

FINANCIAL ACCOUNTING AND REPORTING

Special Interest Group (FARSIG)

NEWSLETTER

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WELCOME GREETING FROM THE FARSIG CHAIR:

Annual Update

I am delighted to present to you our twelfth annual newsletter. This newsletter covers 2018. I am very pleased to write to you about last year's activities and the future events of the group. Our main aim is to enhance the profile of financial accounting and reporting in both teaching and research as well as informing policy and interacting with the profession. We have had another very busy year. Our events are now part of the international annual conference cycle.

We started the year once more with our January Symposium on the Future of Financial Reporting. Once more this was very successful. It was our eleventh symposium and was at the ACCA on 12th January 2018. As usual there were 5 speakers. In alphabetical order they were Paul Druckman Non-executive Director of the Financial Reporting Council. He presented a paper entitled "Is Inclusive Capitalism a Pipe dream". Next Hilary Eastman, Director, Head of Global Investor Engagement, PwC gave a paper on "Technology's future Role in Providing Information and Trust". The third paper was presented by Thomas Toomse-Smith, Project Director-Financial reporting Lab: "The Future: Moving Towards Digital Reporting". Christoph Pelger, Professor of Financial accounting, University of Innsbruck then talked on Conceptual Frameworks in Financial Reporting Standard-setting. Finally, Neil Stevenson, Managing Director, Global Implementation, International Integrated Reporting Council Presented "Corporate Reporting Trends: Enhancing User Relevance". There was thus a focus on several important themes such as accounting and capitalism, investment decisions, digital reporting and the conceptual framework and integrated reporting. These wide ranging and interesting presentations provoked some very active question and answer sessions.

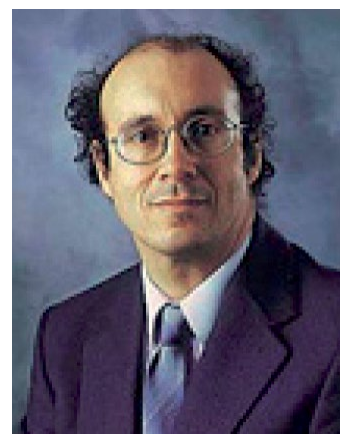
David Oldroyd continues to be Chair of the FARSIG Technical Committee. David and members of the committee continue to do an excellent job in providing comments on several

IASB discussion drafts. We would be very pleased if anyone wants to participate in this important activity.

The Financial Reporting and Business Communication Conference in 2018 was our 22nd conference. It was kindly sponsored by the ICAEW and held as a joint FARSIG/ Bristol University event, hosted by Bristol University Accounting Department on 5 and 6 July 2018. It was organised by myself and Stuart Cooper. Once again it was very international attracting delegates from countries across the world. There were around 80 delegates and three streams; the main stream with discussants, a developmental stream and a PhD stream. The guest speakers were Markus Milne, University of Canterbury, New Zealand who talked on "Issues and Problems Researching Environmental Accounting" and Richard Spencer, Head of Sustainability, ICAEW who talked on "Engaging the Business and Finance Community on the UN Sustainable Development Goals". The main sessions and the PhD stream were also a great success. The 23rd annual conference will be held in Reading on 4 and 5 July 2019. All welcome!

We have also granted two accounting bursaries on the Sue Hraskey Scholarship during the year, details of which are provided on page 7 In addition we have begun a Doctoral Bursary Scheme, see page 10.

I would finally like to thank all the committee members for their hard work behind the scenes.



Mike Jones
BAFA FARSIG
Chair

Welcome to the twelfth issue of the Financial Accounting and Reporting SIG newsletter. The main objective of this newsletter is to communicate details of on-going research projects, publications, and important developments in the practice of financial reporting, new ideas and reflections on the teaching of financial accounting and reporting, as well as information on forthcoming events.

First, I would like to draw your attention to a couple of relevant dates to note in your diary:

Following last year's successful event, the twelfth one-day FARSIG symposium will be held on 11th January 2019 (see the flyer opposite for more details). The BAFA annual conference will take place from Monday 8th to Wednesday 10th April 2019 at the University of Birmingham. Information about other conferences and symposiums can be found below.

Pages 5 to 8 provide interesting information on on-going projects and publications that has been brought to our attention by the ACCA, CIMA, ICAEW, and ICAS. Last but not least, I would like to draw your attention on the Bursary Scheme provided by FARSIG with the aim to assist PhD candidates (see page 10 for more details). I am sure that all remaining content will be informative to you.

We would be very pleased to receive submissions on anything along these lines from readers for consideration in future publications.

As a concluding remark, I would like to thank Mike Jones and the SIG committee members for their contribution to the preparation and production of this newsletter.

Omiros Georgiou,
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22ND FINANCIAL REPORTING AND BUSINESS COMMUNICATION (FRBC) CONFERENCE – BRISTOL UNIVERSITY

The conference for 2018 moved back to Bristol University to celebrate the 22nd annual FRBC. This year Mike Jones, Penny Chaidali and Stuart Cooper organised the conference. The venue was held at Armada House on the 5th and 6th July with the pre-conference dinner held at Aqua on 4th July and the formal conference dinner held at the Radisson Blu on 5th July. Both events were well attended.

Overall, the conference attracted 86 delegates from across the world, as has always been the case, with delegates from Europe, Americas, Far East and Australia.

In total there were 51 paper presentations split between 39 full papers (10-12,000 words) with discussants and 12 developmental papers (5,000 words). Where appropriate papers were divided into different topic areas such as:

- Social and Environmental Accounting
- Integrated Reporting
- Accounting History

There were also two plenary presentations. Firstly, Markus Milne, University of Canterbury, New Zealand and a world leader in environmental accounting gave a very interesting overview of the issues and problems in researching environmental accounting. The second plenary speaker was Richard Spencer, Head of Sustainability at the ICAEW. Richard gave a talk on another very topical issue: Engaging the business and finance community on the UN Sustainable development goals. We would like to give our thanks to the ICAEW for their continued support of this well established prestigious international accounting conference.

A full doctoral stream comprising 18 doctoral presentations was integrated into the conference programme. As in prior years, applications were invited for the Sue Hrasky doctoral scholarship award and four scholarships were awarded to Christian Friedrich (Technische Universität Darmstadt), Niklas Kerkhoff (University of Münster), Shenghua Shi (Durham University), and Shireen Khattak (Durham University).

Looking ahead, the 23rd FRBC conference will be held at the University of Reading on the 4th and 5th July 2019. The first call for papers is on page 11 of this newsletter.

Michael Jones, Penny Chaidali and Stuart Cooper

**FORTHCOMING CONFERENCES:
 DATES FOR YOUR DIARY**

FARSIG Symposium 2019,
 January 11, see page 3

BAFA 2019 Annual Conference,
 8–10 April,
 University of Birmingham

EAA 2019 Paphos,
 29–31 May, Cyprus

**23rd Annual Financial Reporting and
 Business Communication Conference,**
 4–5 July,
 University of Reading, see page 11

The British Accounting and Finance Association

Financial Accounting and Reporting Special Interest Group

Invites you to attend a one-day Symposium on
**The Future of Financial Reporting 2019: Current Developments in Financial Reporting
(Private and Public Sectors)**



11 January 2019
9.30am–4.00pm
Hosted by the ACCA
The Adelphi
1-11 John Adam Street
London, WC2N 6AU



There have been several significant developments in financial reporting during the last year. These include the publication of the latest version of the IASB's Conceptual Framework for Financial Reporting (2018), which will affect both private and public sector reporting and a number of significant, new IFRSs and IPSAS that have recently become effective.

This Symposium brings together a series of high profile speakers to discuss the future of financial reporting and some of these areas. It provides a forum for both practitioners and academics to hear and engage in the debate with the following well-informed speakers. The symposium presentations and discussions should also serve as a valuable teaching aid for those academics engaged in financial reporting and contemporary issues in accounting at undergraduate and postgraduate levels.

- Professor Andreas Bergman** University of Zurich and former chair of IPSASB: Current Developments in Public Sector Accounting
Professor Sheila Ellwood Professor, University of Bristol: Controversies and Topical Issues in Public Sector Accounting
Dr. Jianqiao Lu IASB member, formerly of the Chinese Ministry of Finance: The Conceptual Framework of Financial Reporting (2018) - the IASB View
Professor Geoffrey Whittington Emeritus Professor, University of Cambridge: The Conceptual Framework of Financial Reporting After the 2018 IASB Revisions
Anne Kirkeby Lead Corporate Reporting Consultant, Black Sun: The Black Sun Review of Trends in Corporate Reports 2018

REGISTRATION FOR THE SYMPOSIUM

The price for attending the event, which includes a buffet lunch and afternoon tea is £25. The price for PhD students and retired BAFA members is £15.

To attend the Symposium, please complete the form below and send it with a cheque to Dr Yannis Tsalavoutas, Treasurer of FARSIG, Accounting and Finance subject group, Adam Smith Business School, University of Glasgow, Glasgow, United Kingdom, G12 8QQ. Cheques should be made payable to the Financial Accounting and Reporting Special Interest Group. Bank transfer details are available from Yannis Tsalavoutas (ioannis.tsalavoutas@glasgow.ac.uk). Please note, we are unable to accept payment by credit card.

I would like to attend the BAFA FARSIG Symposium on The Future of Financial Reporting 2019

Title and name _____

Institution _____

Address _____

Email _____ Telephone _____

Please indicate below if you have any specific dietary requirements:

If you have any questions about this event, please contact the Publicity officer Tamer Elshandidy (Tamer.Elshandidy@bristol.ac.uk), or the organiser, Professor Mike Jones, Chair FARSIG, Department of Accounting and Finance, University of Bristol (Michaeljohn.Jones@bristol.ac.uk) and Dr. Rhoda Brown, School of Business and Economics, Loughborough University (r.m.brown@lboro.ac.uk).

FARSIG COMMITTEE MEETINGS 2018

During 2018, there were two FARSIG committee meetings including the Annual General Meeting held at the Financial Reporting and Business Communication (FRBC) annual conference. Dates and venues of the meetings were as follows along with a synopsis of the relevant minutes:

12 JANUARY 2018: ACCA OFFICES LONDON, FOLLOWING THE ANNUAL FARSIG SYMPOSIUM

FARSIG symposium: Formal thanks were recorded to all of the speakers and also to ACCA for hosting the event. The numbers for 2018 were slightly increased possibly due to lower fees. Overall the committee viewed the symposium as a valuable event in terms of the interface between practice and academia and further its value as a teaching resource. In view of this, for 2019, there will be increased publicity to attract a wider practitioner base and teaching academics as a key source for contemporary reporting issues. Following the 2019, the symposium will be reviewed for future years. The date for the 2019 symposium is Friday 11 January 2019 at ACCA Adelphi offices, London. For further details see page x of the Newsletter.

FRBC conference: It was confirmed that the 22st FRBC will take place in Bristol, 5-6 July, 2018. Application has been made to ICAEW for support of the event and thanks again recorded for their support in 2017. A first call for papers had already been circulated. As in prior years, Sue Hrasky scholarship has been included in the call for papers for doctoral applicants. The committee discussed future venues for FRBC with also the possibility of an overseas host. This latter option would be raised with BAFA.

Finances: Due primarily to the success of FRBC conferences and also the symposium, FARSIG has financial reserves. The reserves need to be managed in line with BAFA as a charity and also a formal reserves policy agreed based on current reserves and projected future expenditure. Whilst Sue Hrasky scholarship awards are made for FRBC, PhD and early career bursary schemes (to open in April 2018) will be continued. See page 10 for details of the latest PhD bursary call. There will also be an annual review of FRBC and symposium fees.

6 JULY 2018: FINANCIAL REPORTING AND BUSINESS COMMUNICATION/FARSIG CONFERENCE AND AGM, HELD AT ARMARDA HOUSE, BRISTOL.

FRBC conference 2018: For full details, please see FRBC conference report page 8.

FRBC conference 2019: This will be held in Reading: For further details and the call for papers, see page 11. The current structure of a joint FARSIG/FRBC conference was formalised and agreed.

FARSIG symposium: All five speakers had now been confirmed for the event which can now be used to design the flyer for publicity and booking. The fee for the event is held at £25 and £10 for doctoral students/retired members.

GDPR: There is now a clear need for GDPR compliance and the onus on all SIGs under the BAFA umbrella as a result of this legislation. All future FARSIG multiple mailings (such as bursary schemes, newsletter) email or hard copy, are to be through the BAFA portal. Private mailings to personal contacts are unaffected as are calls for papers (e.g. for FRBC) through journals.

Finances: FARSIG reserve policy would be formalised and will be sent to BAFA Treasurer for approval. Future bursary schemes would continue as FARSIG fundamentally supports research in financial accounting and reporting. The latest bursary scheme for early career research had now closed and applications were being considered by the committee. A new PhD bursary scheme will be available in January 2019, see page 10.

Committee and succession: All of the current committee members would be contacted to ask as to whether they wished to remain or leave the committee. In addition, if there were to be any future change in FARSIG chair, a formal replacement process would be needed to ensure equality of opportunity consistent with BAFA policy

MAKE A DIFFERENCE: JOIN THE TECHNICAL COMMITTEE

In keeping with FARSIG's goal of acting as an interface between accounting academics and the profession, the technical committee submits comments-letters grounded in academic research to the IASB, FASB, European Commission and professional institutes on current proposals.

The overall aim of the FARSIG technical committee is to increase the relevance of academic accounting research to professional practice. The committee has most recently submitted a response to the ICAEW's report What's Next for Corporate Reporting: Time to Decide, which it has presented to the academic panel of the Financial Reporting Council on 6 November. The authors are Mark Clatworthy, Omiros Georgiou, Lenka Krupova, David Oldroyd and Jason Xiao.

The committee meets up in person at least once a year normally at the annual FARSIG symposium on the future of financial reporting held in London in January. We would welcome enthusiastic new members, and if you are interested in joining the committee please contact David Oldroyd david.mccollum-oldroyd@ncl.ac.uk or Lenka Krupova Lenka.Krupova@anglia.ac.uk

ACCA PUBLICATIONS

In March 2018, ACCA published Insights into integrated reporting 2.0: walking the talk, a follow up to the report on integrated reporting published last year. It gives further insights into the reporting practices of organisations in the International Integrated Reporting Council's <IR> Business Network. This report highlights the progress made towards integrated reporting since the last report was published, discusses the challenges that preparers face, and gives practical recommendations to guide more organisations on the path to integrated reporting.

This year, significantly more organisations have made explicit reference to the <IR> Framework and there has been an increasing use of consistent performance measures from year to year. The report also finds some new challenges with the increased use of <IR>:

- the linking of strategy and performance through to key resources and value creation over the short, medium and long term
- the description of the board's role in enabling value creation
- discussions about the organisation's outlook, and
- the application of materiality.

The report sets out 10 questions which can help to start conversations between colleagues, executive management and board members about value creation.

The third edition of the Insights into Integrated Reporting report will be published in 2019. Along with reporting trends, it will explore innovative approaches to complying with mandatory reporting requirements, reporting on the UN Sustainable Development Goals, and applying the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

ACCA also published **The Future of Financial Reporting 2018**, a discussion paper based on the British Accounting and Finance Association Financial Accounting and Reporting Special Interest Group (FARSIG) Symposium 12 Jan 2018.

CIMA RESEARCH NEWS AND PUBLICATIONS

Integrated Reporting:

CIMA in partnership with Black Sun and the IIRC "Purpose beyond profit - the value of value: Board level insights". Deriving insights from a survey of executives across the globe, this report outlines trends and challenges in measuring, disclosing and understanding the value that companies create. Questions in the survey covered a range of topics that investigated how value is thought about and understood, how companies approach strategic planning and performance management, and whether executives believe that they and investors have the right information for decision-making.

Results show that the C-Suite, globally, agrees on the increasing benefit of understanding and communication

the value creation potential of their organisations to build relationships with stakeholders and improve integrated thinking and strategic decision-making. However, it is also apparent that executives lack the management and reporting information to understand and interpret the future drivers of their business.

In March 2018 we published an Executive Summary of an academic research project investigating the relationship between integrated reporting <IR>, integrated thinking and integrated performance and examining the role played by <IR> and integrated thinking in fostering sustainable value creation and transparency in remuneration. The findings show that The Integrated Reporting <IR> adopters in the study have shifted from a focus on short term financial targets and performance to favour more balanced performance objectives and are more likely to link CEO compensation to long term and non financial (human, intellectual, social and natural) targets. Value creation, CEO incentives and remuneration: evidence from integrated reporting adopters.

The Business Model:

This year we published a guide, based on our business model research, which enables board members and CFOs to better understand their organisations current business model and how it adds long-term value.

This report can be used by Board level professionals or C-suite professionals to understand their current business model and aids in understanding value both on the balance sheet and contained within intangible assets such as brand, key relationships, the customer base and intellectual property.

A full list of all our resources highlighting our thinking on the business model can be found at <https://www.cgma.org/resources/business-models.html>

ICAEW THOUGHT LEADERSHIP AND RESEARCH

Forthcoming events

Don't miss out on the following events aimed at academics and practitioners. They are free to attend and you can book your place now at the ICAEW website.

Information for Better Markets Conference, 17-18 December 2018

Leading academic speakers, including John Coffee from Columbia Law School, will consider Financial scandals: past, present and future

Taking place at Chartered Accountants' Hall in London, the event runs from lunchtime to lunchtime on 17-18 December. To see a full list of speakers and topics and to book your place visit www.icaew.com/ifbm2018

Special issue ABR

The 2017 Information for Better Markets conference looked at Corporate reporting: is it heading in the right direction? The papers are now available in ABR (volume 48, issue 5) and include papers by Baruch Lev, Jeffrey Unerman, Hervé Stolowy, and Niamh Brennan.

The special issue also includes a paper by Christian Leuz on Evidence-based policymaking: promise, challenges and opportunities for accounting and financial markets research.

And you can view the lectures, on which the papers are based, on the ICAEW website at www.icaew.com/bettermarkets.

Latest academic research reports

The following reports have published in 2018 and are all available, free to download, at www.icaew.com/academic

Diversity and the accounting profession

Accounting for Credit Losses: The Development of IFRS 9 and CECL Multi-Dimensional Performance Frameworks and Strategic Investment Decisions

Latest financial reporting and thought leadership reports

Growth, development and accounting: seeing the bigger picture examines the role of accounting in promoting economic growth and development. It explores how it contributes to the quality of management decisions and the volume and quality of investment, as well as its contribution to an effective tax system. It concludes by exploring key challenges to which accounting will need to adapt if it is to retain its relevance in the future.

Reporting on climate risks and opportunities gives practical guidance on the TCFD recommendations and steps to implementation. Published in association with the Carbon Trust.

Free copies are available from www.icaew.com/bettermarkets and www.icaew.com/tcfdguide

For questions about our corporate reporting thought leadership work contact Alison Dundjerovic, Financial Reporting Manager, at alison.dundjerovic@icaew.com.

For more information about any of our research activities, including research funding, contact Gillian Knight at gillian.knight@icaew.com or +44 (0)20 7920 8478.

PHOTO OF 2018 FARSIG SYMPOSIUM KEYNOTE SPEAKERS



2018 FARSIG Symposium keynote speakers - names from left to right are: Hilary Eastman (PwC), Thomas Toomse-Smith (FRC), Mike Jones (University of Bristol), Christoph Pelger (University of Innsbruck), and Neil Stevenson (IIRC).

ICAS RESEARCH NEWS

Subscribe to the ICAS research e-news service by visiting the ICAS website - at www.icas.com/technical-resources/research-funding-at-icas - to ensure you receive notification of ICAS funding opportunities, events and publications.

For further information on any of the below please email research@icas.com

RESEARCH FUNDING OPPORTUNITIES

ICAS funds policy relevant and impactful research from academics based anywhere in the world. We have two streams for research applications: pro-active applications - where the ideas come from the academic community-, and our calls for research - where ICAS identifies specific research topics or themes. Calls for research are advertised on our website or you can be notified by email by subscribing to ICAS research e-news.

At ICAS we recognise the importance of receiving pro-active applications to ensure that we continue to fund original, innovative and leading research projects. Whilst we will continue to issue calls for research, the pro-active stream of applications is vital to our portfolio of research projects. Although the idea for research will come from you we will help you to develop the project, whilst allowing you to maintain your independence, and will work with you to maximise the impact of your research. In addition to the research funding available, we offer additional benefits such as collaboration with an influential professional body with close links to policy makers, and access to our team of technical staff and committee experts ensuring that you receive quality feedback at all stages of your project.

For further information on research funding please visit icas.com or email research@icas.com

ICAS PUBLICATIONS COMING SOON

All of the below publications will be available by searching on icas.com

Non-Financial performance: Are your non-financial KPIs useful?

Lyndie Bayne, Martin Wee and Ann Tarca, University of Western Australia and Australian National University.

Are non-financial KPIs in annual reports really 'key'? An investigation of company disclosure and analyst reports in the UK

Laura Bini, Lorenzo Simoni, Francesco Giunta and Francesco Dainelli, University of Florence

NEW GRANTS AWARDED

Awarded under the call for research on 'The theory and practice of discounting in financial reporting under IFRS'

Black Box Accounting: Discounting of Decommissioning Provisions

Giovanna Michelon, Mari Paananen and Thomas Schneider, Exeter University and Ryerson University

This study focusses specifically on discount rates used in accounting for decommissioning costs, clean-up costs and other related environmental liabilities are per IAS 37. It will provide evidence to address the following issues:

1. What is the level of diversity in practice related to the choice of discount rate, and what are the country and firm-level factors explaining this diversity?
2. What corporate disclosure and transparency practices help stakeholders understand the 'black box' of decommissioning and other environmental liabilities?
3. What are the social impacts associated with accounting for decommissioning and other environmental liabilities?

The data sample will be selected from international publicly traded companies, whilst interviewees will come from the UK, Canada and Europe.

The Theory and Practice of Discounting in Financial Reporting under IFRS

Iain Clacher, Mark Freeman and Con Keating, Leeds University and University of York

This grant has been awarded jointly by ICAS and EFRAG.

The project will:

1. Critically evaluate and examine the use of discount rates, setting out the underlying rationale for the different approaches in each standard, the economic consequences of the different approaches used, and, where appropriate, illustrate alternative methods that may be applied;
2. Contrast existing practices under IFRS against public sector guidance to provide a deeper understanding of the relative strengths and weaknesses of discount rate estimation in financial reporting.

The analysis will include information from the UK, France and Germany.

PHOTOS OF 2018 FRBC CONFERENCE PARTICIPANTS



Photo of Sue Hrasky Scholarship recipients - names from left to right are: Professor Richard Slack (Durham University), two Sue Hrasky scholarship recipients: Shireen Khattak (Durham University), Christian Friedrich (Technische Universität Darmstadt), and Claire Horner (University of Tasmania - Sue Hrasky's University).



Photo of 2018 FARSIG Symposium keynote speaker Thomas Toomse-Smith (FRC)



Photo of 2018 FARSIG Symposium keynote speaker Hilary Eastman (PwC)



Participants at the 2018 FRBC Conference. Names from left to right are: Andrea Melis (Cagliari University), Chinyere Uche (Bristol University), Penny Chaidali (Bristol University), Professor Michael Jones (Bristol University), Simone Aresu (Cagliari University).

CONSTITUTION

The main purposes of the FARSIG are to:

1. Encourage research and scholarship in Financial Accounting and Reporting.
2. Establish a network of researchers and teachers in Financial Accounting and Reporting.
3. Enhance the teaching of Financial Accounting and Reporting.
4. Provide support for PhD students in Financial Accounting and Reporting.
5. Develop close links with the accounting profession so as to inform policy.
6. Publish a newsletter and organise targeted workshops.
7. Develop and maintain relationships with the British Accounting and Finance Association and the Professional Accountancy Institutes.

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DOCTORAL BURSARY SCHEME 2019

Financial Accounting and Reporting Special Interest Group (FARSIG)

FARSIG has a commitment to encourage research and scholarship in financial accounting and reporting. An inherent part of this commitment is to support doctoral students in financial accounting and reporting subject areas. The subject range is wide ranging across all aspects of financial accounting and reporting.

FARSIG is now inviting doctoral students in financial accounting and reporting to apply for financial support to help with their doctoral studies. Two bursaries are available, each bursary to a maximum application of £1,000

Application:

- A statement as to why you are applying for the bursary.
- Two page summary of your doctoral research, research aims, current progress and plan to submission.
 - There is no proforma application.
- Clear costings and timelines to support bursary application:
 - This would normally be data collection costs, transcription costs or other direct costs in supporting you with your research data and writing up;
 - Fees and conference attendance are not part of the bursary scheme;
 - Expenses will only be reimbursed on production of supporting invoices only.
- You must be a current registered doctoral student, either full time or part time.
- A signed formal letter of support from your principal supervisor must be provided with the application.
- It is a condition of any bursary award that the doctoral student will present their research at a future Financial Reporting and Business Communication Conference (FRBC) – normally within 2 years of the bursary award.

Each application received will be reviewed by members of the FARSIG committee. The committee will determine the final bursary awards and applicants will be informed.

The closing date for applications is 28 February 2019 and all applicants will be informed of the decision by 30 April 2019.

Applications and letters of support should be emailed as PDF attachments to Richard.Slack@durham.ac.uk or Ioannis.Tsalavoutas@glasgow.ac.uk

The email title should state: FARSIG Bursary application: applicant name

Financial Reporting and Business Communication, 23rd Annual Conference

Henley Business School, Thursday 4 & Friday 5 July 2019
First Call for Papers

We are pleased to announce the 23rd annual Financial Reporting and Business Communication (FRBC) Conference organised by Henley Business School and the BAFA FARSIG. This is the premier conference of its kind worldwide and attracts an international audience. The conference, supported by ICAEW charitable trusts, comprises parallel full paper with discussants; developmental paper sessions and a doctoral stream.

The conference addresses key areas of Accounting and Financial reporting, which are of interest to accounting academics and practitioners and includes:

- The purpose of the modern corporate report
- The effectiveness of financial reporting standards
- Accounting measurement and disclosure
- Sustainability, integrated and environmental reporting
- The composition and format of corporate reports and the role of the visual
- Corporate reporting and accountability in the public sector
- The role of financial reporting and corporate governance in capital markets
- Historical perspectives on financial accounting reporting

Papers are invited on these topics and on other aspects of financial reporting and business communication. Papers may take empirical, theoretical and conceptual approaches, including case studies or experiments.

Papers should be submitted by **18th April 2019** (please mark as FULL or DEVELOPMENTAL paper) by emailing Gunnar.Rimmel@henley.ac.uk OR michaeljohn.jones@bristol.ac.uk

Please submit an **abstract and full paper** (up to 12,000 words) for parallel sessions. Discussants will be allocated to full paper submissions and we expect that all presenters of full papers will be prepared to act as discussants on other papers. Please submit an abstract (maximum 500 words) or short developmental paper (up to 5,000 words) for developmental paper sessions.

The main conference includes dedicated streams for papers on Social and Environmental Disclosure and Integrated Reporting (organised by Gunnar Rimmel), Business entities visual imageries to communicate with stakeholders via the Internet and social media (organised by Ioannis Tsalvoutas) and the History of Accounting (organised by David Oldroyd, University of Newcastle). Please indicate on submission if you wish your paper to be considered for one of these streams.

For doctoral students wishing to present in the doctoral stream, a 500 word abstract should be submitted by 29 March 2019 to richard.slack@durham.ac.uk. A Sue Hrasky Scholarship is available for 2019 to doctoral students in the doctoral stream. This comprises a doctoral fee waiver, UK receipted travel, subsistence and accommodation costs at the conference. Applications should be in the form of a structured abstract and email entitled FRBC Scholarship/authors name. The award of the Scholarship will be announced by the end of April 2019.

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REFLECTIONS ON THE ROLE OF THE ACCOUNTING ACADEMIC

(This article was written by Dr. Rhoda Brown and her fellow trustees of the British Accounting and Finance Association, in response to the “Making the Case for the Social Sciences” campaign. It has also been published as a blog on the European Accounting Association’s Accounting Research Centre website.)

Most accounting academics have an anecdote concerning questions from well-meaning relatives or friends about what it is, exactly, that they do. Variants on this story involve the expression of disbelief that anyone could study for a PhD or undertake any sort of meaningful research in accounting, because accounting is all about balance sheets. In some limited respects, there is a degree of truth in the idea that accounting is primarily about the numbers but in other, far more important respects, the numbers are the least of it. The view of accounting on the one hand as a dry, technical, quantitative discipline somehow exists in the popular imagination alongside, on the other hand, perceptions of involvement in creative accounting, tax avoidance, banking crises, and corporate and public sector financial scandals - with no recognition contradictions inherent in these very different perspectives.

To those with more expertise in the area, the technical skills of accounting are little more than a barrier to entry: the real substance of the discipline is about the allocation of resources, the measurement of performance, accountability, financial politics and the ways in which accounting can (dis)incentivise hard work and/or cause people and organisations to behave in accordance with, or contrary to, societal norms. Given the extent to which individuals are invested in capital markets, via their pension schemes, accounting plays a more important role in life than many people realise, in providing information to keep markets efficient, to keep companies honest and to enable investors to assess levels of risk. Recently, the scope of accounting has expanded to include softer, more qualitative aspects of performance such as corporate social responsibility accounting, narrative reporting and growing recognition of the value of intangibles.

One of the consequences of the funding pressure in universities in recent years has been the requirement for academics, particularly those in less traditional disciplines, to justify their reason for being and, in the case of accounting, this includes explaining not only what accounting academics do but also what we offer that is not provided by professional accountancy training. A question we are asked increasingly is why should an eighteen-year-old school leaver spend three or four years studying for an under-graduate degree in accounting, accumulating student debt, when they could enrol in one of the professional training programmes offered by accounting firms, start earning immediately and obtain their professional qualification sooner? The answer is that a good university degree adds something rather different to the student’s skillset than a professional qualification.

There are several ways in which the scholarship of academic accountants adds value to the discipline of accounting and to the education and development of accounting students. The first is a traditional feature of a good under-graduate programme. It develops the intellectual capacity of students and teaches them how to think for themselves. While it is undoubtedly true that professional training also develops the intellect, the development involved in this case involves an essential but rather narrow, technical way of looking at the world. In accounting degrees, because those teaching the programmes engage in research and other scholarly activities, the intellectual development involved is broader and draws on different models of empirical, theoretical and philosophical reasoning.

Regardless of where students find their subsequent employment, skills of thinking, reasoning and constructing a balanced argument are going to be useful, whether they are dealing with the internal politics and budgetary constraints of organisations or developing strategies to handle external, environmental pressures. The second important characteristic of academic accounting lies in its consideration of the context in which accounting operates. It provides a basis for understanding all the aspects of accounting, not just about the

numbers, which form the main substance of the discipline. Academic accounting draws together both the thinking skills and understanding of context to enable both students and researchers to analyse accounting issues more critically - and it is only through this deeper analysis that accountants and those affected by accounting can hope to effect change and improve the way the world works.

Ultimately, the combined skill set of critical thinking, understanding of context and reasoned argument can create individuals with advanced problem-solving skills that are sorely needed by organisations and society. These skills also combine very effectively with more technical and financial skills. Thus, what we are aiming for in the design of academic accounting programmes is graduates with relevant, up-to-date technical skills, the critical thinking skills to analyse problems and understand how to solve them and the skills in reasoning and rhetoric to enable them to communicate their ideas effectively. The same set of skills is the basis for accounting research, the results of which inform the design/content of academic programmes. An independent, critical analysis of the practices and taken-for-granted assumptions of the financial world is important if we are ever to change the system for the better and reduce incidences of financial misdemeanours and inequities.

The problem facing accounting researchers, however, is that for a whole range of historical and structural reasons, there are relatively few outlets for their research publications. The majority of those that exist are not rated as highly as those outlets in other disciplines. Consequently, the paper rejection rates from the top journals far exceed 90% and the authors who succeed in this environment are predominantly from very well-resourced US Schools. This, along with other factors such as the expansion in academic staff time needed to teach the increasing numbers of students recruited by universities, has meant that over time, it has become harder and harder for academics to publish accounting research.

All of this has taken its toll on academic accounting. Faced with a decision between recruiting a new accounting professor or a professor from a discipline where it is easier to publish research and to obtain research funding, senior managers in universities have tended to favour the other disciplines. Recruitment in accounting is increasingly either at the junior level, or for education and scholarship (non-research) staff to service expanding degree programmes. This, in combination with the overall lack of understanding about what academic accounting research and scholarship is about has led to a crisis in university accounting departments. We now have now reached a point where a whole generation of accounting professors are retiring; there are large numbers of new recruits with heavy teaching loads and little chance of publishing their research. In addition, there are very few senior lecturers to succeed the senior academics, mentor the new recruits and continue the research tradition.

This arises from a lack understanding of both the market for accounting academics and what academic accountants do. It is easy to identify the financial and political pressures that have led academic accounting departments to this point. What is less obvious is how we might shift the balance. Unless we manage to raise consciousness about the value of academic accounting, we will be left with decimated accounting departments, demotivated and lacking leadership, where teaching reflects only current, technical accounting practices and accounting research founders. There will be two likely results of this. The first is a generation of students with underdeveloped skills and no critical understanding of the behavioural consequences of those accounting practices. The second is the loss of accounting PhD programmes and the engaged research that many accounting academics produce, along with the knowledge transfers that such research generates.