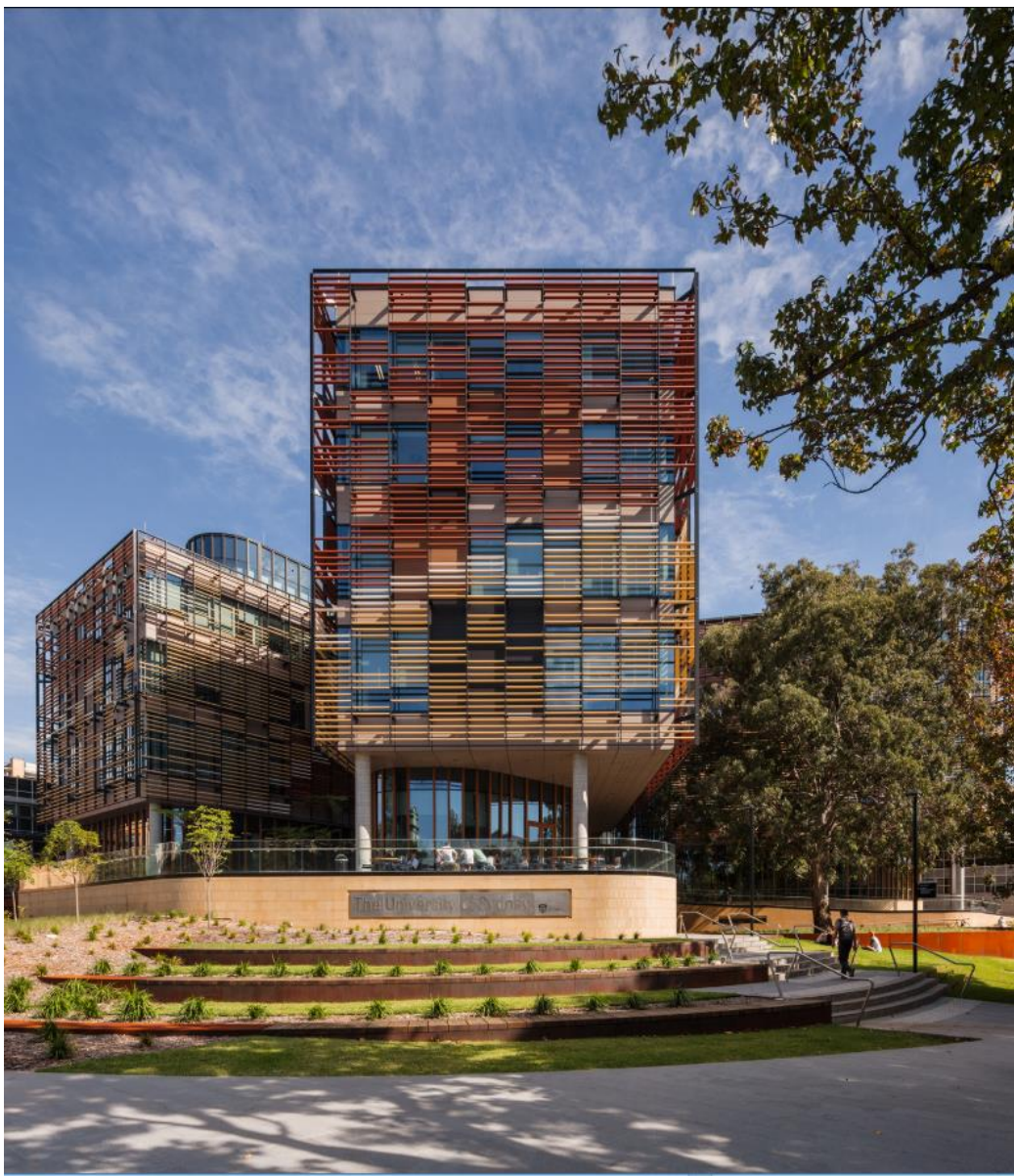




THE UNIVERSITY OF
SYDNEY

Accounting Foundation

Annual Report 2018



Accounting Foundation Annual Report 2018

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1. Accounting Foundation

On 2 August, 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. A new Foundations Policy and Foundations Procedures 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 to assist the Senate and the Vice-Chancellor in promoting the objects of the University in relation to the fields of accounting and finance in both Australia and internationally, through the University of Sydney Business School, and in particular to:

- a) promote excellence in the fields of accounting and finance;
- b) work in close co-operation with industry, commerce, the public sector and the accounting profession bringing together the co-ordinated skills of the various branches of accounting and financial management disciplines;
- c) assist in bringing to the Discipline as “Visiting Fellows” stimulating persons of outstanding achievement in order that they may influence practice and research in accounting and financial management in Australia;
- d) arrange a series of lectures to be known as the ‘R J Chambers Memorial Research Lectures in Accounting’;
- e) provide an organisation and a mechanism to assist accountants from the University to work in practice and vice versa, to enable a widening of experience and skills by both parties to assist, where appropriate, accountants from Australia to study a particular problem abroad;
- f) provide scholarships to be known as the ‘R J Chambers Research Scholarships’ where appropriate to assist candidates enrolled for a degree majoring in accounting and financial management in the University;
- g) foster interdisciplinary collaboration with cognate disciplines in the University of Sydney Business School;
- h) promote and foster relationships with alumni of the University of Sydney Business School;
- i) promote and foster relationships with external organisations and regulatory authorities which have an interest in accounting and financial management;
- j) contribute to public discussion and debate on matters of public policy in the field of accounting and financial management;
- k) publish works of past members of the Discipline of Accounting;
- l) sponsor research, publications and activities in the Discipline of Accounting; and
- m) do all things as are incidental to or conducive to the attainment of the above.

2. Council of the Accounting Foundation during the year ending 31 December 2018

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 BULL BEc FCA CISA

Paul is a senior audit and assurance partner at BDO East Coast Partnership (formerly PKF East Coast Practice). He has been a partner of BDO and antecedent firms since 1988. He is past member of the PKF International board, Chairman of the PKF Asia Pacific firms, PKF Australia Chairman and Managing Partner of the PKF Sydney practice. He was also a member of the Accounting Practices Group (the forerunner to the Urgent Issues Group) reviewing accounting and reporting practices in Australia.

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 is an Associate Editor of Abacus and a 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.

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.

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.

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 2018. Council members and other attendees were:

Council members			Meetings held while a member	Meetings attended
Mr	Paul	Brunner	5	5
Mr	Paul	Bull	5	4
Professor	Stewart	Jones	5	5
Mr	Martin	McGrath	5	5
Ms	Renay	Robinson	5	4
Professor	Gregory	Whitwell	5	2
Assoc Prof	Maria	Cadiz Dyball	5	5
Ms	Melissa	Bonevska	5	1

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 during the year ending 31 December 2018 are:

Council members		
Mr	Paul	Brunner
Mr	Paul	Bull
Professor	Stewart	Jones
Mr	Martin	McGrath
Ms	Renay	Robinson
Professor	Gregory	Whitwell
Ms	Melissa	Bonevska
Assoc Professor	Maria	Cadiz Dyball

3. President's Report

It is my privilege to have been the 2018 President of the Accounting Foundation. It has been an active and vibrant year with a program of activities that included the RJ Chambers Memorial Research Lecture, a top-class series of speakers for the Pacioli Society dinner lectures, and sponsorship of the IAAER World Congress which was hosted in Sydney.

The Chambers' Lecture was delivered by Professor Ann Tarca an Australian academic and current IASB Member. Professor Tarca was much sought after during her visit for insights on research questions relevant to standard setting and corporate reporting. With over 150 attendees from academia and industry this was the key note event for the Foundation and I am indebted to the Academic Director and the Business School for supporting the event.

We continue to explore the implications of megatrends like automation, block chain, big data and other new technology. How should academics and students prepare for them? How will they impact future careers? What investments in leadership, course subjects and technology are needed to thrive on the opportunities they will present? Responding to these challenges, in 2018 the Foundation awarded two grants under the Engaged Research Scheme with the goal of sponsoring research that will create insights that can be applied to a specific challenge faced by society. One topic is concerned with big data analytics and its implications for managerial control and the other award is focused on the implications of block chain technology and the accounting profession. We also awarded a Student Prize which is seeking to promote excellence in accounting by recognising students with forward-looking and innovative ideas on assurance.

The financial position of the Accounting Foundation continues to be sound with net assets of \$3.8m, which are invested in the University's short and long-term investment portfolio. Income and unrealised gains from the portfolio, together with royalty income from the ABACUS journal, and Pacioli Society fees, was more than adequate to fund the Foundation's expanded activities, while generating a net surplus of \$82.5k for the 2018 financial year. The expanded activities included the two Engaged Research Grants of \$34k and sponsorship of the IAAER World Congress in the amount of \$20.6k. There is financial capacity to do more in 2019 and in future years.

On behalf of members of the Pacioli Society and my fellow Council members, I would like to express my sincere appreciation to Associate Professor Maria Cadiz Dyball for her excellent leadership as Academic Director in driving forward the Foundation's program of initiatives and activities.

Paul Brunner
President 2018

4. Academic Director's Report

The University of Sydney Accounting Foundation continues to address an objective to promote research, education and scholarship in accounting and finance through the University of Sydney Business School.

The enactment of this objective is evident in its long-standing activities. In 2018, we hosted Pacioli Society Lecture meetings and R J Chambers Memorial Research Lecture, serving as forum for academe and industry to come together to thoughtfully and robustly engage in contemporary accounting issues. We continue to support the international research journal, *Abacus*, which is testament to its commitment to academic research and scholarship. We awarded research scholarships, R J Chambers and Robert R Sterling, and, PhD Top-up, to demonstrate the Foundation's position as helping develop accounting scholars. The Discipline of Accounting Research Seminars are a valued activity to support as they allow eminent scholars from Australia and overseas to present their research papers. The Accounting Foundation has had an active 2018 with its hosting and support of these activities.

Focused on identifying ways to further promote research and education, 2018 also saw the launch of two initiatives: The Engaged Research Scheme and the Accounting Foundation Student Prizes. 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. In 2018 we funded two 18-month cross discipline and institution projects on Big-Data Analytics, and, Blockchain. We also awarded Student Prizes in ACCT6007 Contemporary Issues in Auditing to promote excellence in accounting by recognizing students with forward-looking and innovative ideas on assurance. It was a busy, exciting second year in my tenure as Academic Director.

The Foundation's profile and reach are attributable to the support of valued people. The Head of the Discipline of Accounting, Professor Stewart Jones included the activities of the Accounting Foundation in the 2018 Strategy Day and semester meetings of staff of the Discipline of Accounting. This explicitly signals the Foundation's role as linked to the Discipline's research, education and scholarship. The Foundation's continued pursuit of ways to enact its objectives is attributable also to the unflagging support of its Council, led by its President, Paul Brunner, who has been accessible and generous with his time, ideas and encouragement. The Dean Professor Greg Whitwell is a valued adviser and supporter of the Foundation. The Council as a team, keenly works with the Discipline and Business School on the strategy 'Business Not as Usual' to align and refresh the activities of the Foundation. I am extremely grateful and fortunate to have the support and encouragement of the Council.

I would also like to acknowledge the professional and collegial support of Nichole Orth who has provided efficient assistance with the activities of the Foundation.

Associate Professor Maria Cadiz Dyball
Academic Director for 2018

5. Engaged Research Scheme

The Engaged Research Scheme of the Accounting Foundation helps realize 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 an external partner (business, community, or government).

Launched in 2018, the Scheme provides funds over an 18-month period for multidisciplinary, cross-faculty and cross-institution collaborative projects to assist accounting staff to commence or continue with engaged research projects.

2018 Projects

A field study of innovating with big data analytics.	
Researchers:	Professor Wai Fong Chua, Professor Chris Chapman (University of Bristol), Associate Professor Catherine Hardy (Discipline of Business Information Systems, University of Sydney Business School)
Period:	15 July 2018 to 15 January 2020
Funding:	\$17,503
<p>The Transformative effects of Big Data Analytics are widely reported. Yet, we know little about how analytics are developed and become influential as forms of management control. This project will document the design and deployment of new analytics in a large organization operating in a highly competitive environment. Key questions will centre on how new data, analytical tools and accountabilities are materialized as socio-technical forms; how innovation networks are built and resistance overcome. The project will help us to better understand both the potential and the challenges offered by analytics and the role of diverse professionals in their manufacture.</p>	

Blockchain technology and the accounting profession: An exploratory study.	
Researchers:	Associate Professor Ravi Seethamraju and Associate Professor Maria Cadiz Dyball
Period:	15 July 2018 to 15 January 2020
Funding:	\$17,503
<p>The Institute of Chartered Accountants of England and Wales claims that blockchain technology is fundamentally an accounting technology. This project will examine this claim by exploring the views of technology and accounting professionals on the new opportunities and risks created by blockchain technology for the practice of accounting. It will canvass 1) the blockchain's impact on business processes, and, the delivery of assurance services, and 2), the implications for accounting professional development and education. It will provide valuable insights that will inform how the accounting profession could best equip its current and aspiring members to this disruptive technology.</p>	

6. 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.

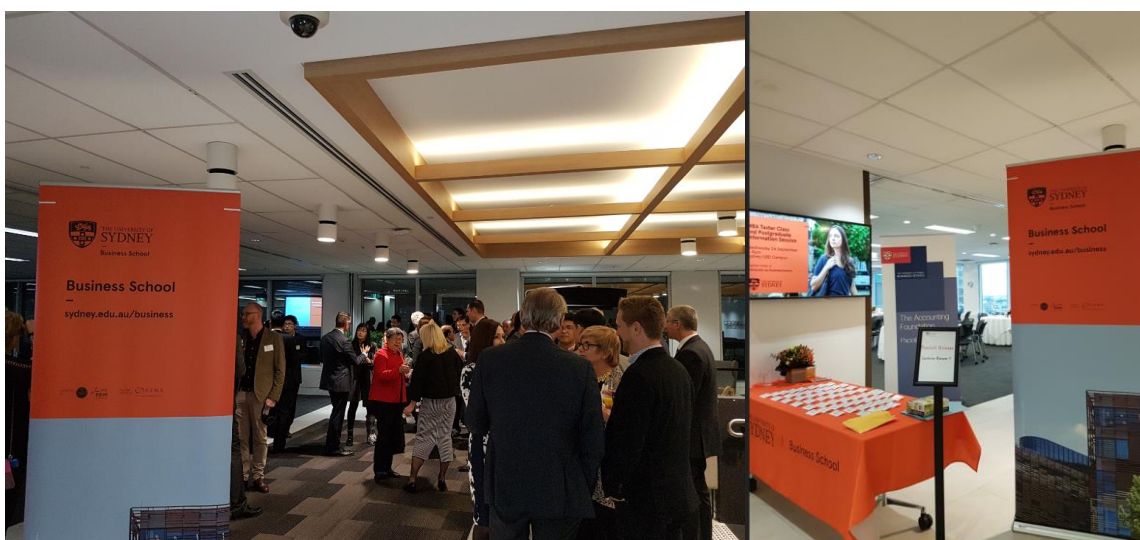
A number of meetings are held each year. Attendees are given opportunities to ask questions and to voice their own opinions about the topic.

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

The Pacioli Society held three successful meetings during 2018, on a range of interesting topics.

Pacioli Dinner Series

Date	Speaker	Topic
22 nd March	Professor Matthew Hall Monash University	<i>Measuring the social impact and performance of organisations.</i>
14 th June	Associate Professor David Chaikin The University of Sydney	<i>Whistleblowing from Panama to Paradise - What it means for Australia?</i>
5 th September	Dr Judith MacCormick BoardFocus	<i>On the Spotlight – the role of Boards in Governance.</i>



Pacioli Dinner Lecture.

7. RJ 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 2018 the RJ Chambers Memorial Research Lecture was delivered by Professor Ann Tarca, IASB Member, on the topic of 'The International Accounting Standards Board: Reputation, Legitimacy and Happy Families'. Following the lecture, Professor Sue Newberry, from The University of Sydney provided commentary.



The event was held at the Great Hall, the University of Sydney, and was attended by approximately 150 accounting and business academics, as well as industry practitioners.

8. Accounting Foundation Research Seminars

In 2018 the Foundation supported the following research seminars in the Discipline of Accounting.

31st October	
Speaker:	Professor Kari Lukka
Affiliation:	University of Turku, Finland
Title:	Safeguarding the unknown? Quality of research in the performance measurement era at universities
10th October	
Speaker:	Dr Eagle Zhang
Affiliation:	The University Sydney
Title:	Rethinking Socialism in China: Government Accounting Reform and the Role of Ideology
12th September	
Speaker:	Dr Andrew Jackson
Affiliation:	University of New South Wales
Title:	Co-movements and the Informativeness of Earnings
29th August	
Speaker:	Professor Jan Mouritsen
Affiliation:	Copenhagen Business School, Denmark
Title:	Risk and performance in tension: Framings, overflows and the effects of complete measures in buyer/supplier relations
15th August	
Speaker:	Professor Neil Fargher
Affiliation:	Australian National University
Title:	Benefits and costs of the Enhanced Auditor's Report: Evidence from Australia
1st August	
Speaker:	Professor Charles Hsu
Affiliation:	Hong Kong University of Science and Technology
Title:	Power to the Small Investor: The Role of Social Media in Corporate Governance
25th July	
Speaker:	Professor Wayne Guay
Affiliation:	University of Pennsylvania
Title:	The Role of Executive Cash Bonuses in Providing Individual and Team Incentives
30th May	
Speaker:	Professor Naomi Soderstrom
Affiliation:	The University of Melbourne
Title:	Effect of CSR Information Presentation Order on Stakeholder Decision-Making
Speaker: Dr Erica Heather Coslor	
Affiliation: The University of Melbourne	
Title: Indexical Judgment: The Construction of Valuation Devices for Art and Antiques	
2nd May	
Speaker:	Dr Deren Xie
Affiliation:	Tsinghua University
Title:	Share pledging by controlling shareholders and accounting manipulations

18th April	
Speaker:	Dr Jort ten Berg
Affiliation:	University of Amsterdam
Title:	Institutionalization and professionalization of risk management: A case study o of the riskwork of medical professionals in a Dutch healthcare organization
4th April	
Speaker:	Dr Peter M. Clarkson
Affiliation:	University of Queensland
Title:	A Textual Analysis of U.S. Corporate Social Responsibility Reports
7th March 2018	
Speaker:	Dr Christian Huber
Affiliation:	Helmut Schmidt University
Title:	Quantifying the 'in-between' of prisons using indicators: The tension between security and resocialization through the lens of liminality

9. Abacus



The journal *Abacus* is the flagship asset of the Accounting Foundation. It was launched in 1965 by the Sydney University Press with Professor R J 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 Ray Chambers, Murray Wells, Frank Clarke and Graeme Dean. Topic editors were appointed early in 2010 and Graeme Dean joined Murray Wells and Frank Clarke as a Consulting Editor.

The latest information available shows that in 2017 the *Abacus* Impact Factor was 0.609, ranking the journal 83 of 102 in the Business, Finance subject category. The total number of *Abacus* article downloads shows a steady trend, 115,949 in 2016, 126,748 in 2017 and 116,496 in 2018. Current *Abacus* content was available in 5,534 institutions, and is now available in 7,939 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 2018 is set out below:

Issue and Author	Title
March 2018 Volume 54, Issue 1	
Kun Tracy Wang and Greg Shailer	Does Ownership Identity Matter? A Meta-analysis of Research on Firm Financial Performance in Relation to Government versus Private Ownership. (pages 1-35)
Martin E. Persson and Christopher J. Napier	R. J. Chambers on <i>Securities and Obscurities</i> : Making a Case for the Reform of the Law of Company Accounts in the 1970s (pages 36-65)
Mary E. Barth	The Future of Financial Reporting: Insights from Research (pages 66-78)
Charlie X. Cai, Robert Faff and Yongcheol Shin	Noise Momentum Around the World (pages 79-104)
Pengguo Wang	Future Realized Return, Firm-specific Risk and the Implied Expected Return (pages 105-132)
June 2018 Volume 54 Issue 2 Special Issue : Special Issue on Earnings Management	
Stewart Jones	Special Issue on Earnings Management (pages 133-135)
Andrew B. Jackson	Discretionary Accruals: Earnings Management ... or Not? (pages 136-153)
Demetris Christodoulou, Le Ma and Andrey Vasnev	Inference-in-residuals as an Estimation Method for Earnings Management (pages 154-180)
Jenny Zha Giedt	Modelling Receivables and Deferred Revenues to Detect Revenue Management (pages 181–209)
Francesco Capalbo, Alex Frino, Ming Ying Lim, Vito Mollica and Riccardo Palumbo	The Impact of CEO Narcissism on Earnings Management (pages 210–226)
Maureen F. McNichols and Stephen R. Stubben	Research Design Issues in Studies Using Discretionary Accruals (pages 227-246)

September 2018 Volume 54 Issue 3	
Corrine Cortese and Clair Wright	Developing a Community of Practice: Michael Gaffiken and Critical Accounting Research (pages 247–276)
Ru Gao and Baljit K. Sidhu	The Impact of Mandatory International Financial Reporting Standards Adoption on Investment Efficiency: Standards, Enforcement, and Reporting Incentives (pages 277–318)
Adam Esplin, Karim Jamal and Shyam Sunder	Demand for and Assessment of Audit Quality in Private Companies (pages 319–352)
Carlin Dowling, W. Robert Knechel and Robyn Moroney	Public Oversight of Audit Firms: The Slippery Slope of Enforcing Regulation (pages 353-380)
Luc Paugam, Jean-Francois Casta and Herve Stolowy	Non-additivity in Accounting Valuation: Theory and Applications (pages 381-416)
December 2018 Volume 54, Issue 4	
Christian Andres, Andre Betzer, Markus Doumet, Erik Theissen	Open Market Share Repurchases in Germany: A Conditional Event Study Approach (pages 417-444)
Ali Attaullah, Andrew Vivian, Bin Xu	Optimistic Disclosure Tone and Conservative Debt Policy (pages 445-484)
Adi Masli, Matthew G. Sherwood and Rajendra P. Srivastava	Attributes and Structure of an Effective Board of Directors: A Theoretical Investigation (pages 485-523)
Jae H. Kim, Kamran Ahmed and Phillip Inyeob Ji	Significance Testing in Accounting Research : A Critical Evaluation Based on Evidence (pages 524-546)
Inder K. Khurana, William J. Moser and K.K Raman	Tax Avoidance, Managerial Ability, and Investment Efficiency (pages 547-575)
Jianlei Han, Jing He, Zheyao Pan and Jing Shi	Twenty Years of Accounting and Finance Research on the Chinese Capital Market (pages 576-599)

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 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 will be a maximum of two top-up scholarships at any one time.

In 2015 the first of these top up scholarships was awarded to Mr Shawn Ho. No further scholarships were awarded in this category since 2016.



Honours Scholarships

R J Chambers Scholarships

During 2018 the Foundation and the Discipline of Accounting funded four 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
Mingyan PENG	Brokerage CEO Characteristics and Sell-side Analyst Performance	Dr Tina Huynh Dr Ava Wu	\$5,000
Qi XIA	NGO Annual Reports as Rhetoric	Professor Wai Fong Chua Dr Roel Boomsma	\$10,000
Liangliang ZHOU	Are Short Selling Risk Disclosures Substantial or Meaningless? Evidence from the United States	Dr Jap Efendi Dr Timothy Wang	\$10,000

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 2018.

Yueying YUAN

Project Title: Why do firms provide different levels of segment profit disclosure?

Supervisors: Dr Neal Arthur and Dr Kaiying Ji

11. Student Prizes

The Accounting Foundation Student Prize was launched this year, 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. The Student Prize awards students who meritoriously recognized the new world of work that awaits them. These students had insightful analyses and ideas on how accounting practices could change or how accounting as the language of business facilitates or not the 'messy' and 'wicked' contemporary problems of industry, government or the community.

In 2018, the Accounting Foundation conferred prizes for students enrolled in ACCT6007 Contemporary Issues in Auditing for best presentations.

Topic for Semester 1: "The current audit is valuable but needs to change."

1. Marianne Ng
2. Miranda (Yining) Chen
3. Joe (Ye) Ruan



Marianne Ng

Miranda (Yining) Chen

Joe (Ye) Ruan

Presentation of the Awards: Maria Cadiz-Dyball – Academic Director
Robert Morley – ACCT6007 Unit of Study Co-ordinator

Topic for Semester 2: "New technologies adopted by audit firms and the challenges in their implementation."

1. Maximilian Birch
2. Natasha Shah
3. Julia Chan

The prize-winning students received \$500, \$300 and \$200 cash prizes, respectively, and certificates of achievement.

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 specific monies 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 2018 consisted of the members set out in section 2.

Council members were elected at the Foundation's AGM on 15th March 2018. 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 and externally at business premises of members of the Council subject to the conditions of the Firms whose representatives are members.

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 2018

	Notes	2018 \$	2017 \$
INCOME			
Scholarships, Donations and Bequests			-
Business and Investment Income		19,823	20,710
Realised Gain / (Loss) on Investments	2	7,592	15,071
Unrealised Gain / (Loss) on Investments		205,840	204,047
Investment Administration Fee		-5,588	(4,740)
Internal and Other Income	3	22,864	82,407
Total Income		250,531	317,495
EXPENDITURE			
Salaries	4	41,820	30,459
Consumables			34
Services and Utilities		18,474	10,986
Travel, Conferences, Entertainment		30,419	26,073
Contributions to University areas		77	211
Consultants and Contractors	5	17,250	
Student Costs and Scholarships	6	39,006	21,449
Other expenses	5	20,959	61,047
Total Expenditure		168,005	150,259
Surplus / (Deficit)		82,526	167,237
Accumulated Funds		3,706,270	3,539,033
Accumulated Funds Adjustments			
Total Accumulated Funds		3,788,796	3,706,270

15. Financial Statements – Balance Sheet

The University of Sydney Accounting Foundation

Balance Sheet as at 31st December 2018

	Notes	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Short Term Funds		1,069,278	1,181,396
Total Current Assets		1,069,278	1,181,396
NON CURRENT ASSETS			
Medium/Long Term Investments	7	2,719,518	2,524,874
Total Non Current Assets		2,719,518	2,524,874
TOTAL ASSETS		3,788,796	3,706,270
NET ASSETS		3,788,796	3,706,270
EQUITY			
Accumulated Funds	8	3,788,796	3,706,270
TOTAL EQUITY		3,788,796	3,706,270

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: 2019.03.25
13:41:30 +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 2018

	Reserves	Restricted Funds	Retained Surplus	Total
	\$	\$	\$	\$
Balance as at 1 st January 2017	554,230	320,210	2,664,592	3,539,033
Surplus / (Deficit) for the year	181,488	17,150	(31,402)	167,237
Balance as at 31st December 2017	735,719	337,360	2,633,191	3,706,270
Balance as at 1 st January 2018	735,719	337,360	2,633,191	3,706,270
Surplus / (Deficit) for the year	186,052	15,337	(118,863)	82,526
Balance as at 31st December 2018	921,771	352,698	2,514,328	3,788,796

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

The decrease in Realised Gain on Investment is mainly due to a change in the interest distribution methodology associated with long term investment fund from 2018, interest earning will no longer be automatically distributed, rather it is kept in the fund pool for reinvestment purpose.

Note 3

Internal and Other Income includes Royalty from Wiley, publisher of the journal, Abacus, submission fees by contributing authors to Abacus and Pacioli Society Membership Fees. The decrease of \$59,543 from 2017 is accounted for as follows:

Funding of two Engaged Research Scheme projects	\$	34,205
Platinum sponsorship of the International Association for Accounting Education and Research (IAAER) World Congress	\$	20,600
Decline in Abacus Royalty and Submission Fees	\$	8,861
Increase in Pacioli Society Membership Fees	-\$	4,123
Decrease	\$	59,543

Note 4

The increase in Casual Salary Costs in 2018 is attributable to a 30% increase in professional support for Abacus and 70% increase in professional support for the Academic Director relating to Pacioli Society Lecture Dinners, the RJ Chambers Memorial Lecture and other new initiatives including the Engaged Research Scheme and the Student Prize.

Note 5

The Consultant and Contractors cost incurred in 2018 was mainly due to reclassification of expenses associated with Abacus editorial and publication. In 2017, the expense has been reported as Other Expenses (\$47,891). The change is mainly due to the effect of the University's Workforce Engagement Policy where service provider who is an individual, is deemed contractor or consultant. Overall, there is a reduction of Abacus editing and publication cost in 2018 compared to 2017.

Note 6

Student Costs and Scholarships includes Student Prizes, PhD Top Up Scholarship, the Robert Sterling Honours Scholarship and the RJ Chambers Honours Scholarship. The RJ Chambers Honours Scholarships is equally funded by the Accounting Foundation and the Discipline of Accounting. The 2017 amount is lower because the Accounting Foundation was reimbursed of the Discipline of Accounting's 2016 share of the RJ Chambers Honours Scholarships.

Note 7

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.

Note 8

	2018	2017
EQUITY	\$	\$
Revaluation Reserves	921,771	735,719
Restrictive Funds	352,698	337,360
Accumulated Funds in Operations	2,514,328	2,633,191
Prior Year Adjustment		
TOTAL EQUITY	3,788,796	3,706,270

	2018	2017
Revaluation reserves	\$	\$
Opening Balance	735,718	554,230
Changes in Investment value	186,052	181,488
Closing balance	921,770	735,718

	2018	2017
Restrictive Fund - RJ Sterling Honours Scholarship	\$	\$
Opening Balance	337,360	320,210
Divided/Interest Income	6,722	5,720
Fees and charges	(1,173)	(1,129)
Scholarship	(10,000)	(10,000)
Changes in fair value	19,789	22,559
Closing balance	352,698	337,360

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Produced by The Accounting Foundation, the University of Sydney, March 2018. The University reserves the right to make alterations to any information contained within this publication without notice.

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