Accounting Foundation

Annual Report 2020

The University of Sydney

Accounting Foundation Annual Report 2020

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1. Accounting Foundation

On August 2, 1982 the Senate approved the constitution of the Accounting Foundation within the University of Sydney on the recommendation of an inaugural meeting held on 26 July 1982. The Accounting Foundation is governed by The Accounting Foundation Rules which came into effect on 1 June 2016.

The objectives of the foundation are to: increase the resources of the University, by fundraising or otherwise securing gifts, grants, the provision of services or other non-financial contributions, and, assist the Senate and Vice-Chancellor in promoting the objective of the University in relation to research, education and scholarship in the fields of accounting and finance in both Australian and internationally, through the University of Sydney Business School.

The foundation is authorised, for the purposes of and consistently with its objectives, to:

(1) seek to acquire resources by gift, bequest or devise to the University, subject to prior written approval of each acquisition, in accordance with the Administrative Delegations, and relevant University policies and procedures;

(2) encourage philanthropy and other charitable activity in support of its objectives;

(3) recommend to the University Officer (Foundations) purposes for which it may seek to acquire resources;

(4) arrange sponsorships and or partnerships with external organisations provided that approval is given in accordance with the Administrative Delegations;

(5) provide advice to the University of Sydney Business School about the application of any resources;

(6) provide opportunities for admitting members to the foundation and members' participation in its activities, in accordance with the Accounting Foundation - Rules; and

(7) arrange or conduct activities, such as lectures, seminars, conferences, publications or other activities, consistent with the object of the University and subject to the approval of the University Officer (Foundations).

2. Council of the Accounting Foundation during the year ending 31 December 2020

PAUL BRUNNER ***BCA (Hons) (Vic. NZ), CPA (US), CA, President***
Paul is a partner of PricewaterhouseCoopers (PwC), specialising in the provision of capital markets and accounting advisory services to major financial institutions and publicly listed clients. He has gained extensive international experience working with clients undertaking cross border debt, equity, securitisation and M&A transactions. Paul is also involved with the development of international accounting standards as a member of PwC's Corporate Reporting Task Force, which develops the firm's global response and thought leadership with respect to exposure drafts of new IFRS standards and other developments in financial reporting.

Paul stepped down as member of the Council at the AGM. Paul was an Observer for a further two council meetings in 2020.

TIM AMAN ***BA (Accg & Finance), Grad Cert (Commercial Law), MBusiness (Accg), CPA, New York State, USA; Member (AICPA, CAANZ, Kampuchea Institute of Certified Public Accountants and Auditors)***
Tim is a partner at BDO Australia and Global Head of Fintech and the National Financial Services leader. Tim provides audit and assurance services to the financial services industry, including wealth management, funds management, superannuation, retail and investment banking, leasing and insurance clients. Prior to BDO, Tim was a partner at KPMG and before that, a managing partner for a big four firm in Vietnam and Cambodia.

MELISSA BONEVSKA ***Combined BA and BCom, HRM, Marketing, Art History and Theory, and History (Syd)***
Melissa is Development Manager, University Foundations of the University of Sydney. She is the representative of the Vice Principal (Advancement) and is an ex-officio member of the Council.

MARIA CADIZ DYBALL ***BSc Bus Admin & Accountancy, Philippines, MCom (Hons), PhD, UNSW***
Maria is an Associate Professor in the Discipline of Accounting University of Sydney Business School. She researches management control systems, not-for-profit accountability and accounting professionalization. Maria also serves as Board Member of the Accounting and Finance Association of Australia and New Zealand, and, Research Panel Member of the Certified Institute of Managements Accountants Australasia Core of Excellence.

STEWART JONES ***BCA (Hons) PhD, FCPA***
Stewart is Professor and Head of the Discipline of Accounting University of Sydney Business School. From 2008-09 he was Co-Editor of *Abacus* with Graeme Dean. He became Editor-In Chief in 2009.

Stewart stepped down as member of the Council at the AGM. Stewart continues to serve as an Observer in the Council.

JAYA KANDASAMY ***BBus (Accounting and Financial Planning), CA***
Jaya is a partner of Ernst & Young (EY), specialising in the provision of assurance services to private and publicly listed clients. He has specialised in Private Equity, Consumer Products and fast growth businesses both domestically and internationally. Jaya's experience includes a two-year secondment to EY-London where he worked with a number of Private Equity and Consumer Product focused businesses, with international operations. Jaya is currently the head of EY's Graduate, Cadet and Vacationer recruitment programs for the Sydney market.

Jaya was elected as member of the Council at the AGM.

MANUEL KAPSIS ***BCom, CA***
Manuel is a director at PricewaterhouseCoopers (PwC), specialising in the provision of accounting advisory services to major financial institutions and publicly listed clients. Prior to PwC, Manuel worked as a technical staff member of the International Accounting Standards Board for 10 years, most recently leading the IASB's project on Financial Instruments with Characteristics of Equity.

Manuel was elected as member of the Council at the AGM.

MARTIN MCGRATH ***BEc(Syd) FCA F Fin***
Martin has been a partner in KPMG since 1995. He is currently the Partner in Charge of KPMG's Department of Professional Practice, the technical area of the audit division responsible for technical accounting matters, complex audit matters and producing thought leadership material. He is also the Lead Audit Partner for two significant financial institutions.

Martin stepped down as member of the Council at the AGM.

RENAY ROBINSON ***BBus, CA***
Renay is a Partner of Ernst & Young in the Assurance practice. Renay has extensive audit experience and is responsible for the provision of services to a number of large listed and multi-location institutions in the property, retail, manufacturing and distributions sectors.

Renay stepped down as member of the Council at the AGM.

BALJIT K SIDHU ***MCom(Otago), PhD(Syd), FCPA, FCA***
Baljit is Professor and Deputy Head in the Discipline of Accounting University of Sydney Business School. Baljit currently serves on the Academic Advisory Panel of the Australian Accounting Standards Board. She has previously served on the Board of the Accounting and Finance Association of Australia & New Zealand, and as the Director of the Centre for Research in Finance at the UNSW's Australian Graduate School of Management. Baljit was the Editor in Chief of the UNSW's *Australian Journal of Management* from 2010-2016 and currently serves as Associate Editor at *Abacus* and *Accounting & Finance*.

Baljit was elected as member of the Council at the AGM.

SIMON THORP ***BEc (Syd), Member CAANZ, Member The Tax Institute, President***
Simon is a partner at KPMG specialising in corporate and international tax. Simon works predominantly with emerging technology businesses, developing apropriate business structures and funding arrangements, capital management initiatives, assisting with the offshore expansion, M&A and IPOs. Simon sits on the Professional Development Committee at The Tax Institute and regularly consults with the Australian Taxation Office and Treasury in respect of industry developments. Simon is a former member of the Business Alumni Network.

Simon was elected as member of the Council at the AGM. He was appointed as the President of the Council of the Accounting Foundation.

ALISON WHITE ***BCom (Hons) Accounting, CA (SA)***
Alison is a partner at Deloitte and leader of Deloitte's National Accounting Technical Team. She has over 21 years' audit and accounting advisory experience in Australia, Hong Kong and South Africa, specialising in the resolution of complex accounting issues. Alison is currently also the Vice Chair of the Australian Accounting Standards Board and a member of the Fair Value, Business Combinations and Not-for-Profit Project Advisory Panels. She is also a member of the Deloitte Global Expert Advisory Panel on Leases and the Property Council of Australia's National Accounting Roundtable.

Alison was elected as member of the Council at the AGM.

GREGORY WHITWELL ***BEc(Hons), Monash, PhD, Melbourne***
Professor Gregory Whitwell became Dean of the University of Sydney Business School in June 2014. Prior to joining the University of Sydney, he was a Professor of Marketing and Senior

Deputy Dean of the Australian School of Business (ASB) at the University of New South Wales (UNSW). Serving as its de facto chief operating officer from 2011, he was responsible for the execution of ASB strategy, requiring the alignment of academic staffing, education programs and research activities with the school's strategic priorities. In this role, he was also responsible for leading ASB-wide initiatives and reviews.

The Council met five times in 2020.

Council members			**Meetings held while a member**	**Meetings attended**
Mr	Tim	Aman	5	5
Mr	Paul	Brunner	2	2
Mr	Jaya	Kandasamy	4	3
Mr	Manuel	Kapsis	4	4
Mr	Martin	McGrath	1	1
Ms	Renay	Robinson	1	1
Mr	Simon	Thorp	4	4
Ms	Alison	White	4	4
Ms	Melissa	Bonevska	5	2
Assoc Prof	Maria	Cadiz Dyball	5	5
Professor	Stewart	Jones	1	1
Professor	Baljit	Sidhu	4	4
Professor	Gregory	Whitwell	5	4

The Chancellor and Vice-Chancellor are ex officio members but are non-voting.

Under the Rules of the Accounting Foundation membership of the Council is limited to a maximum of 18 members (including ex officio members).

Members of the Council at the end of the year 2020 were:

Council members		
Mr	Tim	Aman
Mr	Jaya	Kandasamy
Mr	Manuel	Kapsis
Mr	Simon	Thorp
Ms	Alison	White
Ms	Melissa	Bonevska
Assoc Professor	Maria	Cadiz Dyball
Professor	Baljit	Sidhu
Professor	Gregory	Whitwell

3. President's Report

The University of Sydney Business School, through its many initiatives, aims to challenge the status quo to reinvent itself and others. This ethos became even more compelling during 2020 in respect of dealing with the impacts of COVID-19 and that was demonstrably the case in respect of the activities of The University of Sydney Accounting Foundation. While many of our activities were able to continue, such as the publication of the international research journal, *Abacus*, the Engaged Research Scheme, The Accounting Foundation Student Prize and the RJ Chambers Memorial Research Lecture at the Great Hall that featured Professor Clinton Free, many were modified and new initiatives begun.

The Pacioli Society events were significantly impacted with one virtual event being held in November 2020, *COVID-19: assessing its global socio-economic and environmental impact*, featuring Dr Arunima Malik from the University of Sydney and Dr Jorge Gomez-Parades from The United Nations' Sustainable Development Solutions Network for the Andean Region (SDSN Andes). Planning is underway in respect of various virtual Pacioli events in 2021. Principal amongst new initiatives was the institution of a learning and teaching grant to support the delivery and content of accounting units and we will see this rolled out in 2021.

Notwithstanding the turmoil of the year, the financial position of the Accounting Foundation remains strong. We incurred a deficit of $15,916 given weak returns to investment and have accumulated funds of $3,970,187. We continue to be most judicious in the application of funds whilst remaining conscious of the need for additional support of our many stakeholders during the pandemic.

I would like to add my sincere thanks to the most immediate past President, Paul Brunner, and fellow Council members Martin McGrath and Renay Robinson who all retired during the year in accordance with Council rules. We have been able to retain the insights of Professor Stewart Jones, who, while retiring as a Council member, continues to attend Council meetings as observer. It has been my pleasure to welcome new Council members Professor Baljit Sidhu, Alison White, Jaya Kandasamy and Manuel Kapsis who join existing Council members Tim Aman and Melissa Bonevska. In this most challenging of years, we were most appreciative for the continued involvement from the Dean of the University of Sydney Business School and Accounting Foundation University Officer Professor Greg Whitwell. I am most grateful for the valuable support of both Associate Professor Maria Cadiz Dyball, who enters her second term as Academic Director, and Nichole Orth. Added to this, the Accounting Foundation enjoys the considerable support of the Finance team of the Business School.

Simon Thorp
President 2020

4. Academic Director's Report

2020 was an extraordinary year because of the pandemic. Nonetheless, The University of Sydney Accounting Foundation continued to address its objective to promote research, education and scholarship in accounting and finance through the University of Sydney Business School.

In its third year, the Engaged Research Scheme helps realize an important aspiration in the Business School's *Business Not as Usual* positioning of a School that contributes to business, government and community through its engaged research. There were five research projects funded tackling contemporary issues impacting work, investment, education and accounting practices: Personality as a Barrier to return to Work; Building and Living in a Remote Business Education Environment; Financial impact of Climate-related risk disclosures and Analyst valuation; Why firms Discontinue with the Direct Method When Disclosing Cash Flows from Operating Activities, and, Ethnic Diversity among Sell-side analysts.

Due to government restrictions on group gatherings, the Accounting Foundation hosted only one virtual Pacioli Event in November on "*COVID-19: Assessing its global socio-economic and environmental impact*". However, we were able to host a highly engaging and informative RJ Chambers Memorial Research Lecture with Professor Clinton Free delivering the lecture at the Great Hall in February. Professor Free, Academic Director of Executive Education at the University of Sydney Business School lectured on "*Rationalising serious fraud: Insights from offenders*".

The Foundation continued to support long-standing research initiatives including the international research journal, *Abacus*, and the Discipline of Accounting (Virtual) Research Seminars. The Accounting Foundation Student Prize was also awarded to high performing students in the capstone unit of the Master of Professional Accounting, ACCT6120 Corporate Governance and Accountability in both semesters in 2020.

While another busy year, I have been supported by the Council of the Accounting Foundation, specially its President, Simon Thorp, the Dean of the University of Sydney Business School, Professor Greg Whitwell, and, the Head of the Discipline of Accounting, Professor Stewart Jones. Simon Thorp, while in his first year of being Chair of the Council of the Accounting Foundation, has demonstrated commitment and energy to continue the Accounting Foundation's activities while facilitating the introduction of new projects for 2021. There are upcoming videos on informing, preparing and inspiring accounting students for the world of work. There will also be a learning and teaching grant to support the delivery and content of accounting units.

I also would like to acknowledge the support of Mr. Vibo Chandrasekera and the Finance team of the Business School in ensuring that the financial accounts of the Accounting Foundation are in order. I would also like to warmly acknowledge the professional and collegial support of Ms. Nichole Orth who has provided efficient assistance with the growing activities of the Foundation.

Associate Professor Maria Cadiz Dyball
Academic Director for 2020

5. Engaged Research Scheme

The Engaged Research Scheme of the Accounting Foundation helps realise an important aspiration in the University of Sydney Business School's *Business Not as Usual* positioning of a School that contributes to business, government and community through its engaged research. Engaged research is a collaborative process of generating new knowledge with external partners (business, community, or government).

Launched in 2018, the Scheme provides funds over an 18-month period (24 months for 2020 projects due to constraints arising from the pandemic) for multidisciplinary, cross- faculty and cross-institution collaborative projects to assist accounting staff to commence or continue with engaged research projects.

2020 Projects

Personality as a barrier to return to work	
Researchers:	Dr Demetris Christodoulou
Period:	3 August 2020 to 3 August 2022
Funding:	$19,731
The steadily deteriorating return to work (RTW) rates translate to growing work injury damage expenses, yet regulators point to underfunding of employers' estimates for insurance allowances. The longer an injured worker stays out of work the less likely is to RTW, develop depression and give up. Some workers seem more prone to taking more risks. Some workers resume their duties by seamlessly and others seem to never feel in place again. There are resilient personalities who can bounce back from injury by exerting normal effort, and then there are vulnerable personalities who find it hard to rehabilitate or RTW at all. Personality is an inherent worker-specific barrier to RTW. This project will build a predictive model on disability outcomes from work-related injuries conditional on personality, thus helping work compensation insurance companies estimate allowances more accurately and help injured workers RTW on time with more targeted treatment. .	

Perspectives from Business School educators and students on building and living in the remote online Business Education environment	
Researchers:	Dr Angela Hecimovic, Janine Coupe, Corina Radescu, Sandra Dwyer
Period:	3 August 2020 to 3 August 2022
Funding:	$13,611

This project examines the impacts of online teaching and learning as a direct response to COVID-19 restrictions, gathering insights from The University of Sydney Business School educators, students, the Business School Dean and leading practitioners from the Big 4 professional service firms. The overall aim is to provide practical advice for adapting to exclusive remote online teaching and learning and create a portfolio of experiences and challenges from both student and teacher perspectives. We will examine how educators developed online course content, assessments and how they developed teaching competencies for engaging students. We will also provide insights from surveys and focus groups into the student's learning experience and outcomes at both undergraduate and postgraduate levels. This research will also initially engage with Partners from the Big 4, one of the biggest recruiters of our Business School graduates to understand the impact of the current remote online learning context on outcomes such as graduate qualities, and the future implications of online business education.

The disclosure of financial impact of climate-related risk and the effect on analysis valuation	
Researchers:	Dr Anna Young-Ferris, Dr Shan Zhou, Professor Mandy Cheng (UNSW)
Period:	3 August 2020 to 3 August 2022
Funding:	$12,100

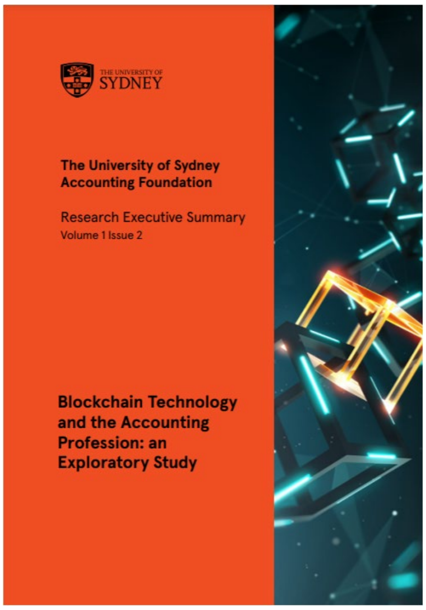
To understand the effect of the disclosure of financial impact of climate-related risk/opportunity on professional analyst valuation decisions. Method: a 2x2 controlled experimental design to study the effect of company disclosure of financial impact of climate-related risk/opportunity on professional analyst valuation decisions. Presence/absence of quantified financial impact and mandatory/voluntary disclosure are the two variables being investigated. Significance: a response to the emergence of the Task Force on Climate-related Financial Disclosures (TCFD) that seeks to develop recommendations for voluntary climate-related financial disclosures that are consistent, comparable, and reliable, and provide decision-useful information to investors. Although public climate-related disclosures by large listed companies are increasing, the actual or potential financial implications in quantitative terms are rare. Further, whether climate-related financial disclosures should be mandated or remain voluntary is on the agenda of regulators around the globe. Expected outcomes: contribution to what constitutes decision useful climate-related disclosures as a stated financial impact for investment decision-making, as a business response to addressing the grand challenge of climate change.

Why Firms Discontinue with the Direct Method When Disclosing Cash Flows from Operating Activities	
Researchers:	Dr Chuan Yu and Professor Baljit Sidhu
Period:	3 August 2020 to 3 August 2022
Funding:	$19,434

While the use of the direct method of accounting for operating cash flows (CFO) is unusual outside of Australia and New Zealand, a sizable number of U.S. firms voluntarily reported on a direct basis after the introduction of the Statement of Financial Accounting Standards (SFAS) No. 95 on the Statement of Cash Flows in 1987. Prior studies have studied firms' decision to adopt the direct method and found such method to be useful for predicting future performance and explaining the capital market. However, many of those voluntary adopters have discontinued with the direct method after using such method for a period of time. The aim of this project is to investigate their decision to discontinue by employing empirical models using archival data. Our study will contribute to both the academic literature and the standard setting debate on the presentation of primary financial statements (e.g., the IASB's Primary Financial Statement project).

Ethnic Diversity among sell-side analysts	
Researchers:	Dr Ava Wu, Dr Louise Lu
Period:	3 August 2020 to 3 August 2022
Funding:	$12,821

In the past century, many countries including U.S. and Australia have experienced rapid growth in ethnic diversity. In the financial services industry, top executives from Wall Street espouse that diversity as a key driver of success in serving its clients. However, latest media news revealed that women and minorities remain underrepresented in financial firms and ethnic biases are significant in the financial services industry. The availability of data on individual analysts in the financial industry provides a unique setting to assess the impact of diversity on individual outputs in the workplace. This proposed research aims to shed light on how ethnic diversity of brokerage house affects the quality of sell-side analysts' information production. The results of the project may provide supports for policy makers and firms to implement policies to promote diversity and equal opportunities.



A Research Executive Summary for a 2018 Engaged Research Scheme project.

6. R.J. Chambers Memorial Lecture

The RJ Chambers Memorial Research Lecture has been hosted by the Accounting Foundation and The University of Sydney Business School since 1985 and is held in memory of Raymond John Chambers (1917-1999). Chambers was educated in Newcastle, NSW, Australia, before being awarded a scholarship to study economics at the University of Sydney, where he graduated in 1939. The first full-time lecturer in accounting at the University of Sydney, he was appointed to the University's foundation Chair of Accounting in 1960, a position he held until his retirement in 1983.

In 2020, the RJ Chambers Memorial Research Lecture was delivered by Professor Clinton Free, Academic Director of Executive Education at the University of Sydney Business School, on the topic of "*Rationalising serious fraud: Insights from offenders*". Following the lecture, Mr Matt Fehon, Partner at McGrathNicol, provided commentary.

Professor Clinton Free, Academic Director, Executive Education, The University of Sydney

Mr Matt Fehon, Partner, McGrathNicol

2020 R.J. Chambers Memorial Research Lecture: The Accounting Foundation Council Members and Key Note Speaker and Respondent.
(from left to right) Matt Fehon, Martin McGrath, Associate Professor Maria Cadiz Dyball, Professor Stewart Jones, Professor Gregory Whitwell, Professor Clinton Free, Paul Brunner.

The event was held at the Great Hall, the University of Sydney, and was attended by approximately 155 accounting and business academics and students, as well as industry practitioners.

7. Pacioli Society

The Pacioli Society was established in 1968 on the initiative of Professor R J Chambers. It is the only society of its type in Australasia. The aim was to provide a forum on matters related to accounting, business and finance, and to foster the expression of both academic and professional views on topical issues based on informed opinion and debate.

For more than 45 years the Society and *Abacus* have been important facets of the Accounting Discipline's interaction with both academe and the profession. Accounting discipline staff have administered the society and the journal's operations and maintained a healthy membership of practitioners and academics.

The Pacioli Society operates under the auspices of the Accounting Foundation and provides a valuable forum between academics from Sydney and other universities and the business community.

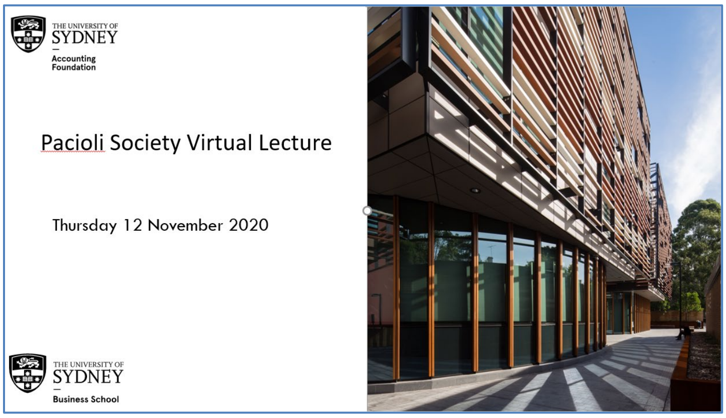
A number of meetings are normally held each year. Attendees are given opportunities to ask questions and to voice their own opinions about the topic.

Membership is limited and is by invitation. A subscription to Abacus is included in the cost of the annual Pacioli Society membership fee. Details of the Society's activities can be accessed at: http://sydney.edu.au/business/AF/pacioli_society

Due to the pandemic and restrictions on gatherings due to the pandemic, The Pacioli Society held a virtual event in 2020.

Pacioli Virtual Lecture

Date	Speaker	Topic
12th November	**Dr Arunima Malik,** Lecturer in Sustainability, University of Sydney Business School and Faculty of Science **Dr Jorge Gomez-Paredes** Managing Director, The United Nations' Sustainable Development Solutions Network for the Andean Region (SDSN Andes)	COVID-19: Assessing its global socio-economic and environmental impact



8. Accounting Foundation Research Seminars

In 2020 the Foundation supported the following research seminars in the Discipline of Accounting.

4th November 2020	
Speaker:	Erin Twyford
Affiliation:	University of Wollongong
Title:	Corporate complicity in Nazi Germany: accounting for loss of life
21st October 2020	
Speaker:	Narisa Dai
Affiliation:	University of International Business and Economics, China
Title:	The determinants of the voluntary disclosure of operational targets: Empirical evidence from China
30th September 2020	
Speaker:	Alessandro Ghio & Nicholas McGuigan
Affiliation:	Monash University
Title:	An Exploration of Queer Spaces and Worldviews in the Accounting Profession
2nd September 2020	
Speaker:	Chao (Kevin) Li
Affiliation:	UNSW Sydney
Title:	Do auditors timely respond to heightened misstatement risk?
19th August 2020	
Speaker:	Pamela Murphy
Affiliation:	Queens University, Canada
Title:	Layers of Accountability: The Influential Factors that Push Individuals to Participate in Group Fraud or Support their Resistance.

9. Abacus

ABACUS *A Journal of Accounting, Finance and Business Studies*

The journal *Abacus* is the flagship asset of the Accounting Foundation. It was launched in 1965 by the Sydney University Press with Professor Raymond John Chambers as founding editor. For 50 years, *Abacus* has been recognised as a significant international journal devoted to the publication of scholarly papers in accounting finance and business studies. The Journal has a reputation for breadth, innovation and rigour of its research publications. It is noted also for eclectic research publications, in terms of subject matter and methods employed. However, above all else *Abacus* aims to provide a vehicle for the expression of independent and critical thought on contemporary international issues in accounting, finance and business. *Abacus* reports current research; critically evaluates current developments in theory and practice; analyses the effects of the regulatory framework of accounting, finance and business; and explores alternatives to, and explanations of, past and current practices.

In 1989, under the editorship of Professor M C Wells, the Accounting Foundation became the publisher of the journal in conjunction with Basil Blackwell, Oxford. In 2007 the Scientific, Medical and Technical publishing business of John Wiley & Sons and Blackwell merged as Wiley-Blackwell and they now publish *Abacus*.

The journal is the fourth oldest international accounting academic journal. Since Professor Stewart Jones became Editor-in-Chief in 2010, the journal has been ranked among the top international accounting journals. Professor Stewart Jones is the fifth editor of *Abacus* since the journal was founded — the others being Raymond Chambers, Murray Wells, and Graeme Dean and the late Frank Clarke. Topic editors were appointed early in 2010 and Graeme Dean joined Murray Wells as a Consulting Editor.

The latest information available shows that in 2020 the *Abacus* Impact Factor was 1.196, ranking the journal 28 of 103 in the Business, Finance subject category. The total number of *Abacus* article downloads shows a steady trend, 116,496 in 2018 and 129,726 in 2019. In 2020 there were 132,805 downloads, an increase of 5.3% from 2019. Current *Abacus* content was available in 6,667 institutions and is now available in 6,645 institutions in the developing world via philanthropic initiatives.

Abacus is currently receiving more than 250 online submissions per annum since it moved to electronic delivery around seven years ago. Over the past 24 months, the submissions have been overwhelmingly international and this is borne out in the readership statistics which show that 82% of recent article downloads originated from outside of Australia.

The content of the four issues published in 2020 is set out below:

Issue and Author	**Title**
March 2020 ***Volume 56, Issue 1***	
G. W. Dean	OBITUARY – FRANK LEWIS CLARKE
Peter M. Clarkson, Jordon Ponn, Gordon D. Richardson, Frank Rudzicz, Albert Tsang, Jingjing Wang	A Textual Analysis of US Corporate Social Responsibility Reports (pages 3-34)
Jane Andrew, Max Baker	Corporate Social Responsibility Reporting : The Last 40 Years and a Path to Sharing Future Insights (pages 35-65)
Benjamin T. Albersmann, Reiner Quick	The Impact of Audit Quality Indicators on the Timeliness of Goodwill Impairments: Evidence from the German Setting (pages 66-103)
Weiguo Zhang, Jianfang Fe	Chinese Convergence with IFRS: Analysis of Dual-listed Companies (pages 104-139)
Dale L. Flesher, Gary John Previts, Andrew D. Sharp	Accounting Discoveries from Archival Research : The Mobile and Ohio, an Antebellum Southern Railroad (pages 140-163)
June 2020 ***Volume 56 Issue 2***	
Rosemary Kim, Jagdish Gangolly, S. S. Ravi, Daniel J. Rosenkrantz	Formal Analysis of Segregation of Duties (SoD) in Accounting: A Computational Approach (pages 165-212)
Angelo Aspris, Luke McAlpin	A Cause for Alarm? The Long-term Performance of Shareholder Class Action Defendants (pages 212-229)
Henry Aryei-Boapeah, Samuel Fosu, Collins G. Ntim	Corporate Multinationality and Acquirer Returns (pages 230-267)
David Johnstone	Fama's Ratio and the Effects of Operating Leverage on the Cost of Capital Under CAPM (pages 268-287)
Martina K. Linnenluecke, Tom Smith, Yun Shen, Yushu Zhu, Zini Lian	What Does the CAPM Say About Operating Leverage? (pages 288-291)
David Johnstone	Reply to Linnenluecke, Shen, Smith, Zhu, and Liang (2020) (pages 292-294)

September 2020 Volume 56 Issue 3	
Andrew B. Jackson, Chao Li, Richard D. Morris	Earnings Co-movements and the Informativeness of Earnings (pages 295-319)
Yitang (Jenny) Yang, Roger Simnett	Financial Reporting by Charities: Why Do Some Choose to Report Under a More Extensive Reporting Framework? (pages 320-347)
Eunice S. Khoo, Youngdeok Lim, Gary S. Monroe	Audit Committee Members' Reputation Incentive and Their Effectiveness in Monitoring the Financial Reporting Process (pages 348-406)
Stephen Kuselias	Follow the Crowd: How Social Information and Social Identity Influence Investing Decisions (pages 407-435)
Xiaomeng Chen, Andreas Hellmann, Safdar R. Mithani	The Effect of Fair Value Adjustments on Dividend Policy Under Mandatory International Financial Reportng Standards Adoption: Australian Evidence (pages 436-453)
December 2020 Volume 56, Issue 4	
Sudipta Bose, Amitav Sahar, Indra Abeysekera	The Value Relevance of Corporate Social Responsibility Expenditure: Evidence from Regulatory Decisions (pages 455-494)
Aline Grahn	Precision and Manipulation of Non-financial Information : The Curious Case of Environmental Liability (pages 495-534)
Wen He, Ki Hoon Hong, Eliza Wu	Does Investor Sentiment Affect the Value Relevance of Accounting Information? (pages 535-560)
Kun Su, Haiyan Kiangm, Gary Tian	Government's Say-on-pay Policy and Corporate Risk-taking: Evidence from China (pages 561-601)
John Roberts, Paul Sanderson, David Siedl, Antonije Krivokapic	The UK Corporate Governance Code Principle of "Comply or Explain': Understanding Code Compliance as 'Subjection' (pages 602-626)
Yi-Hui Tai, Nen-Chen Richard Hwang	Market Reactions to Corporate Governance Ranking Announcements: Evidence from Taiwan (pages 627-648)

10. Research Scholarships

Doctoral Scholarships

In prior years the Foundation has provided scholarships for a single year. The intent was to enable candidates to accelerate completion of their dissertation work, via research assistance and/or teaching relief. In 2006 the Foundation's Council resolved to suspend offering of these Doctoral scholarships in light of the availability of alternative forms of support from other sources within the Faculty.

In 2014 it was however resolved to support a 'top-up' scholarship for PhD students who already hold other scholarships to assist them complete their PhD. There was a maximum of two top-up scholarships at any one time. There was one scholarship awarded under this scheme.

This year the Accounting Foundation in partnership with the University of Sydney Business School launched a primary higher degree research (HDR) scholarship, The Accounting Foundation and University of Sydney Business School HDR Scholarship, for domestic candidates. This is in response to a highly competitive market of primary HDR scholarships in the University and the Business School and replaces the PhD top-up scholarships. The duration of the PhD scholarship is for three years with a possible six-month extension. The agreement between the Accounting Foundation and the Business School is for a period of three years from 2020 to 2022, at which time it must be reviewed and renewed by the agreement of both parties. The Scholarship was not awarded in 2020.

Honours Scholarships

R J Chambers Scholarships

In 2020 the Foundation and the Discipline of Accounting funded five scholarships for undergraduates completing their Honours (4th year) in accounting. Information on their honours projects and amount of scholarships are as follows:

Student	Project Title	Supervisors	Amount
Sabrina GUNAWAN	Modern Slavery & Due Diligence: An Analysis of Companies' Shifting Disclosures in the Australian Context	Associate Professor Maria Cadiz Dyball and Dr. Timothy Wang	$10,000
Ya HE	The impact of non-GAAP segment earnings on analysts' earnings forecast.	Dr. Neal Arthur and Dr. Tina Huynh	$10,000
Shilin HOU	A Cross-Country Examination on the CSR Contracting: Determinants and Outcomes	Dr. Shan Zhou	$5,000
Shiyao PENG	Impact of Artificial Intelligence on the Audit Process	Associate Professor Ravi Seethamraju and Dr. Angela Hecimovic	$5,000
Xinyu ZHANG	The IASB's approach to legitimacy: the case of negative interest rates	Dr. Max Baker	$5,000

In addition, the Foundation offers a scholarship, the Robert R Sterling Distinguished Scholarship in Accounting in the field of financial accounting, directed to a study pertaining to the empirical foundations of measurement in accounting and the usefulness of accounting measurements for financial decision making. The scholarship of $10,000 per year was made possible by a generous donation from Robert Sterling matched by a donation from The University of Sydney Business School. The following student received the benefit of this donation in 2020.

Yixin LU	Extension of Dechow and Dichev (2002): Applying Bayesian Linear Regression Analysis to Accruals Estimation Errors	Professor Boris Choy and Professor Stewart Jones

11. Student Prizes

The Accounting Foundation Student Prize was launched in 2018, with the encouragement of the Dean of the Business School, Professor Greg Whitwell, who sits in the Council of the Accounting Foundation as University Officer.

In 2020, the Student Prize was awarded to groups of students who meritoriously recognized the new world of corporate governance, particularly its rules and challenges in implementation. These students were enrolled in the capstone unit, ACCT6120 Corporate Governance and Accountability of the Master of Professional Accounting. They presented insightful analyses of the governance practices of Hong Kong Stock Exchange listed companies, and, thoughtful recommendations on investing in these companies.

The Accounting Foundation Master of Professional Accounting Capstone Team Prize For Excellence of Presentation and Company Analysis awardees were:

Semester 2: Xingyuan Chen, Ziyang Ji, Sophie Shi, Yongyuan Tang, Haoxue Zhang

The prize-winning students received $200 cash prize each and presented with certificates of achievement.


THE UNIVERSITY OF SYDNEY

The University of Sydney Business School

The University of Sydney Accounting Foundation

This certificate is awarded to

Miss Haoxue Zhang

For outstanding achievement in
Master of Professional Accounting Capstone
Team Prize for Excellence of Presentation and
Company Analysis

Associate Professor Maria Cadiz-Dyball
Academic Director, Accounting Foundation
1 December 2020

Accredited by

Australian member of

A Certificate to one of the recipients of the Team Prize.

12. Other Events and Activities

R J Chambers Collection

"We think we think. But what we think is often vague, ambiguous and disconnected. Only the discipline of writing forges thoughts into serviceable shapes and systematic patterns. Writing maketh an exact man, said Bacon; but seldom, I suspect, at the first attempt. I know that "Chambers later" has frequently thought differently from "Chambers earlier"; and that "Chambers now" has often wanted to know what "Chambers then" thought, for the purpose of advancing some uncompleted business. But I kept no index. I have preferred usually to think afresh about a matter in hand, rather than run the risk of repeating my own mistakes; and that very process has revealed mistakes.
But, at last I found I needed an index of some kind......."
"An Auto-bibliography", May 1977, R J Chambers

As reported in previous Annual Reports the Accounting Foundation, the University of Sydney Business School and CPA Australia combined to create the second in the University of Sydney's Foundation Professors' series, the Sydney University Archives, and provided initial funding and other support to archive all of Chambers' collected papers and related materials, with particular attention being given initially to his private correspondence.

The Collection (USA P202) within the Sydney University Archives Unit entails both hard copy and internet accessible materials, with the latter using cutting-edge search technology. The Collection has been digitised to enable multiple accesses via the Internet at: http://chamberslibrary.econ.usyd.edu.au/

The Collection (USA P202) within the Sydney University Archives Unit entails both hard copy and internet accessible materials, with the latter using cutting-edge search technology. The Collection has been digitised to enable multiple accesses via the Internet at: http://chamberslibrary.econ.usyd.edu.au/

The Burren Street R J Chambers Library holds hard copy materials of personal papers, personal library, personal reading material and published works. It was officially opened in mid 2009. Primarily Faculty and Accounting Foundation funding allowed a librarian to be available from Monday to Friday each week until the end of 2011. In 2011 the Foundation provided dollar for dollar funding to augment specificmonies provided by the Faculty to assist in administering the R J Chambers Collection. While that funding ceased at the end of 2011, but the Collection was accessible through pro bono support from Graeme Dean. However, 2016 the Foundation supported the housing of the Library within the Chambers Business History Collection http://sydney.edu.au/business/research/chambers_business_history_collection. which allows greater visibility and accessibility.

The Accounting Foundation funded the 'digitisation' of Chambers' masterwork *Accounting Thesaurus*, which is now available online at http://setis.library.usyd.edu.au/chambers/

The Thesaurus covers '500 years of accounting' and is arranged in sections, subsections and captions, numbered for reference on a decimal system. Readers can start with a subject (or source) index, and simply click on the page number to go straight to that section of the file. It should serve as a convenient tool for anyone wanting to investigate the history of ideas in our discipline

13. Accounting Foundation Governance Statement

The Accounting Foundation recognises the importance and benefit of reviewing its adoption and alignment with governance principles and provides the following report

Principle 1 – Lay solid foundations for management and oversight
Nature of the entity
The Accounting Foundation is a part of the University of Sydney ABN 15211513464 and not separately incorporated under a state or commonwealth Act. The Foundation is required to gain prior approval for its fundraising activities from the appropriate University delegate. The Foundation's activities are not-for-profit and covered by the DGR status of the University of Sydney. The University is exempted from the requirement to hold an Authority to Fundraise and obligations upon holders of such an authority but is still required to comply with the balance of provisions of the Charitable Fundraising Act.

Roles of council and management
The Foundation operates under the authority of the Senate of the University of Sydney, as approved on 2nd August 1982 and has no powers of delegation. The Foundation conducts its affairs pursuant to the Foundation Rules and the relevant policies of the University. The Foundation had its annual fundraising plan approved and was able to meet its objectives.

Principle 2 – Structure of the council to add value
The Council of the Foundation in 2020 consisted of the members set out in section 2.

Council members were elected at the Foundation's AGM on 23rd March 2020. There is not a separate nomination committee of Council. The full Council resolves on nominations for co-opting of members to fill vacancies outside of the process of election at the AGM. There was no formal performance evaluation of the Council undertaken in the reporting period.

Principle 3 – Promote ethical and responsible decision-making
Council members have been provided with the University of Sydney Foundation Rules, Code of Conduct, Work Health & Safety policy and the External Interests policy. All these policies are available on the University's Policy Register, as are other relevant University policies regarding harassment, grievance procedures and the Delegations of Authority.

Principle 4 – Safeguard integrity in financial reporting
The annual accounts of the Foundation are prepared by the financial staff of the University, signed off by Finance Director and included in this Annual Report to the Senate. The Foundation is part of the University and therefore does not have its own audit sub-committee. While the Annual Financial Report of the University is audited by the Audit Office of NSW, the Annual Report of the Foundation has not itself been audited.

Principle 5 – Make timely and balanced disclosure
The Foundation complied with the reporting and disclosure requirements of the Senate. These include an annual budget and this Annual Report.

Members and Council have been made aware of the processes for disclosure pursuant to the Code of Conduct, External Interests policy, which include protected disclosure to the ICAC, to the Ombudsman or the Auditor General.

Principle 6 - Respect the rights of shareholders, members, staff, volunteers, clients, & other stakeholders
The Foundation Councils consist of members of the community and the University whose input is invited via the Annual General Meeting and Council meetings of the Foundation.

Under the Charitable Fundraising Act, the University may be questioned about any appeal on details of the purpose of the appeal such as the appeal target, objectives, distribution of proceeds, and the process to provide answers. The Foundation outlines those activities in this annual report. Other enquiries may have been made to other parts of the University.

Principle 7 - Recognise and manage risk

The Foundation recognises its activities within University premises or other premises require risks such as health and safety, environmental protection, privacy, trade practices, and compliance with the Charitable Fundraising Act to be considered and managed. The Foundation has managed these risks during the year by holding functions within the University subject to the University's conditions. There were no functions held externally at business premises of members of the Council.

Principle 8 – Remunerate fairly and responsibly

No member of a Council is entitled to receive any remuneration for acting in that capacity except reasonable remuneration on a basis which has first been approved in writing by the University Officer (Foundations)

Members of the Foundation Council may be reimbursed for reasonable expenses after written approval of the University Officer (Foundations). Any such instances are recorded in the minutes of the Council.

14. Financial Statements – Income Statement

The NSW Auditor General performs the Audit of Financial Statements of the University as a whole. The Auditor-General has not specifically performed procedures that ensured that the financial statements presented in our Annual Report was true and fair or in accordance with the University's accounting policies. Further, at the date the certification was signed by the Finance Director, the Audit-General had not completed the audit of the University's financial statements.

The University of Sydney Accounting Foundation

Statement of Comprehensive Income

For the year ended 31st December 2020

	Notes	31 December CY2020	31 December CY2019
INCOME			
Business and Investment Income		5,783	15,354
Realised Gain / (Loss) on Investments		53,960	9,307
Unrealised Gain / (Loss) on Investments	2	(15,911)	314,876
Investment Administration Fee		(9,852)	(7,300)
Internal and Other Income	3	121,128	19,018
Total Income		**155,108**	**351,255**
EXPENDITURE			
Salaries	4	74,777	43,512
Consumables		2,880	0
Equipment and Repairs/Maintenance		1,200	691
Services and Utilities	5	20,617	12,509
Travel, Conferences, Entertainment	6	6,350	19,518
Contributions to University areas		0	136
Consultants and Contractors	7	19,832	12,250
Student Costs and Scholarships	8	13,950	41,800
Other expenses	9	31,419	18,711
Total Expenditure		**171,025**	**149,127**
Surplus / (Deficit)		**(15,917)**	**202,128**
Accumulated Funds		3,986,104	3,783,976
Total Accumulated Funds		**3,970,187**	**3,986,104**

15. Financial Statements – Balance Sheet

The University of Sydney Accounting Foundation

Balance Sheet

For the year ended 31st December 2020

	Notes	31 December CY2020	31 December CY2019
ASSETS			
CURRENT ASSETS			
Short Term Funds		919,245	963,358
Total Current Assets		**919,245**	**963,358**
NON CURRENT ASSETS			
Medium/Long Term Investments	10	3,050,942	3,022,746
Total Non Current Assets		**3,050,942**	**3,022,746**
TOTAL ASSETS		**3,970,187**	**3,986,104**
LIABILITIES			
CURRENT LIABILITIES			
NON CURRENT LIABILITIES			
NET ASSETS		**3,970,187**	**3,986,104**
EQUITY			
Accumulated Funds	11	3,970,187	3,986,104
TOTAL EQUITY		**3,970,187**	**3,986,104**

I certify that the Income Statement and Balance Sheet of the Foundation have been prepared in accordance with the University's accounting practices and procedures. These Foundation accounts form part of The University of Sydney's financial reports.

David Oosthuizen

Digitally signed by David Oosthuizen
Date: 2021.03.23 17:14:54 +11'00'

David Oosthuizen
Finance Director | Business, Art, Law & Social Science

Date:

16. Financial Statements – Statement of Changes in Equity

The University of Sydney Accounting Foundation
Statement of Changes in Equity
For the year ended 31st December 2020

	Restricted Funds $	Reserves & Retained Earnings $	Total $
Balance as at 1st January 2019	$352,697	$3,431,278	$3,783,975
Surplus / (Deficit) for the year	$27,437	$174,692	$202,129
Balance as at 31st December 2019	**380,134**	**3,605,970**	**3,986,104**
Balance as at 1st January 2020	$380,134	$3,605,970	$3,986,104
Surplus / (Deficit) for the year	(6,659)	(9,259)	(15,917)
Balance as at 31st December 2020	**$373,476**	**$3,596,711**	**$3,970,187**

17. Notes to the Financial Statements

The University of Sydney Accounting Foundation

Notes to the Accounts

Note 1
Significant Account Policies

a) Basis of Preparation
In the opinion of Council members, The Accounting Foundation is not a reporting entity.

The financial statements of the Accounting Foundation have been drawn up as a special purpose financial report for distribution to members of the Foundation.

The financial statements have been prepared on a modified accrual accounting basis with investments classified as investments measured at fair value with change in value recognised directly in the income statement.

b) Employee Entitlements
Employee entitlements for Long Service Leave are held centrally in the University's accounts.

c) Income Tax
The University (including the Foundations) is exempt from income tax.

Note 2
Due to the timing impact of a reversal of unrealized gains to realized gains in 2020, triggered by the transfer of spending allocations and the lower returns in the overall portfolio (1.25% in 2020 comparing to 12% in 2019), 2020 financials reflect an unrealized loss.

Note 3
Internal and Other Income includes Royalty from Wiley, the publisher of the journal, Abacus, submission fees by contributing authors of Abacus, Pacioli Society membership fees and return of unused 2018 and 2019 Engaged Research research grant funds from staff's individual research accounts back to the Accounting Foundation in 2020.
In 2018 and 2019, research funding through the Engaged Research Scheme was transferred to staff's individual research accounts and offset against this account.
From 2020, this practice ceased. Instead, from 2020 the Accounting Foundation will directly incur expenses relating to research projects funded through the Engaged Research Scheme. The increase of $102,110 is accounted for as follows:

	2020	2019	Change
Abacus Royalty and Submission Fees	$72,320	$67,789	$4,531
Pacioli Society Membership Fees	$6,668	$10,813	-$4,145
Engaged Research Scheme Funding	$42,140	-$61,084	$103,224
Adjustment for erroneous charging of R L Bowra (Student) Prize in Taxation Law	$0	$1,500	-$1,500
Total	$121,128	$19,018	$102,110

Note 4
The 72% increase of salaries was primarily due to salaries of research assistants for projects funded through the 2019 and 2020 Engaged Research Schemes, (refer Note 3) and an increase in total salary of administrative staff of Abacus.

Note 5
The 65% increase of Services and Utilities was due to catering costs for the biennial R J Chambers Memorial Lecture.

Note 6
The 67% decrease in Travel, Conferences, Entertainment was due to government travel restrictions arising from the COVID-19 pandemic.
There were no visiting academics for the Discipline of Accounting Research Seminar Series.

Note 7
Consultants and Contractors include Services relating to editing for Abacus, transcription & design specialist work for research projects through the Engaged Research Scheme (refer to Note 3), and video and photography services for events like the RJ Chambers Memorial Lecture.
The 62% increase in Consultants and Contractors was mainly due to transcription work for research projects and video & photography services for the biennial RJ Chambers Memorial Lecture.

Note 8
Student Costs and Scholarships include Student Prizes, the Robert Sterling Honours Scholarship, the R J Chambers Honours Scholarships and The Accounting Foundation and University of Sydney Business School (USBS) HDR Scholarship.
The R J Chambers Honours Scholarships are equally funded by the Discipline of Accounting and the Accounting Foundation.
The 67% decrease in Student Costs and Scholarships is mainly due to the Discipline of Accounting reimbursing the Accounting Foundation for its 50% share of the 2019 and 2020 RJ Chambers Honours Scholarships. The Accounting Foundation and USBS HDR Scholarship was not awarded in 2020.

Note 9
The 68% increase in Other Expenses was due to a classification error relating to editing services for Abacus of $10,950. This transaction belongs to Consultants and Contractors (refer to Note 7). This means that the cost of total editing services for Abacus also increased. This increase is explained by a 2019 transaction being paid in 2020 and an increase in cost of services provided in 2020.

Note 10
Investments are managed within the University's investment portfolio compliant with the University's Investment Policy.
(See http://sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2012/258&RendNum=0)
The Investment and Commercialisation Committee of the Senate of The University of Sydney provides oversight.
An additional $1 million has been invested in the Long Term Fund in 2016 upon approval by the Council in June 2015.

Notes to the Accounts (continued)

Note 11

EQUITY	2020 $	2019 $
Reserves & Retained Earnings as at 31 December	3,596,711	3,605,970
Restricted Funds as at 31 December	373,476	380,134
TOTAL EQUITY	3,970,187	3,986,104

Restricted Fund - RJ Sterling Honours Scholarship	2020 $	2019 $
Opening balance as at 1 December	380,133	352,697
Changes in Growth Pool		
Dividend/Interest Income	8,785	5,604
Fees and charges	(1,274)	(1,214)
Scholarship	(10,000)	(10,000)
Changes in fair value	(4,167)	33,047
Closing balance as at 31 December	373,476	380,134

Discipline of Accounting
The University of Sydney Business School

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