After Seven Successful Years as Dean, the Department Welcomes Bob May Home

By Steve Limberg
Chair, Department of Accounting

It is our good fortune that Professor Robert G. May, Dean of the McCombs School of Business, will be returning to the Accounting Department’s teaching faculty this September. Throughout his career, Bob May has been a “rain maker.” His seven years as dean are no exception. The McCombs School has undergone phenomenal change under his leadership. The intellectual capital of the school has never been stronger. The overall student body has never been so talented. The resources to students and faculty have increased. The physical facilities have been transformed. And during Bob’s tenure as dean, the School was named after Mr. Red McCombs, whose generous endowment of $50 million matches the largest naming gift ever made to any business school in the nation.

Also under Bob’s watch, the Accounting Department has thrived. For eight consecutive years the MPA degree has been top-ranked and our BBA in accounting has been first or second in a survey of accounting professors conducted by Public Accounting Report. Other rankings place the Accounting Department in the top five or higher. The accounting faculty continues to be nationally recognized for its scholarship. There has been a steady increase in the number and qualifications of the students in our programs, including the Professional Program in Accounting (PPA) and the stand-alone MPA Program. And greater opportunities have become available to them through cutting-edge curricula, foreign learning experiences, increased development of leadership as well as technical skills, first-rate internships, and cross-disciplinary coursework. It’s been a great run under Bob’s leadership.

So what will Bob do when he returns to the department? One thing is for sure— it will be high impact. As dean and senior associate dean before that, Bob had extensive exposure to Fortune 500 executive officers right up to the CEOs of the most successful and progressive companies in the world. He knows how they think and use accounting, finance, and technology to make decisions. He intends to bring this unique knowledge into the classroom through innovative curriculum. Always of high energy, Bob plans to teach across multiple programs with special attention given to our PPA and MPA programs.

Dean May has left a lasting legacy to the McCombs School and the department is lucky to have him back in the fold. I echo wide reaching sentiments when I say, “Welcome home, Bob.”

American Institute of Certified Public Accountants Honors Kinney

Professor William R. Kinney has been honored with the prestigious AICPA Distinguished Achievement in Accounting Education Award for 2002. The award recognizes full-time college accounting educators distinguished for excellence in teaching and for national prominence in the accounting profession.

Kinney is a world-renowned expert on assurance services whose teaching career began in 1967 at Oklahoma State University and includes tenures at the University of Iowa, the University of Michigan, and INSEAD (France). He has held the Charles and Elizabeth Prothro Regents Chair in Business at UT Austin since 1988. Kinney also conceived, implemented and is now director of the McCombs School’s Center for Business Measurement and Assurance Services (BMAS).

He pioneered a groundbreaking Introduction to Assurance Services course using his book, Information Quality Assurance and Internal Control for Management Decision Making. As a reflection of its success, similar courses are now being taught at top universities across the U.S. as well as leading universities in France, The Netherlands, and Singapore.

Kinney’s significant contributions to accounting knowledge have garnered numerous honors. In 1989, he received the American Accounting Association’s Accounting Educator Award, and has received the Auditing Section’s Distinguished Service Award (1993) and Outstanding Educator Award (1996). In both 1983 and 1999 he received the prestigious Deloitte & Touche-AAA John S. Wildman Award Medal for research impacting accounting practice. In 1985 he was co-recipient of the AICPA-AAA Notable Contribution to the Accounting Literature Award.

His ability to articulate his extensive knowledge and vision has made Kinney a sought-after advisor to national entities, including the Big Five, the SEC, and the GAO. He has served on various AICPA committees including the Auditing Standards Board and the Special Committee on Assurance Services, as well as the Financial Accounting Standards Advisory Council for the FASB. He was invited to review independent research at the initial public meeting of the Independent Standards Board and gave testimony at the SEC’s Public Hearings on Revision of the Commission’s Auditor Independence Requirements and to the AICPA’s Public Oversight Board on Professional Education and Research.

The Distinguished Achievement in Accounting Education Award was presented to Kinney during the AICPA’s Spring Meeting, held on May 19-21 in Savannah, GA.
UT right fielder and PPA student Matt Rosenberg dives to make a winning catch in the 2001 World Series UT-Louisiana State University game. A diverse athlete, Rosenberg lettered in baseball and football and came in fifth in downhill skiing and twelfth in the slalom nationally for his age group during high school. While he initially came to UT to play ball and major in Liberal Arts, the highly ranked PPA program caught his eye and interest, and he joined our “team” during his sophomore year. Rosenberg is a prospective December ’02 graduate.

PPA Student James Pai Named Outstanding UT Student

James Pai left the decision of whether to attend Johns Hopkins, Rice, or UT to fate and an actual roll of the die. Little did he know that the momentous decision would eventually lead to the Professional Program in Accounting, and ultimately to being chosen one of UT’s Cactus Yearbook Outstanding Students for 2002.

Originally a Plan II/Pre Med student, Pai began investing as a hobby during his senior year at Westlake High School in Austin. “The market was booming in 1998-99, and I thought that in order to make even more money, I needed a formal business education,” he laughs. “Now I definitely realize that a rising tide lifts all boats.” Nevertheless, the decision turned out to be a solid one. “I thought that PPA would give me good financial and analytical skills. My older brother was also a PPA, and I saw that it was one of the top programs in the nation. So with that, I’m here today,” he explains.

As a National Merit Scholar with an overall GPA of 3.8 on a 4.0 scale; a vice president/communications officer of Beta Alpha Psi, the national business fraternity; and co-captain/coach of intramural volleyball and basketball teams that did well this year, Pai was a shoo-in for Outstanding Student. Qualifications for the honor include outstanding contributions to the university, scholarship, leadership, awards and honors received, participation in campus organizations, and other activities. Pai is an active volunteer with Meals on Wheels and More, has worked with the Susan G. Komen Breast Cancer Foundation, and is a member of both the Golden Key Honor Society and the National Society of Collegiate Scholars.

Pai also holds a Larry Temple Scholarship, an endowment with rigorous scholastic, extracurricular, and leadership criteria that has had more than a monetary impact. “The money has been great in funding my education. But I’ve also had the pleasure of actually getting to know Larry and of receiving his advice and inspiration. It’s definitely been a big influence in both my life here at UT and just in general,” says Pai.

Pai’s internships with the Walt Disney Company, Applied Materials, and PricewaterhouseCoopers in Houston have rounded out his classroom education. “Through my work, people have told me that being aware of how people perceive you can get you far in life and that it’s a good skill to have, not just professionally but for life in general,” he asserts. “I agree. You can’t keep your head in the sand as you move along…and be nice—I think it’s most important to make friends along the way.” With yet another accolade to his credit, James Pai gives every indication of going very, very far.

Michael Nesta Nabs Coveted FASB Internship

Michael Nesta, a fifth year PPA student, has been selected for a prestigious internship with the Financial Accounting Standards Board (FASB). After applying to FASB last fall, he interviewed in early January 2002, and received the coveted offer two weeks later.

Nesta will be a postgraduate technical assistant whose primary role will be to assist the board and project managers in research to support technical projects. This will include analyzing written submissions regarding proposals and pronouncements of the board, reviewing and analyzing public research, and preparing memoranda on technical issues for the board members. “Some projects that I may get to work on include the accounting for consolidations and special-purpose entities, financial instruments, and business combinations,” Nesta says.

Nesta feels confident his coursework has provided a solid groundwork on which to base his FASB internship. “The PPA program has taught me the importance of understanding the theory that goes into establishing accounting standards. Further, the PPA’s emphasis on communication skills has prepared me for the intensive writing component of my position,” he says.

Aside from his internship, Nesta is looking forward to May graduation and a June 1 wedding to Texas Ex Heidi Spitzmueller. Ernst & Young, his employer, will hold open his job with the Dallas office until the internship year is complete.

PPA Rosenberg Plays to Win

UT right fielder and PPA student Matt Rosenberg dives to make a winning catch in the 2001 World Series UT-Louisiana State University game. A diverse athlete, Rosenberg lettered in baseball and football and came in fifth in downhill skiing and twelfth in the slalom nationally for his age group during high school. While he initially came to UT to play ball and major in Liberal Arts, the highly ranked PPA program caught his eye and interest, and he joined our “team” during his sophomore year. Rosenberg is a prospective December ’02 graduate.
Departmental Scholarships

A total of $70,000 in Departmental Scholarships was awarded to the following deserving students for 2001-2002:

- Samia Ali - Marquis G Eaton Scholarship
- Jon Maxwell Beatty - Robert D. Cresap Scholarship
- Amy M. Bell - Don M. Lyda Scholarship
- Katherine Bolton - Robert D. Cresap Scholarship
- George Robert Britton - Frank Graydon Scholarship
- Lei Cao - Ellen McAngus Ezell Scholarship
- Chris Carter - Thomas J. Dimiceli Scholarship
- Tina Chung-Ting Cheng - Ellen McAngus Ezell Scholarship
- Clint Cushman - Marquis G. Eaton Scholarship
- Lana R. Davis - Ellen McAngus Ezell Scholarship
- Katherine M. Faulkner - Ellen McAngus Ezell Scholarship
- Sara E. Ferguson - Ellen McAngus Ezell Scholarship
- Jonathan Ferguson - Ellen McAngus Ezell Scholarship
- Yasuhiro Fujii - Ellen McAngus Ezell Scholarship
- Ainsley G. Gaddis - Thomas J. Dimiceli Scholarship
- Elva Denise Gallardo - Frank Graydon Scholarship
- Virginia L. Hathorn - DHS Glenn A. Welsh Scholarship
- Alyssa Grosskopf - Marquis G. Eaton Scholarship
- Trecie Hoff - Marquis G. Eaton Scholarship
- Zheng-Qi Jing - Marquis G. Eaton Scholarship
- Patrick Daniel Johnston - Daryl Alan Hays Memorial Endowed Scholarship
- Ellen K. Kolpin - Robert D. Cresap Scholarship
- Nobuko Kudo - Marquis G. Eaton Scholarship
- Michael David Perkins - Thomas J. Dimiceli Scholarship
- Chia-Lin Lee - Daryl Alan Hays Memorial Endowed Scholarship
- Da Li - Ellen McAngus Ezell Scholarship
- Li Li - Thomas J. Dimiceli Scholarship
- Dana Elise Lipp - Robert Merrill Scholarship
- Ervin Roland Macaluso - George & Frieda Soutter Scholarship; Ellen McAngus Ezell Scholarship
- Siddhartha Mallotra - Marquis G. Eaton Scholarship
- Christiane Malke - Marquis G. Eaton Scholarship
- Stephanie M. Maness - DHS Glenn A. Welsh Scholarship
- Consuelo Lorisa Martinez - Ellen McAngus Ezell Scholarship
- John Mcnins - Walter Schuetze Scholarship
- Laura A. McKee - Frank Graydon Scholarship
- Meghan McKee - Robert Merrill Scholarship
- Kristy Mitchell - Marquis G. Eaton Scholarship
- Keller Louise Nicole - Robert D. Cresap Scholarship
- Luis R. Padilla - Ellen McAngus Ezell Scholarship
- James Pai - Ray Sommerfeld Endowed Presidential Scholarship
- Ashley Ann Parker - Walter Schuetze Scholarship
- Amy Katherine Perrm - Ellen McAngus Ezell Scholarship
- Pimwadee Phandhumkorn - Ellen McAngus Ezell Scholarship
- Daangkamol Phurukrowpang - Ray Sommerfeld Endowed Presidential Scholarship
- Angela Ranieri - Marquis G. Eaton Scholarship
- Carisa Holly Richardson - Don Persons Memorial Scholarship
- Celeste M. Rizer - Robert D. Cresap Scholarship
- Ariel Rodolfo Sandin - Ellen McAngus Ezell Scholarship
- Nuchanong Sengkeaw - Marquis G. Eaton Scholarship
- Rano Sesodia - Ellen McAngus Ezell Scholarship
- Weijing Shen - Thomas J. Dimiceli Scholarship
- David M. Thacker - Thomas J. Dimiceli Scholarship
- Christina Marie Vick - Thomas J. Dimiceli Scholarship
- James Cator Webb - Frank Graydon Scholarship
- Michael Sean Wiggin - George & Frieda Soutter Scholarship; Ellen McAngus Ezell Scholarship
- Kwokleung Wong - Marquis G. Eaton Scholarship
- Bichuan Yang - Marquis G. Eaton Scholarship
- Yi Zhou - Ellen McAngus Ezell Scholarship

Haidian Li
Ana Marques
Kristy Towry
Peggy Weber

University of Texas Supplemental Fellowships:
- Charlene Geisler
- Kevin Jackson
- Somehai Supattarakul

University of Texas Preemptive Recruiting Fellowships:
- Bill Mayew
- Neil Schreiber

University of Texas Harrington Foundation Fellowship:
- Kirill Novoselov

William W. and Ruth F. Cooper Doctoral Recruiting Fellowship:
- Jennifer Bell

Roberts Foundation Doctoral Recruiting Fellowship:
- Jennifer Bell
- Joonho Lee

Deloitte & Touche Foundation Doctoral Fellowships:
- Romana Freimanis (awarded January 2002; to begin Fall 2002)
- Kristy Towry (Phase II)
- May Zhang (Phase I)

KPMG Foundation Fellowship:
- Kevin Jackson

American Institute of Certified Public Accountants Fellowship:
- Kevin Jackson

Institute of Internal Auditors Doctoral Fellowship:
- Kristy Towry

Outside Scholarships

The following students were awarded prestigious scholarships for 2001-02 from entities outside the Department:

- Robert (Loch) Anderson – Police and Firefighters Credit Union Scholarship; New Orleans Federal Firefighters Credit Union Scholarship
- John Beatty – Accounting Education Foundation, Texas Society of CPAs
- Kimberlee Breen – Accounting Careers Scholarship, University Interscholastic League
- Marjorie Cheng – University Area Kiwanis Club; Association of Government Accountants, Austin Chapter
- Kevin Douglas - Accounting Education Foundation, Texas Society of CPAs
- Jason Garwood – Accounting Education Foundation, Texas Society of CPAs
- Josh Henderson – Terry Foundation Scholarship
- Gisela Herver – National Hispanic Fund
- Christine Kirk – Accounting Education Foundation, Texas Society of CPAs
- Teresa Kutschenreuter - Accounting Education Foundation, Texas Society of CPAs
- Caroline Langston – Accounting Education Foundation, Texas Society of CPAs
- Edith Li – Lockheed Martin National Merit Scholarship; DelBarto Tramonte Foundation
- Chad Mabry – Gary Whitworth Memorial Award, Tau Deuteron Chapter of Phi Gamma Delta
- Bryan Metting – Unrestricted Endowed Presidential Scholarship
- Jose Rodriguez – Hispanic Scholarship Fund
- Lori Ryza – John L. Carey Scholarship, AICPA
- Kenneth Smith – Accounting Education Foundation, Texas Society of CPAs
- Lance Turner - Accounting Education Foundation, Texas Society of CPAs

Amy Mohan, TSCPA’s Outstanding Student

Amy Mohan, MPA ’02, received the Outstanding Student Award from the Texas Society of Certified Public Accountants for 2001-2002. The award recognizes outstanding accounting students who have achieved excellence in accounting courses as well as in overall academic achievement and ethical standards.

With a 4.0 GPA (both in her audit track major and overall) as well as many honors to her credit—Golden Key National Honor Society, Beta Gamma Sigma, University Honors, and National Merit Scholar—Mohan exemplifies the TSCPA standards for this award. Aside from her academic achievement, Mohan has also served as an accounting tutor for the UT Learning Center, a Habitat for Humanity volunteer, and as a peer mentor for freshmen in the Business Honors Program. Congratulations, Amy!
Lisa Koonce has been promoted to full professor effective September 2002. Since coming to the department in 1990, her enthusiastic and effective teaching style has made her a student favorite, as evidenced by her election into the MBA Program Faculty Honor Roll for fall 2000 and 2001 and her receipt of the MPA Council’s Outstanding Professor Award in 1996-97 and 1998-99. One student raved, “She had a great attitude, taught with authority, and genuinely seemed to care if students learned.”

Professor Koonce is also a prolific researcher whose current work explores how investors think about the risks associated with derivatives and non-derivative financial instruments. She received the American Accounting Association Auditing Section’s Outstanding Manuscript Award in 2001 for her paper, “Audit Analytical Procedures: A Field Investigation” co-authored with Eric Hirst.

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Faculty News

Florence Atiase received the President’s Service Award from the Austin Chapter of the Texas Society of CPA’s for 2000-01.

William Cooper has been selected as the recipient of the University Cooperative Society’s Career Research Excellence Award for 2002. Cooper’s life’s work was also featured in an article in the Austin American-Statesman on March 4, 2002.

James Deitrick was quoted in the March 31st Austin American-Statesman regarding the Enron-Andersen affair.

James Deitrick, William Kinney, Richard Joseph and other McCombs School faculty, as well as several undergraduate and MBA students offered opinions on the Enron/Andersen affair in the February 27th Austin American-Statesman.

Robert Freeman was quoted in an April 14th Austin American-Statesman article entitled, “Options bring bounty of tax breaks to Austin tech companies.”

Faculty members Jan Gillespie, Shane Dikolli, Urton Anderson, Anna Fowler, Doug de Vidal, Jeanne Simon, and Dave Platt participated in a teaching workshop on February 8, “Bringing Drama to the Classroom.” The moderator was Charles Oglesby from the Harvard Law School and the head writer was Joan Greco from the PBS Town Hall series.

Michael Granof appeared on CNBC’s morning news program “Squawk Box” on January 28, 2002 to discuss the implications of the Enron bankruptcy. The Houston Chronicle (January 28) also quoted him on the subject. Granof’s op-ed piece (with Stephen Zeff, Rice University) on how Congress set the stage for Enron’s failure appeared in the International Herald-Tribune, the New York Times, and the Houston Chronicle on January 23-24. Granof was also quoted by the Associated Press (February 1), the Boston Globe (February 2) and the Bloomberg News (February 4). A March 4th Houston Chronicle also featured Granof’s views. The March 12 Houston Chronicle quoted Granof on a potential Andersen merger with competing firms Deloitte & Touche and Ernst & Young. On March 17, he was quoted in the Houston Chronicle regarding a recent survey among 1,000 Texans regarding their opinion on common accounting practices. The syndicated NPR program “Marketplace Morning Report” featured Granof speaking on government and not-for-profit accounting (March 26). Bloomberg News (April 19) also quoted Granof on Enron/Andersen. The April 5 National Post included a comment by Granof on Andersen’s tax practice transfer.

A study by Eric Hirst appeared in a March 11 BusinessWeek and BusinessWeek Online feature exploring the preference of some economists for accounting based on market values.

Eric Hirst, Mary Lea McAnally, and Lisa Koonce were among those professors honored as members of the MBA Fall 2001 Faculty Honor Roll.

Eric Hirst received a Faculty Partnership Award to support research in the area of competitive profiling and analysis from the IBM Tivoli Software Group and the IBM Austin Center for Advanced Studies.

Court Huber has been named Assistant Dean for Executive Education. Huber also directs the Option II MBA Program.

Court Huber received the Best Teaching and Learning Award in the Innovative Instructional Technologies Award Program for 2002 for his Financial Accounting Class Discussion Database.

Richard Joseph was quoted in the March 26th edition of Reuters on student interest in Andersen careers.


Steve Kachelmeier commented on auditing practices outside the traditional Big Five accounting firms in the April 3 Dallas Morning News.

William Kinney was cited in a January 25th Los Angeles Times article about Enron’s hidden losses. The New York Times also quoted Kinney on the subject (January 25). Kinney was also interviewed by RadioFRANCE on February 27. Topics discussed included corporate governance, audit committees, accounting standards, and the role of politics and money in the Enron collapse.

William Kinney’s research on earnings surprises was quoted in CNN Money on April 15.

William Kinney was one of five applicants awarded grants from the Independence Education Fund to research auditor independence, as featured in the April 1 issue of Accounting Education News.

Lisa Koonce received the Joe D. Beasley Award for MBA Teaching Excellence.

John Robinson was appointed the C. Aubrey Smith Professor in Accounting effective September 1, 2001.

Jack Robertson was quoted in the March 9th Dallas Morning News in regard to Andersen’s on-going congressional criminal hearings.

MPA Commencement Marks Another Year’s End

Three hundred new MPAs and PPAs graduated at the 2002 MPA graduate recognition ceremony held on Friday, May 17 at noon in Hogg Auditorium on the UT campus. Kevin P. Hegarty, Vice President and CFO of UT-Austin’ gave the ceremonial address to a capacity crowd of graduates, parents, and friends. Mr. Hegarty, MPA ’79 (with honors) and BBA ’77 (with honors), returned to the Forty Acres as VP and CFO last October after recently serving as Vice President and CFO of Dell Financial Services. A celebratory reception in the McCombs School Atrium followed the ceremony.

The Accounting Department extends its heartfelt congratulations and best wishes for a successful future to all of the 2002 graduates.
The Center for Business Measurement and Assurance Services (BMAS) sponsored its fourth annual academic conference entitled, “Standards Based Research in Business Measurement” on February 28-March 1, 2002. Ninety-seven PhD students, their professors, and their senior counterparts from universities across the U.S. and Canada attended the conference, held at the Driskoll Hotel in downtown Austin.

Featured presenter Katherine Schipper, member of the Financial Accounting Standards Board, addressed the conference participants on “Implications of Accounting Research for Financial Reporting Standard Setting.” Other distinguished speakers were Wayne Guay (University of Pennsylvania), Jan Barton (Emory University), and Mohan Venkatachalam (Stanford University). William Kinney, BMAS director, opened the conference with an introduction to information quality assurance and BMAS.


UT Grads Make Impressive Showing on November CPA Exam

Forty-seven percent of the UT Austin students who sat for the CPA exam last November passed all four sections of the exam, compared to 13 percent for Texas A&M students and 20 percent of students from all Texas colleges and universities other than UT Austin. This percentage is up from 33 percent in November 2000 and 32 percent in November 1999.

New Double Degree Program Teams UT with Top European University

The McCombs PPA/MPA office, along with the McCombs School Center for International Business and Research (CIBER), has instituted a double degree program with ESCP-EAP European School of Management in Paris, France. Select UT accounting students and business students at ESCP-EAP will pursue studies at each institution toward obtaining a Master in Professional Accounting (MPA) degree from UT and a Master of International Business Degree (or its equivalent) from ESCP-EAP.

Through the program, UT PPA and MPA students will develop a working knowledge of European accounting principles and international business practices, broaden their cultural horizons, and gain valuable overseas internship experience. “The program will further enhance UT’s stellar reputation by strengthening its institutional alliance with one of the foremost accounting and business faculties in Europe,” says Rick Joseph, director of the MPA/PPA programs. “Graduates from this ground-breaking program will have the skills and knowledge to place the U.S. at the forefront of business globalization.”

The double degree program will be launched in the fall of 2002. For more information, contact the PPA/MPA office at (512) 471-6559.
**Alumni News**

Sid Credle (PhD ‘89) is dean of the Hampton University School of Business in Hampton, Virginia. Credle also served as Associate Professor and Director of the Division of Academic Programs in the School of Business and Industry at Florida A&M University.

Florin C. Caloianu (MPA ’96) has been selected for inclusion in the International WHO’s WHO of Information Technology. Caloianu is managing director of Electronic Data Systems, Czech Republic.

T. Kevin Dillon (BBA ‘81; MBA ‘84) became Vice President and Chief Financial Officer of the University of Texas Health Science Center - Houston (in the Texas Medical Center) in November, 2000.

Thomas Delano (Del) Williams (BBA ’83, JD ’85) was named one of four Outstanding Young Texas Exes for 2002 by the University of Texas alumni organization.

Sandra Vera-Munoz (PhD ’94) has been promoted to Associate Professor with tenure at the University of Notre Dame and will be the KPMG Faculty Fellow.

**In Memorium**

Robert James Hibbetts, BBA ’33 and MBA ’34, passed away on February 23, 2002. Hibbetts was a charter member of the Committee of Accounting Faculty Associates (now the Advisory Council), and an honorary member of the Beta Alpha Psi accounting fraternity. He was also active in the Texas Society of CPAs, serving as president and honorary fellow, and was recipient of the TSCPA Meritorious Service Award. Hibbetts was also an appointee to the Texas State Board of Public Accountancy from 1971 to 1977.

**Freimanis Receives Doctoral Fellowship**

PhD student Romana Freimanis (center) was one of ten national recipients of a Deloitte & Touche Doctoral Fellowship for 2002. She will receive $5,000 during her final year of coursework and $20,000 during the subsequent year of completing her dissertation. She is pictured here with Professor Shane Dikolli, her temporary faculty adviser (left) and Professor Steve Kachelmeier, PhD Adviser (right).

**Remember When**

Can you name the year this photo was taken? It was the year the new Business Economics Building (BEB) was dedicated.

The year was 1962, and at the time the BEB was the largest academic structure on campus, and housed the campus’ first escalator. This view shows the north side of the building, facing the tower. The statue of the family was later moved to the south side of the building, where it stands today.
The Accounting Department’s Center for Business Measurement and Assurance Services (BMAS) celebrates four successful years in furthering knowledge about assurance services integral to decision making in today’s technology-driven business environment. BMAS is a unique UT collaboration founded in 1998 with Andersen LLP, Deloitte and Touche LLP, Enron Corporation, Entergy Services, Inc., KPMG LLP, and PricewaterhouseCoopers LLP.

BMAS’s impact on curriculum and research, and outreach to academics and practice has been significant. The center brings to students developments from practice, helping them improve the quality and use of information for corporate decision making, says Professor William R. Kinney, who conceived, implemented, and is now the center’s director. In recognition of his contribution in assurance services, Kinney received the prestigious 2002 AICPA Distinguished Achievement in Accounting Education Award.

In addition, “BMAS has exposed a generation of new scholars to the fundamental role that assurance services play in the accounting profession and in contemporary business as a whole,” Kinney says. Each spring BMAS sponsors a conference that draws a unique group of academics – emerging scholars such as assistant professors and PhD students as well as their more senior counterparts. “An important conference objective is to build a network of scholars at multiple academic levels,” Kinney says. Over three hundred professors and students from fifty-seven colleges and universities have attended. Preeminent scholars and experts Robert Libby (Cornell University), Joel Demski (University of Florida), David Larcker (University of Pennsylvania), and Katherine Schipper, (member, Financial Accounting Standards Board), were featured speakers at the first four BMAS conferences. (For details on the 2002 BMAS conference, please see page 6.)

BMAS has sponsored relevant dissertations, such as “The Dynamics of Non-financial Value Drivers” by Marsha Weidemeier, now at Texas Christian University, and “Investors’ Perceptions of Auditor Independence: The Effect of Disclosure versus Auditor Restrictions” by Lisa Milici Gaynor, now at Georgetown University. Over 25 research projects across multiple disciplines have benefited from BMAS support, involving, for example, researchers from USC, Emory, Stanford, Cornell, Notre Dame, UT, and the Texas State Board of Public Accountancy. Diverse topics include the role of reporting incentives in auditors’ evaluations of earnings fluctuations; the structure of leading indicators of performance relations in online retailing; and improving financial reports by revealing the accuracy of prior estimates. In response to the SEC’s concerns about incentives for earnings management, BMAS and the Big 5 sponsored research by Kinney, David Burgstahler (University of Washington) and Roger Martin (Indiana University) on stock price reaction to earnings surprises of large and small amounts. The study was recently cited in articles in USA Today and CNN Money.

BMAS has sponsored the development of cutting-edge knowledge about assurance services, and year five will continue and build upon that reputation, says Kinney. “The first four years were devoted to exploring the breadth of assurance services and research methods. The fifth year will be devoted to re-examining auditing in an era in which fundamentals of traditional business measurement methods are being challenged.”