



The Vincent C. Ross Institute of Accounting Research
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ROSS ROUNDTABLE
ON
THE AUDITING PROFESSION: POST ENRON

Date: Monday, February 25, 2002 from 4:00 pm to 6:00 pm

Location: New York University
Leonard N. Stern School of Business
40 West 4th Street
Surdna Conference Center, Third Floor
New York, N.Y. 10012-1118

Contact: 212-998-4143 or email aallison@stern.nyu.edu

Roundtable Coordinators:

Seymour Jones, *Clinical Professor, Department of Accounting*
Jeremy Wiesen, *Associate Professor, Department of Accounting, Taxation
and Business Law*

Roundtable Theme

You can be sure that the auditing profession is about to be scrutinized when a failed major public company is the subject of nightly newscasts showing elderly investors testifying before Congress that their life savings have been wiped out. The problem is so bad that other companies' shares are falling in "sympathy," such as Tyco International, as soon as there is any hint of possible accounting irregularities, even if the two companies have nothing else in common. The hearings concerning Enron and related revelations of alleged corporate wrongdoing and a failed disclosure system raise serious questions about the auditing profession, its independence, conflicts of interest and self-regulation.

The auditing profession will be forced to return to the fundamental questions it can never escape, and now in the context of a complex, new millennium company, such as

Enron: (1) Did the independent auditors fail and if so why? (2) What is the independent auditors' ability to detect management fraud and is society willing to pay for a higher cost of scrutiny? (3) Did the SEC regulatory system based on "disclosure" fail? and (4) Do the roles of the corporate board and of the audit committee need to be reassessed?

In the 1970s and 1980s the accounting profession answered criticism by appointing commissions which issued reports and recommendations that improved the quality of auditing and the process of financial disclosures. What actions, if any, are currently warranted by policymakers?

The Ross Roundtable provides a forum for "public opinion shapers" -- business writers, financial analysts, educators, corporate financial executives, regulators, etc. -- to discuss with policymakers important developments in capital markets and the financial world. To provide ample opportunity for participants to voice their opinions, the size of the Roundtable is limited.



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Adequate business and/or academic experience**

Recommended CPE Credits: 2