Accounting Information Systems Section

American Accounting Association

2015 *Journal of Information Systems* Conference

March 26-27, 2015

Offices of the AICPA

Durham, North Carolina

Sponsored by the American Institute of CPAs and Caseware IDEA, Inc.

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Welcome to Durham!

On behalf of the AAA Accounting Information Systems Section, welcome to Durham, North Carolina and the first *JIS* Research Conference. It is our pleasure to share with you a broad array of knowledge and ideas related to information technology auditing through panels, papers, and discussions. We appreciate the generous conference support from the AICPA and Caseware IDEA, Inc. We invite you to thank these sponsors as you visit with them throughout the next two days.

In addition to the papers that will be presented, we note two panels that will take place. Thursday morning at 10:45 am, Mary Curtis from University of North Texas, will lead the panel title "IT Audit – Being Pushed and Pulled between Compliance and Value." She will be joined by panelists; Mikrish Appadu from Ernst & Young, Beth Wood the State Auditor of North Carolina, and Mark Shaw from Compliancy.com. The second panel will take place Friday morning at 10:15 am. Mary Curtis, from University of North Texas, will lead the panel "The Future of IT Audit" with panelists; Joel Pinkus from KPMG, Srinivas Shimamato from Accuratus, Donny Shimamoto from IntrapriseTechKnowlogies LLC, and Matt Pickard from the University of New Mexico.

As part of the conference, we invite you to a Thursday evening dinner sponsored by *Journal of Information Systems* editors Mary Curtis and Roger Debreceny at Nantucket Grill (5925 Farrington Rd).

Thank you for attending this conference and bringing your expertise to share with colleagues and other attendees. And an extra heartfelt thank you for submitting your papers and contributing to make this a successful conference for our section. This conference is possible through your active and engaged participation.

While we are grateful to many who helped contribute to this conference, we offer a special thanks to Amy Pawlicki, Susan Pierce, and Dorothy McQuilken from the AICPA; Stephanie Austin, *JIS* Editorial Assistant; and Jennifer Drahozal, Iowa State University graduate student. These women did a fantastic job in helping make this conference a success.

Again, welcome to Durham and the 2015 *JIS* Conference.

Diane Janvrin, Iowa State University and David A. Wood, Brigham Young University
*JIS*C2015 Editors

A Special "Thank you" To:

and

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Reviewers

We wish to thank the following reviewers for their assistance with the conference submission this year.

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AICPA Coordinator Biographies

Amy R. Pawlicki, Director, Business Reporting, Assurance & Advisory Services and XBRL, AICPA

Amy R. Pawlicki is Director – Business Reporting, Assurance & Advisory Services and XBRL for the American Institute of Certified Public Accountants (AICPA). Ms. Pawlicki staffs the AICPA Assurance Services Executive Committee, which is focused on developing guidance for assurance and related services to improve the quality, relevance and usefulness of information, and on providing thought leadership and recommendations which identify and prioritize emerging trends and market needs for assurance and related services. Ms. Pawlicki is responsible for building awareness and understanding among the AICPA membership of the eXtensible Business Reporting Language (XBRL), a language for the electronic communication of business and financial information. Ms. Pawlicki also coordinates AICPA activities related to Integrated Reporting and Sustainability, including collaboration with other organizations around the world that are dedicated to improving the quality and transparency of business reporting. Ms. Pawlicki currently serves as Chair of the World Intellectual Capital/Assets Initiative.

Dorothy McQuilken, Manager, Business Reporting, Assurance & Advisory Services, AICPA
Thursday Opening Speaker

Dorothy is a manager on the Business Reporting, Assurance & Advisory Services team for the American Institute of Certified Public Accountants (AICPA). She is the lead staff liaison to the AICPA Assurance Services Executive Committee's (ASEC) Emerging Assurance Technology task force. This task force is responsible for developing a conceptual framework and guidance to capitalize on emerging technologies affecting the business information supply chain, covering both internal and external reporting.

AICPA Coordinator Biographies

Susan Pierce, Senior Technical Manager, Information Management and Technology Assurance, AICPA
Thursday Opening Speaker

Susan leads the AICPA Information Management and Technology Assurance Team which is responsible for a 4,000 membership group including IMTA section members as well as CITP credential holders. The IMTA team collaborates with industry, CPA firm leaders and the interested public to define the IMTA/CITP body of knowledge and to develop the educational resources and tools to help CPAs become Information Assurance accountants by understanding and utilizing the impact technology has on achieving business objectives. By monitoring the profession and discipline and responding to market demands with the tools necessary to help CPAs be successful, we have a direct impact on the profession on a daily basis.

Panelist Biographies

Karl Busch, Associate Director, Ernst & Young

Karl Busch is an Associate Director at E&Y's Cleveland development team, working on technology aspects of E&Y's assurance services line. Importantly, he is a member of the AICPA's assurance services committee (ASEC). Mark is a local North Carolina consultant and solutions provider.

Beth Wood, State Auditor, State of North Carolina

Beth Wood is a long-time public servant with 15 years of auditing experience. Beth served in the State Auditor's Office for more than a decade and previously served in the State Treasurer's Office. She is the first woman elected to the position of State Auditor in North Carolina.

Mark Shaw, President and co-founder, Compliancy.com, North Carolina

Mark brings over 15 years of experience as an entrepreneur having founded several companies as well as the development of new businesses within large companies.   Mark's strategic vision brought together a unique combination of experience in compliance implementations, business process workflow, and non-technical user interface development for business process solutions to develop the Compliancy solution. Mark brings extensive experience in the implementation of compliance controls, operational controls and business process automation having worked extensively with customers and accounting firms on the requirements and implementation of internal controls for regulatory compliance together with years of experience with business process management. Prior to Compliancy Software, Mark worked with Ultimus, a leader in Business Process Management solutions. Prior to Ultimus, Mr. Shaw co-founded and developed an Internet Services business unit with Nortel and led the venture funding that resulted in the unit being spun off as the highly successful NeoNova Network Services. Mark holds BS degrees in Mechanical Engineering and Electrical and Computer Engineering from North Carolina State University.

Panelist Biographies

Joel Pinkus, Program Director, KPMG Global Audit Services

Joel has more than 25 years of professional experience as a consultant to industry and government, including over 15 years of focused experience in data analytics, data forensics and audit assessment services. His main areas of focus have been in the design, development and use of automated tools to detect fraud, waste and abuse, and perform audit procedures. Joel's current role with KPMG is a research and development position in the areas of Audit Data Strategy and Innovation.

Srinivas Sarawatula, Managing Principal, Accuratus

Srinivas is the Managing Principal at Accuratus LLC, providing a range of services from audit co-sourcing to IT security advisory services. Srinivas's professional career includes almost 20 years in corporate and professional service roles across several industries including financial services, government, healthcare, technology, and power utilities. His most recent industry management role was serving as the Vice President of IT Audit at Open Solutions, Inc. a billion-dollar financial services company (now part of Fiserv) where he managed the internal audit department, acted as liaison to the federal regulators, and managed the relationship with external auditors. Previous to that, he was Senior Manager of Internal Audit at Fidelity Investments.

Donny Shimamoto, Managing Director, IntrapriseTechKnowlogies LLC

Donny Shimamoto, CPA.CITP, CGMA is the founder and managing director of IntrapriseTechKnowlogies LLC. Donny helps many organizations by bridging accounting and IT to strengthen organizational governance and risk management, improve business processes through IT, and increase the effectiveness of decision-making through business intelligence and evidence-based management.

Matt Pickard, Assistant Professor of Accounting, University of New Mexico

Matt Pickard, Ph.D. is an Assistant Professor of Accounting at the University of New Mexico. He received his Ph.D. from the University of Arizona in Management Information Systems. His research leverages embodied conversational agents (i.e., virtual humans) to maximize voluntary self-disclosure and change attitudes and behaviors. He enjoys the challenges of data analytics and the general process of turning raw data into meaningful and useful information for decision making. In his personal life, Matt is a family man and enjoys camping, woodworking, and beekeeping.

Journal of Information Systems Conference-JISC 2015

Sponsored by the American Institute of CPAs and Caseware IDEA, Inc.

Held at AICPA 220 Leigh Farm Road, Chapel Hill, NC 27517

CPE Credits will be available

Editors of JISC 2015: Diane Janvrin, Iowa State University and David A. Wood, Brigham Young University

Thursday, March 26, 2015

7:00 am - 8:00 am	**Breakfast is available at Hampton Inn & Suites and at the AICPA**
8:00 am	**Shuttle from Hampton Inn & Suites to the AICPA**
8:30 am – 9:00 am	**Welcome and Opening Remarks**
Palladian 1, First Floor, International Plaza	Rick Dull, West Virginia University. President, Accounting Information Systems Section, American Accounting Association
	Susan Pierce, Senior Technical Manager, Information Management and Technology Assurance, AICPA
	Dorothy McQuilken, Manager, Business Reporting, Assurance & Advisory Services, AICPA
9:00 am - 10:15 am **Auditing - 1.5 CH**	**Adoptions of Automated Internal Control Testing Strategies and External Auditor Perceptions of the Strength of the Internal Audit Function**
	Rina Limor, Hofstra University
	Maia Farkas, California State University – San Marcos
	Academic commentator: Margaret Christ, University of Georgia
	Professional commentator: Matt Bogusch, Deloitte
	Moderator: Diane Janvrin, Iowa State University
10:15 am – 10:45 am	**Break**
10:45 am – 12:00 pm **Auditing - 1.5 CH**	**Panel: IT Audit -- Being Pushed and Pulled between Compliance and Value**
	This panel will consider the role played by IT auditors in organizations and external auditors in both meeting external compliance requirements as well as ensuring information systems provide value for the enterprise. The panel will address the role played by the various standards and frameworks including SOCx, NIST, SOX, COSO and COBIT.
	Panel members:
	Mikrish Appadu, Ernst and Young

Beth Wood, State Auditor, State of North Carolina
Mark Shaw, Compliancy.com, North Carolina
Moderator: Mary B. Curtis, University of North Texas

12:00 pm – 1:00 pm	**Lunch**

1:00 pm – 2:15 pm
Accounting - 1.5 CH

Developing a Measure for Information Systems Control Alignment
    Alex Cram, Bentley University
    Brent Gallupe, Queens University
Academic commentator: Tina Loraas, Auburn University
Professional commentator: Michael Burch, Office of the Auditor, State of North Carolina
Moderator: Mary B. Curtis, North Texas University

2:15 pm – 2:45 pm **Break**

2:45 pm – 4:00 pm
Auditing - 1.5 CH

The Association between Information Technology Investments and Audit Risk
    Shipeng Han, University of Memphis
    Zabihollah Rezaee, University of Memphis
    Ling Xue, University of North Carolina at Greensboro
    Joseph Zhang, University of Memphis
Academic commentator: Theo Stratopoulos, University of Waterloo
Professional commentator: Kevin Martin, Martin & Associates
Moderator: Roger Debreceny, University of Hawai'i at Mānoa

4:00 pm – 5:15 pm
Auditing - 1.5 CH

Repairing Organizational Legitimacy Following IT Material Weakness: Executive Turnover, IT Expertise, and IT System Overhaul
    Jacob Z. Haislip, Binghamton University
    Adi Masli, University of Kansas
    Vernon J. Richardson, University of Arkansas
    Juan Manuel Sanchez, Texas Tech University
Academic commentator: Amanda Wilford, Southern Utah University
Professional commentator: Terry Campbell, Indiana University
Moderator: David A. Wood, Brigham Young University

6:30 pm

Dinner: Nantucket Grill, 5925 Farrington Rd, Chapel Hill, NC 27517.
el Hill: (919) 402-0077

Journal of Information Systems Conference-JISC 2015
Friday, March 27, 2015

7:00 am -8:00am	**Breakfast is available at Hampton Inn & Suites and at the AICPA**
8:00 am	**Shuttle from Hampton Inn & Suites to the AICPA**

**8:30 am - 9:45 am
Accounting - 1.5 CH**
Palladian 1, First
Floor, International
Plaza

Is There an Association Between Internal Control Findings and Measures of Information Security Effectiveness?
   Paul Steinbart, Arizona State University
   William Dilla, Iowa State University
   Graham Gal, University of Massachusetts Amherst
   Robyn Raschke, University of Nevada Las Vegas
Academic commentator: Uday Murthy, University of South Florida
Professional commentator: Donny Shimamato,
   Intraprisetechknowlogies LLC
Moderator: David A. Wood, Brigham Young University

9:15 am – 10:15 am   **Break**

**10:15 am – 11:45 am
Auditing - 1.5 CH**

Panel: The Future of IT Audit
This panel will address the future of IT audit in a world of advanced audit analytics, ubiquitous Internet-enabled devices, and cloud computing. The panel will consider new forms of internal and external assurance on information systems and supporting assurance on new modes of performance and sustainability reporting.
Panel members:
  Joel Pinkus, KPMG
  Srinivas Saraswatula, Accuratus
  Donny Shimamato, Intraprisetechknowlogies LLC
  Matt Pickard, University of New Mexico
Moderator: Mary B. Curtis, University of North Texas

11:45 am – 12:00 pm

Concluding remarks and JISC2016 Announcement
Mary B. Curtis, University of North Texas and Roger Debreceny, University of Hawaiʻi at Mānoa, Senior Editors of the *Journal of Information Systems*.
Rick Dull, West Virginia University. President, Accounting Information Systems Section, American Accounting Association

12:00 pm to 1:00 pm   **Lunch at AICPA**

Conference Registrants

Mikrish Appadu	Ernst & Young	mikrish.appadu@ey.com
Matt Bogusch	Deloitte	mbogusch@deloitte.com
Marianne Bradford	North Carolina State University	marianne_bradford@ncsu.edu
Joseph Brazel	North Carolina State University	jfbrazel@ncsu.edu
Marcus Burger	Binghamton University	mburger@binghamton.edu
Mary Burns	Montana State University	mary.burns1@montana.edu
Karl Busch	Ernst & Young	Karl.Busch@ey.com
Terry Campbell	Indiana University-Bloomington	terrcamp@indiana.edu
Margaret Christ	University of Georgia	mchrist@uga.edu
Joshua Coyne	University of Memphis	jgcoyne@memphis.edu
Alex Cram	Bentley University	wcram@bentley.edu
Mary B. Curtis	University of North Texas	mary.curtis@unt.edu
Joann David	AICPA	jdavid@aicpa.org
Roger Debreceny	University of Hawai'i at Mānoa	roger@debreceny.com
Rick Dull	West Virginia University	rbdull@mail.wvu.edu
Ann Dzuranin	Northern Illinois University	adzuranin@niu.edu
Maia Farkas	California State University, San Marcos	mfarkas@csusm.edu
Brent Gallupe	Queens University	bgallupe@business.queensu.ca
Jacob Haislip	Binghamton University	jhaislip@binghamton.edu
Diane Janvrin	Iowa State University	djanvrin@iastate.edu
Andrea Kelton	Wake Forest University	keltonas@wfu.edu
Joel Lanz	Joel Lanz, CPA, P.C.	jlanz@cpa.com
Rina Limor	Hofstra University	rina.limor@hofstra.edu
Tina Loraas	Auburn University	Loraatm@auburn.efu
Irina Malaescu	University of Central Florida	irina.malaescu@ucf.edu
Kevin Martin	Martin & Associates, PC	kevin.martin@martinandassoc.com
Adi Masli	University of Kansas	adi@ku.edu
Dorothy McQuilken	AICPA	dmcquilken@aicpa.org
Robin Pennington	North Carolina State University	robin_pennington@ncsu.edu
Matt Pickard	University of New Mexico	mpickard@unm.edu
Susan Pierce	AICPA	spierce@aicpa.org
Joel Pinkus	KPMG	jpinkus@kpmg.com
Randy Renken	IDEA Academic Partnership	randyr@audimation.com
Juan Manuel Sanchez	Texas Tech University	Juan.Manuel.sanchez@ttu.
Srinivas Saraswatula	Accuratus	saraswas@gmail.com
Donny Shimamoto	IntrapriseTechKnowlgies LLC	donny@intraprisetechknowlgies.com
Mark Shaw	Compliancy.com	mshaw@compliancy.com
Paul Steinbart	Arizona State University	Azsteinbart@yahoo.com
Theo Stratopoulos	University of Waterloo	tstratop@uwaterloo.ca

Conference Registrants

Eileen Taylor	North Carolina State University	eztaylor@ncsu.edu
Paul Warrick	AICPA	pwarrick@aicpa.org
Amanda Wilford	Southern Utah University	amandawilford@suu.edu
Beth Wood	State Auditor, State of North Carolina	Beth_Wood@ncauditor.net
David A. Wood	Brigham Young University	davidwood@byu.edu
Joseph Zhang	University of Memphis	jzhang5@memphis.edu

Future AAA Annual Meetings

August 8-12, 2015 Chicago, Illinois	**August 5-9, 2017** San Diego, California
August 6-10, 2016 New York, New York	**August 4-8, 2018** National Harbor, Maryland

Other AAA Meetings

April 16, 2015-April 18, 2015 2015 Southeast Region Meeting Asheville, North Carolina	**April 30, 2015-May 2, 2015** 2015 Western Meeting Region Coronado, California
April 23, 2015-April 25, 2015 2015 Mid-Atlantic Region Meeting Cherry Hill, New Jersey	**January 2016** 2016 Midyear Meeting and AIS New Scholar Consortium TBD
April 30, 2015-May 2, 2015 2015 Ohio Region Meeting Cleveland, Ohio	**Fall 2016** 2016 *Journal of Information Systems* Research Conference TBD