and enabling the transition process to be flexible. In 1995- 2000 the EASB issued 16 EASs to improve particular aspects of accounting in Estonia.

Corporate accounting and information disclosure practices are influenced by the nature of enterprise ownership, sources of finance and the stage of development of capital markets. Tallinn Stock Exchange opened for trading in 1996, where seventeen domestic companies were listed. In 2001, the Helsinki Stock Exchange (HEX) Group from Finland acquired strategic ownership in the Tallinn Stock Exchange Group and trading in Estonian securities in the HEX trading system started in 2002.

These events pointed to a need for internationally acceptable accounting standards and improved the requirements on disclosure and reporting principles of listed companies. The income tax reform in year 2000 changed considerably the country's corporate income taxation principles. The moment of corporate taxation shifted from the period of earning profits to the period of their distribution in either explicit (dividends) or implicit ways (the latter include fringe benefits, expenses unrelated to business, etc.). The idea was to increase competitiveness of a transition country like Estonia and to encourage private investment and expansion of economic activity.

### **System improvement stage**

The system improvement stage of accounting reform in Estonia was needed to meet the requirements of the improved European accounting framework following the European Commission's decision from 2002. The initial steps were arranged through the new, amended version of the EAOA and a revised set of the EAS, which came into force in 2003.

The main characteristic of the new EAOA and the new set of EAS is their clear orientation to the International Financial Reporting Standards (IFRS). Since 2003 the Estonian Accounting Standard Board (EASB) has revised 18 standards and brought them in line with the requirements of the new law and the IFRS. The new Act allows all companies to apply the IFRS instead of the national accounting standards in both consolidated and stand-alone financial statements for statutory purposes. This change was also supported by the abovementioned fact that in Estonia the corporate tax is charged on dividends, not on profit. Therefore, the accounting framework does not affect the tax basis or the state budget revenues.

The new Act has also expanded the scope of the legal accounting framework, involving also governmental institutions. The EAOA is specified by the general rules for organisation of the accounting and financial reporting of the state and the state accounting entities (riigi raamatupidamise ildeeskiri) which are based on and are in compliance with the accounting principles generally accepted in Estonia and the international public sector accounting standards. Thus the transfer of the Estonian public sector from cash-basis to accrual accounting can be regarded, in the light of the New Public Financial Management Framework, as an attempt to adopt the accounting principles that apply in the private sector. It can be summarized that the new EAOA has covered the regulation of the accounting principles for all entities either business or public ones.

Consequently, starting from 2003, there are no considerable differences in recognition and measurement policies between IFRS and Estonian accounting principles. Minor differences remained mainly in disclosure as the Estonian accounting principles is primarily meant for small and medium-size entities requiring less disclosure than IFRS. In 2011 the EASB updated the Estonian Accounting Standards according to the IFRS for SME-s. Development of the Estonian accounting system throughout its three stages can be regarded as a process of harmonization, which more or less consciously in different stages moved from regional focus (until the middle of the 1990s) towards global harmonization (until now).

The central role in the Estonian accounting reform has been played by the EASB. The Board started as a department of the Ministry of Finance, but from stage to stage it became more independent of the Ministry in its decisions concerning the accounting regulation. To enable a flexible manner of accounting regulation and to speeding up the reform, particular accounting themes are regulated by the accounting standards issued by the EASB.

The way how the profession is organized and the public attitude towards accountants and auditors affects auditors' ability to influence or control the behavior of companies and their reporting systems. In 1990, a step towards creation of a proper auditing environment was made by establishment of the Estonian Regulation on Auditing and the Board of Auditing. In 1994 the first set of auditing guidelines was enacted. It has to be emphasized that the Estonian Government continuously brought up the topic of auditing framework. The Chamber of Auditors was authorized under the Act on Auditing in 1999. The Chamber oversees the registration, education, certification and disciplining of auditors, setting of auditing standards and the regulation of audit practice.

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## Accounting tradition in Estonia (cont'd)

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The Estonian Association of Accountants was established in 1996 as an accounting interest group open to anybody, without any qualification requirements. In the beginning, the main objective of the Association was to provide retraining in order to improve the accounting system. In January 2001, the Vocational Law was enforced in Estonia, which created basic conditions for organizing the certification of accountants in improved circumstances.

The present requirements set to the accounting profession in Estonia are based on the Guidelines on National Requirements for the Qualification of Professional Accountants. Currently the main objectives of the association concerning their potential impact are to distribute accounting knowledge and practical experience, and to represent their professional opinion in public discussions (including comments and suggestions on the drafts of the EAS opened for public discussion on the website of the EASB). The Estonian Association of Accountants is not directly involved in the accounting regulation setting, but a representative of the association is a member of the EASB, the issuer of the EAS. The association organizes conferences and seminars to contribute the profession.

### **Challenges**

During the transition period the management roles had been redefined in order to focus their attention more on the market alterations, customer demands and organizational changes. Therefore, for enterprises it was necessary to develop their management accounting systems, which could provide accurately, measured cost information for pricing-decisions, budgeting or performance measurement purposes in order not only to survive but also to gain success in contemporary fast changing environment. Similarly to other transition countries the adaptation process in Estonian companies to

new and constantly changing conditions has demanded very deep alterations in the functioning of management accounting systems. Conceptual changes in financial accounting served as a precondition for the design, introduction and improvement of cost accounting and management accounting, and the development of companies' management accounting systems.

Market economy countries have not experienced such a conceptual change in financial accounting in such a short time during the last decades. Therefore the evolution of financial accounting has influenced the development of cost accounting and management accounting and the legal accounting reform represents an essential and inevitable motivator of these management accounting changes to occur.

An interesting feature of management accounting change in Estonian organisations is that due to the economic restructuring they had an opportunity to develop the traditional financial or cost based and innovative accounting tools simultaneously. Hence, management accounting change represents a combination of the introduction of traditional market economy based practices and the application of contemporary accounting tools, expressed by the system's sophistication. The increasing need for management information, the availability of competent accountants, changes in managerial practice and dissatisfaction with performance measurement indicated the drivers of management accounting changes. During 1990s the shifts in the management accounting systems of Estonian organizations represented mainly technical and conventional developments focusing on issues of cost information accuracy and conventional management accounting approaches (i.e. the replacement of the full costing method with variable costing). The prevalence of production oriented and narrow-scope accounting information reflected the main features of management accounting practices.

Later we can track the shifts towards more sophisticated and contemporary approaches (i.e. activity-based costing, balanced scorecard). More often the organisations' management accounting systems started to emphasize the necessity for the wider spectrum accounting information including market and customer performance indicators delivered by the integrated performance measurement methods and approaches.

### **Accounting research in Estonia**

Curriculum on accounting has been developed at four universities (University of Tartu, Tallinn University of Technology, Estonian University of Life Sciences and Estonian Business School). The accounting researchers' community is relatively small (about 15 people) representing mainly the university members including the doctoral students, concentrated at the University of Tartu and Tallinn University of Technology.

Most popular research topics include management accounting, financial accounting, public sector accounting and accounting history. The research funding, mainly arranged by Estonian Science Foundation, is based more and more on sophisticated bibliometric models. Although accounting researchers in Estonia find it hard to compete for research funding with researchers from other areas of social sciences, they still have received a number of research grants for the projects on accounting during last decade. The focus of empirical accounting research in the politically and economically changing context was initially largely devoted to the financial accounting and auditing issues. There have been carried out studies by the university staff and also practitioners, describing the accounting principles and financial reporting application by the companies.

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## Accounting tradition in Estonia (cont'd)

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The reforms of legal accounting regulations represent the necessary motivator for management accounting developments in the organizations' practices to occur. There are few published studies dedicated to the financial accounting developments and problems in Estonia. But these describe only some fragments of the accounting developments in Estonia. Since 1999 there have been conducted studies on the management accounting area, which findings are internationally available (see reading list). Nevertheless, current stage of management accounting research is characterised by the limited amount of well-documented and systematic research evidence on this area in management accounting.

Besides the teaching and research activities, Estonian accounting scholars has a certain influence on accounting regulation and business practice. As members of the EASB, accounting scholars have contributed to the development of national accounting standards and their alignment with the IAS/IFRS. But they also publish papers for practitioners that are based on empirical research of Estonian companies and organizations, retrain top managers and also serve in different professional positions, such as on professional certification boards, supervisory boards and as legal experts in practice etc. This intense intertwining of research work and practical experience has influenced the growth of accounting popularity among undergraduate and graduate students.



### Organisation of the 37th EAA congress in Tallinn

Today the Faculty of Economics and Business Administration at the University of Tartu is the leading business administration (including accounting) research institution in Estonia. It has already hosted the international conferences (ISSWOV 2006; EIBA 2008; EACES 2010, ESU 2010).

We consider the opportunity of organising the annual 37th EAA congress in 2014 in Tallinn as a great honour and prospect for promoting accounting research and profession in both Estonia and the Baltic Sea region. The doctoral colloquium will be held within the facilities of the University of Tartu, one of the oldest university in Northern and Eastern Europe (founded in 1632).

*Toomas Haldma and Kertu Lääts are academics at the Faculty of Economics and Business Administration at the University of Tartu.*



### Reading list:

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**Publisher:** European Accounting Association, c/o ELASM,  
Place de Brouckère Plein, 31  
B - 1000 Brussels  
[eea@eiasm.be](mailto:eea@eiasm.be)

**Editor:** Hanna Silvola  
Turku School of Economics  
[hanna.silvola@tse.fi](mailto:hanna.silvola@tse.fi)

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