

Minutes of the 2015 Conference and Annual General Meeting of Professors of Accounting and Finance (CPAF)

Held at the Conference Centre, University of Birmingham
Monday/Tuesday 7th/8th September 2015

Attending the conference were:

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Ian Tonks (Chair) opened the conference by welcoming all the delegates and the speakers, and introduced the first session.

“Changing nature of accountancy student recruitment”

Clare Power (Head of Student Recruitment, ICAEW)

Richard Irwin (Head of Student Recruitment, PwC)

Clare and Richard discussed the current trends in their recruitment process including acceptance of school leavers and the higher apprenticeship scheme. Lower level activities are now outsourced and so the focus during recruitment is on identifying higher level skills such as leadership, business acumen, global awareness, relationships on top of technical capability. Business studies and accounting students often do not perform well in displaying these qualities. The majority of students are still attracted to London which has around 47% of the vacancies but this leads to unfulfilled vacancies outside of London such as in Milton Keynes.

It was noted that PriceWaterhouseCoopers and Ernest and Young have dropped their UCAS requirements.

Annual General Meeting

2014 minutes

Mike Adams name was missing from the 2014 minutes but he attended the conference. Lynn Hodgkinson gave her apologies for the error.

Laura Spira proposed that minutes be accepted and Mike Page seconded the proposal.

Matters arising

Alan Goodacre asked about the 2012 Research Register which has been removed from the BAFA website. It was reported from Lisa Jack and John Cullen that this will be added back. The future of the Research Register has not yet been decided.

The formal aspects of the meeting saw

- i) the minutes of the AGM for the previous year were agreed
- ii) the election of officers and executive committee members for the forthcoming year.
- iii) report from the Chair
- iv) the accounts for the year to December 2014 approved

Committee

The following executive committee for the year 2015/16 was approved

Ian Tonks – Chair (year 3 of 3)
Lynn Hodgkinson – Vice-Chair (year 2 of 2)
Jan Bebbington – Secretary/treasurer (year 2 of 2)
John Cullen – ex officio (President of BAFA)
Richard Jackson – ex officio (General Secretary of BAFA)
Gillian Holmes – co-opted (Chair of CDAF)
Vacancy (elected member year 1 of 2)
James Steeley (elected member year 2 of 2)
Lisa Jack (elected member year 2 of 2)

Gloria Agyemang and agreed to stand for the vacancy and was nominated by James Steeley and seconded by Jane Broadbent.

Lisa will be the new President of BAFA during 2016 and will then become a member of the executive in that capacity. It was agreed that a member should be co-opted for 2015/16 and become an elected member when Lisa becomes the President.

Report from CPAF Chair

Metrics for future REFs

Ian submitted a letter to HEFCE during the year, concerning the use of metrics in research assessment and subsequently was invited to attend a consultation session

organised by the working party reviewing the future of metrics (The Wilsdon Review). The working party had produced a final report in June 2015, and the main outcome from this report is that peer review is likely to remain the main focus of the next research exercise and metrics will be used to a lesser or greater extent depending on discipline.

ABS Journal Lists

Summarising the discussion concerning the ABS list during last year's conference Ian has forwarded a letter to the Chair of the ABS list expressing the concerns of CPAF. John Cullen reported that once the new international journal guide is published the BAFA exec will discuss the content during the next exec meeting and respond, in part, drawing on the experiences of Lisa Jack, John Wilson and Kevin Holland. A revised version of the ABS list is expected in 2018.

Open access publishing

Open access publishing will formally start in 2016 and delegates were reminded of the importance of submitting the last draft of any paper before publication to their University Repository or the article will not be allowed for submission for the next research assessment exercise.

BAFA Impact Cases

Ian and John will discuss the possibility of putting a selection of impact cases on the BAFA website with Steven Hill, Tuesday's speaker from HEFCE.

Academy of Social Sciences

Delegates were reminded of the importance of nominating a member of the accounting and finance discipline for a fellowship. Nomination details are available on the BAFA website.

Financial report

Lynn presented the financial report for 2014.

CPAF conference 2016

Attendance at this year's conference was disappointing despite the new venue and slightly later date. Nevertheless, we decided to keep the conference in Birmingham and investigate the possibility of holding it at Aston University on the 5th and 6th September 2016. It was suggested that the CPAF minutes be forwarded to all Accounting and Finance Professors on the database as well as posting them on the website. CDAF were also asked if they could help promote CPAF. Any comments/suggestions from delegates about the conference and how to encourage attendance would be appreciated.

CPAF Areas of interest

The BAFA exec, at the exec meeting in 3 weeks time, were asked to consider key areas where CPAF could provide input.

AOB

At the 2014 conference the concern of the overload of submissions to some of the top American journals was discussed including their suggestion that consideration be given to upgrading journals in other parts of the world although nothing further has been heard.

From October it will be possible for CPAF to directly add material to the CPAF website.

Ian reported that during the year Chris Humphries had received the Distinguished Academic Award and Ron Hodges, Irvine Lapsey, Norman Strong and Dave Dugdale had received Lifetime Achievement Awards. Ian reminded delegates that the deadline for nominations for next year's awards was 18/09/15.

Sustainability survey

Chris Humphrey presented the preliminary results of the sustainability survey. The most popular descriptors, when describing accounting as an academic discipline were: Cash cow; Ageing; Under resourced; Highly profitable and Under threat/pressure although there was a general feeling that the disciplines reputation is improving. Problems with recruitment were identified but it would appear that the sector was not losing staff to the new private education providers. Large class sizes appear to be common place with over 50% of respondents reporting postgraduate class sizes in excess of 50. Around 64% of postgraduate students are Chinese. A major concern is the limited financial delegation from the centre. The study may be considered for publication in BAR.

What financial services do we need?

John Kay

John commenced his presentation by defining the possible roles for financial services in the economy, namely: payments system; wealth transfer; handling risk and capital allocation and discussed the issues in each of these areas. He then pointed out that most trading takes place between financial institutions rather than to facilitate business and that a bezel's temporary increase in aggregate wealth was illusionary and ceased when individuals became aware of the fraud. The problem is that those who hold assets tend to overvalue them and then it is not in anyone's interest to point out the fallacy.

John proposed that the solution was not more regulation but more the separation of the risk function from the other functions of financial institutions, incentives should be altered at the very top and people should acknowledge personal responsibility. He concluded by suggesting the professors in the accounting and finance discipline were partially responsible for the current state of the financial industry.

“Research Strategy: HEFCE & Research Metrics”

Steven Hill (Head of Research Policy, HEFCE)

Simon Hussain (Newcastle University Business School)

Steven Hill commenced by confirming that a number of studies will be undertaken to evaluate REF 2014 and, in particular, the role of impact and international comparisons. Looking to the future, it is unlikely that any major changes will be made to the research assessment framework and the importance of peer review continues to be stressed.

Steven then discussed the three volume report named *'The Metric Tide'*. He identified 5 features of responsible metrics, namely robustness, humility (metrics are intended to supplement peer review rather than replace it), transparency, diversity (allowing for different approaches for different disciplines) and reflexivity. There will be a 'Forum for Responsible Metrics'.

Statistical analysis suggests that metrics do not have a high correlation with REF peer review outcomes.

Simon discussed the difficulties Accounting and Finance academics have with the ABS list which are particularly pronounced when Business School heads are from different disciplines. In particular, the emphasis on 4* articles during the recruitment process is causing difficulties and Simon argued the list promotes a bias against Accounting. The

problems are caused, in part, by the diverse range of methodologies in accounting which restricts the number of potential journals to submit papers to and Simon suggested the need for improved dialogue between the qualitative and quantitative approaches. One outcome of the bias against accounting might be an increase in teaching only accounting staff. Simon also questioned how new journals can establish a good reputation especially in niche areas.

Simon then discussed HEFCE's 'The metric tide' and suggested that responsible use of metrics might be a better approach than identifying responsible metrics with more emphasis on the impact metrics are having and how they relate to reality.

"Feedback from REF Panel on REF2014"

Jane Broadbent

Ian Tonks

Jane and Ian reported back on the experiences of participating on sub-panel 19 Business and Management in REF2014. Jane reported that a paper co-authored by herself and the Chairperson of sub-panel 19 on the operations process of REF2014 was forthcoming in the British Journal of Management. Jane suggested that many institutions appear to be playing games to maximise their REF potential which could have a negative impact on the academic environment and research culture in Accounting and Finance. There was an upward grade inflation to 3* and 4* rankings in both output and environment but this may, in part, be due to the methodology adopted by HEFCE which resulted in more sharing of findings during the REF process across disciplines. Both stressed that each output was assessed on its merits and not by reference to the ABS list with a number of papers being read by more than one panel member where the panel member was unsure of the ranking. Jane presented a table which showed many differences between the ranking given by the panel and the ABS ranking of the journal. A number of delegates expressed concerns about their institutions prohibiting submission to those journals ranked lower than 3* on the ABS list. It was suggested that the panel may have been generous in assessing impact but this was likely to change next time as more experience in submitting impact cases is gained.

Delegates then discussed what might be done to improve the situation for accounting and finance but there was no agreement on whether CPAF should produce its own list as several thought this would indicate we were buying into the list culture. The production of a qualitative guide, particularly to help early career academics, could be produced indicating which journals are potentially more appropriate for different methodologies. It was also agreed that Ian would write to HEFCE expressing concerns with the ABS list.

Open Forum on any issues of concern to the membership.

Richard Macve discussed the ICAEW PhD bursaries and Ian will write to ICAEW to express our gratitude and request they continue.

The future of the Research Register is still undecided but the website is currently being improved.