These are the 1998-1999 Ernst & Young Student Fellows

DIRECTOR’S NOTE

Let me begin with holiday greetings to you all! It’s hard to believe that three years have already passed since the inception of the E&Y CARAT. However, I am pleased to report that we have accomplished a lot in these three years through our various programs.

Under the student fellowship program, we have awarded 20 Ernst & Young Student Fellowships so far, including five this semester. This program not only provides financial support to high quality students majoring in accounting and information systems, but also provides them with opportunities to work closely with faculty members (Ernst & Young Faculty Mentors) on their research and teaching projects. This program has helped all three constituents.

Students get financial help in addition to gaining knowledge, faculty get bright students to help them in their research and teaching, and the profession receives experienced, well-trained students.

This program has yielded both research publications and teaching materials. For research publications, please see the list presented in later pages of this newsletter. Students selected as E&Y Fellows have varied interests ranging from auditing, information systems to taxes. All this has been made possible through the generous support of the “Ernst & Young Family.” I sincerely thank them for their ongoing support.

Distinguished Visitors

Under the Visiting Scholars Program, we have hosted more than a dozen scholars at the Center since its inception. Some return to the Center on frequent visits to work with us on projects that are of mutual interest, and some have just come to give a seminar and share their research with us. This program has provided a unique opportunity to expose our students and faculty to the research being done by other scholars around the world and benefit from it.

Also, it has provided us with an opportunity to collaborate with scholars at other schools on a continuous basis. In the last three and half years, we have had visitors not only from US Universities but also from universities around the globe: Germany, India, and Spain, for example.

These collaborations have resulted in some very exciting projects currently underway at the Center. The FRAANK (Financial Reporting and Auditing with Net Knowledge) project is one such endeavor where such prolific scholars

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Professor Miklos Vasarhelyi, William Von Minden Distinguished Professor of Accounting and Information Systems, and Professor Alex Kogan from Rutgers University, and KU researchers are working together. This project deals with issues related to continuous monitoring, continuous auditing, on-line reporting, and on-line auditing. Another project that has generated a stream of research deals with how auditors analyze, aggregate, and search for subsequent piece of evidence for audit decisions.

Professor Theodore J. Mock, Arthur Andersen Alumni Distinguished Professor of Accounting at the University of Southern California, and Professor Arnold Wright, Arthur Andersen Professor of Accounting at Boston College, are also involved with me on the above project (see the publication list given later in this newsletter for details).

I am very pleased with the visiting scholars program; it is helping the Center to attract the best minds to work with us and provides a stimulating environment for our faculty to benefit from. Thanks again to the "E&Y Family" for their generous support.

Research Support

Along the dimension of knowledge dissemination, the Center provides nominal travel money to faculty and Ph.D. students to attend conferences and present research papers. Under this program Hai Lu, a Ph. D. student, has attended the 1998 Mid-West American Accounting Association Meeting held in St. Louis.

Moreover, during the spring semester of 1998 while I was on my sabbatical leave from KU, I had the opportunity to visit several Universities in Florida and also several Universities in Australia. It was a rewarding experience to share the work being done at the Center. Invariably, everywhere I presented the work, the faculty would ask me how they could become a part of the E&Y CARAT. How could they collaborate with us on some of our research projects?

Well, I don’t want to bore you with too many details, but if you would like to know more, see the list of presentations and publications later in the newsletter. In fact, I am impressed by this list.

Acknowledgements

I would like to recognize and thank all those who have helped us in creating the Center and providing the financial support.

In particular, I would like to thank Ellen Glazerman, Executive Director, Ernst & Young Foundation; Jim Searing, Director of Research, Ernst & Young LLP; John Wilgers, Partner at the Kansas City Office; Bob Crawford, Chet Vanatta, and Bob Mueller, Retired Partners, for their
personal support and encouragement. Special thanks are due to Bill Taylor, Partner at the Kansas City Office, for his continued untiring support and enthusiasm. Thanks to the E&Y Student Fellows, E&Y CARAT Associates, and E&Y Visiting Scholars for doing such a superb job.

Please visit our home page: http://lark.cc.ukans.edu/srivasta/.

PROFILES OF THE 1998–1999 E&Y STUDENT FELLOWS

Hai Lu is working with Professor Rajendra Srivistava. Hai has a B.S. in Engineering from Zhejiang University in China, and an M.Eng., PhD in Optoelectronics from the Chinese Academy of Sciences. He worked in the Australian CSIRO Division of Telecommunication and Engineering Physics from 1991-1993. He just completed his MBA from KU last year, and is currently pursuing a Ph.D. in Accounting and Information Systems. He is working on the FRAANK Project, a joint project of KU and Rutgers. His responsibilities include the intelligent agent programming and analysis of online auditing. He is also going to work on audit decision-making under uncertain items of evidence.

Chris Abrams is a senior pursuing a B.S. in Accounting and Business Administration with an emphasis in Information Systems. Additionally, he is in the University of Kansas Honors Program. Following the completion of undergraduate work, he will enter the Masters program at KU in the spring of 2000. Chris is currently working with Professor Kay Nelson as a webmaster for faculty in the division of Accounting and Information Systems.

Yoas Agung Wiradharma came to the United States from Indonesia in 1995. Yoas received his undergraduate degree in 1998 in business administration and accounting with an emphasis in information systems. He is currently in the graduate program studying for a master’s in accounting and information systems and is expecting to graduate in May 1999. Yoas is working with Prof. Mike Ettredge and Prof. Raj Srivastava developing an audit risk model program using Excel and Visual Basic.

Vickie Voris is a first-year MBA student, with an undergraduate degree in Chemical Engineering from the University of Missouri-Rolla. Upon graduation, she was employed at Exxon Chemical Company in Baton Rouge as a process engineer. As an E&Y fellow, she will be working with Dr. Jim Nelson.

Meredith Zeppetella is currently pursuing an undergraduate degree in Accounting. She plans to enter the Master’s of Accounting and Information Systems program in January 1999. Meredith is working with Professor Rajen-
dra Srivastava and Hai Lu on the FRAANK Project. She is doing intelligent agent programming for this project. In addition to being involved in the Ernst & Young Fellowship Program, Meredith received an Undergraduate Research Award from the University of Kansas in 1998. With the assistance of Dr. Kay Nelson and Professor Susan Scholz, the research Meredith is doing under this award involves examining the context of non-financial information on corporate web sites.

E&Y CARAT SUPPORTED RESEARCH PAPERS IN PROGRESS OR PUBLISHED AND/OR PRESENTED AT CONFERENCES SINCE THE INCEPTION OF E&Y CARAT


21. Inaugural speech on “Impacts of Technology on Accounting,” at the 19th All India Accounting Conference held on December 26-27, 1995, at the Vikram University, Ujain, India.


**E&Y CARAT’S RESEARCH WORKSHOP CALENDAR**

The Ernst & Young Center for Auditing Research and Advanced Technology offers two research workshops on Friday each semester, where faculty and Ph. D students share findings and exchange research ideas.

The following seminars were held in Fall 1998 semester:

**Management Science and Information Systems Seminars, 10:3-12:00 pm, 502 Summerfield Hall**

Aug. 28 Catherine Shenoy/
Some Issues in Constructing Bayes Net Models for Portfolio Risk and Return

Sept. 4 Prakash P. Shenoy/
Reasoning with Dempster-shafer Belief Functions

Sept. 11 Prakash P. Shenoy/
Decision Trees, Influence Diagram and Valuation Networks

Sept. 18 Phan Grang/
Ordering Formulae in Knowledge Bases

Sept. 25 Russ Winer/
External Validity in consumer Behavioral Research: The Role of Scanner Panel Data

Oct. 2 Sucheta Nadkarni/
Validation of Causal Maps

Oct. 9 Riza Demirer/
Reasoning with Knowledge

Oct. 16 Michael Ettredge/
Incentives and Job Redesign: The Case of Audit Planning Technology

Oct. 23 Kenneth D. MacKenzie/
Knobby Analysis of Knobless Survey Items

Oct. 30 Jim Nelson/
On Process Modeling

Nov. 6 Liping Liu/
Representing Asymmetric Decision Problems Using Conditional Belief Functions

Nov. 13 Thomas A. Ottaway/
An Adaptive Production Control System Utilizing Agent Technology

Nov. 20 William Lewis Kuechler, Jr./
A Goal-based Model of Coordination in Interoperating Workflows.

**Accounting and Finance Workshops, 1:30-3:30 pm, 426 Summerfield Hall**

Aug. 28 Professor Alex Thevaranjan, Syracuse University, and Professor Kissan Joseph, University of Kansas, “Incentives and Job Design: The Case of the Personal Selling Function.”

Sept. 11 Professors Michael Ettredge, Vernon Richardson, and Susan Scholz, University of Kansas, “Accounting Issues Related to Targeted Stock.”

Sept. 25 Professor Theodore Mock, Arthur Andersen alumni Professor, University of Southern California, Arnold Wright, Arthur Andersen Professor, Boston college, and Professor Rajendra Srivastava, University of Kansas.

Oct. 5 (Monday) Professor B. Banerjee, Calcutta University, “Regulation of Corporate Financial Reporting in India.”


Oct. 16 Professor V. K. Vasal, University of Delhi, “Determinants of Voluntary Reporting in India.”

Oct. 30 Professor Inder Khurana, Baird, Kurtz & Dobson Faculty Fellow, University of Missouri, “Audit Tenure and Informativeness of Earnings.”

Nov. 6 Professor Ervin Black, Assistant Professor, University of Arkansas, “Which is More Value Relevant: Earnings or Cash Flow? A Life Cycle Examination.”

Nov. 13 Professor Mark Lang, Assistant Professor, University of North Carolina-Chapel Hill, “Voluntary Disclosure During Equity Offerings: Reducing Information Asymmetry or Hyped the Stock?”

Nov. 20 Professor William Lewis Kuechler, Jr. Assistant Professor, Accounting and Information Systems, University of Texas at San Antonio, “A Goal-based Model of Coordination in Interoperating Workflows.”