The British Accounting Association recognised Professor Bob Scapens' contribution to the discipline of Accounting on the first evening of the BAA conference which was held in York earlier this year. The presentation of the Distinguished Academic Award by Professor Trevor Hopper was made at a reception held in the National Railway Museum.

The Distinguished Academic Award is intended to be made annually to an individual who has made a substantial and direct contribution to UK academic accounting and finance life.

In presenting the award, Professor Hopper retraced elements of Professor Scapens' 35-year career which he began as an accountant. Effectively entering academia at the University of Manchester as the P.D. Leake Teaching Fellow and moving on to hold a position of Lecturer in Accounting, he contributed as a member of various boards and committees. Topping this came further service to the academic community in the capacity of Vice-President and then President of the Accountancy Society. He has also held numerous international academic visiting appointments in the US, Canada, Sweden and Ireland.

Professor Scapens' influence as a professor has meant that he has not only shaped the next generations as a supervisor of PhD candidates and as founding editor of the journal (with Michael Bromwich), but also through his extensive work as a researcher spanning an impressive array of subject material.

Throughout his presentation Professor Hopper underscored Professor Scapens' level of commitment and willingness as a participant in and contributor to those around him, both in his academic and wider community.

Bob Scapens Receives Distinguished Academic Award
The Benefits of PMS

CIMA invites research proposals on the benefits of performance measurement systems (PMS). Performance measurement is clearly an important topic for all organisations, and is currently a topic of much academic research. Recent research suggests that the benefits from performance measurement systems (PMS) lie in their integrative capacities, over time, between operating and strategic concerns, across business processes and even transcending organisational boundaries.

CIMA’s Research and Development Group has identified four priorities for research into ways of deriving the benefits of PMS:

1. the processes of performance management;
2. using PMS for planning and budgeting across organisational process/boundaries;
3. linking PMS with incentives and reward systems; and
4. measuring and accounting for intangibles in PMS.

In particular, it would like to encourage field work and case studies which demonstrate the impacts of PMS on business performance and assess the relative impacts of different approaches.

The following are some of the questions which CIMA would like to address, but others would also be considered particularly where they explore aspects of two or more of the above priorities:

- How can PMS be used effectively to manage performance across business processes, especially where they cross traditional functional boundaries?
- What is the potential of, and how can PMS be used, to manage relationships across organisational boundaries (e.g. in joint ventures, alliances and outsourcing relations) and in new organisational forms (e.g. virtual organisations, networked companies and knowledge driven companies)?
- What are the relative benefits of focussing on a single performance measure, such as EVA, compared to using a range of financial and non-financial measures as in the BSC?
- What are the linkages between PMS and other management control initiatives, such as EFQM and Six Sigma, and between PMS and developments in ERP and analytical technologies that support management processes?
- If a range of performance measures are used, how should the “balance” be managed — is this driven by cause-and-effect relationships as Kaplan and Norton claim, or by achieving coherence with corporate strategy as suggested by other researchers?
- How can cause-and-effect modelling, and related technologies and approaches, be used to enhance the benefits to be derived from PMS?
- How can performance be managed and what is the role and value of PMS where there are significant intangible assets?
- What are the potential benefits/consequences of linking PMS to reward systems, and should organisational performance targets be linked to individual and/or group-based incentives?
- Do organisational characteristics and different organisational structures affect the use and benefits of particular forms of PMS and how might PMS be used in especially dynamic and uncertain environments?
- Do cultural issues (national, local or organisational) affect the nature and role of appropriate reward systems and the benefits of using PMS?
- How can cause-and-effect modelling, and related technologies and approaches, be used to enhance the benefits to be derived from PMS?
- How can performance be managed and what is the role and value of PMS where there are significant intangible assets?

Research Opportunity

CIMA’s reputation as the leading authority on management accounting is partly built on its commitment to research. In July this year, to add to the current programme of work, we launched the latest call for research projects on the theme of the benefits of performance measurement systems (PMS).

The closing date for applications is 1 November 2004.

Applying

Applications can be obtained from the CIMA website: www.cimaglobal.com/main/about/researchdevelopment/apply/.

Please note that electronic applications are preferred. Enquiries should be directed to the CIMA Technical team on +44 208849 2275. The closing date for completed applications is 1 November 2004 and short-listed applicants will be invited to present their proposals to a CIMA review panel in December 2004.

The review panel will be chaired by Professor Robert Scapens from the Manchester Business School, UK. Confirmed panel members include Professor Andy Neely, Cranfield School of Management and Professor David Larcker, Wharton Business School, Pennsylvania.
CIMA Research Outputs Gain Greater Flexibility for RAE

As a professional membership body, the Chartered Institute of Management Accountants (CIMA) is bound by its Royal Charter “To promote and develop the Science of Cost and Management Accountancy and to foster and maintain investigations and research…”

One way in which we support this objective is through grants for research. Transformations in CIMA’s infrastructure, mainly the sale of CIMA Publishing, mean that in future outputs from funded research may no longer be published as hard copy monographs. Historically, these were often produced in a run of fairly small numbers of which few sold, with many ending their days in a warehouse. While initially, the academic research community may be surprised by this apparent radical departure from previous practice, CIMA has introduced what promises to be a more beneficial arrangement for both the research community and its members.

CIMA’s research portfolio, currently managed under the wing of the Relationships and Co-ordination team in its Technical Services department, has recently been introducing new, more flexible requirements for research project outputs. In essence these will still have the main characteristics of academic research, including articles for academic audiences in refereed journals, regular progress reports and a management report.

Other outputs prepared with the practitioner in mind will include articles designed for non-academics as the primary audience, focusing on the relevance and application of findings rather than the theoretical implications.

Ultimately, research benefits the wider community through the application of theory translated into practice. Feedback from various surveys shows that members require easily accessible best practice guidance and research findings, preferably in electronic format.

One innovation in research outputs will be the publication of executive summaries with an ISSN on the CIMA website, accessible to all. Where appropriate, these will be linked to a full report. In some instances this will be in soft copy and in others hard copy, both having ISBN numbers attributed to them. Optionally, conference papers, material suitable for roundtables, business breakfasts etc. may also be agreed as outputs.

Recent changes to the process of the Research Assessment Exercise (RAE) place greater emphasis on CIMA’s need to consider academic researchers’ interests. While the interest of its own members ranks highly for bodies such as CIMA, other stakeholders, such as employers and government and of course the RAE panels, impact on these as well.

CIMA’s internal processes were mapped and a value chain constructed for both CIMA and the ESRC, a major competitor in the field of research funding, and a comparison made to evaluate where CIMA could compete and also differentiate itself by adding value.

Although CIMA cannot compete on size of grant with the ESRC, one advantage identified by researchers is its membership listings. Access to the membership database in defined contexts, adds value to much research by providing a ready sample of people to survey. As the success of surveys depends on the quality of information extracted from the system it should be noted that along with CIMA’s imminent web site upgrade, plans for the next few years include improved capturing of member data. On the other hand, CIMA protects its members’ privacy and can only legally allow access when it is determined that the research in question is being conducted on their behalf.

This article was based on a report on the impact of the RAE on CIMA research activities prepared by Denise Metcalf, Manager, Technical Information Service, CIMA.
Managerial Judgement and Strategic Investment Decisions

Elaine Harris De Montford University, Clive Emmanuel University of Glasgow

Strategic Investment Decisions (SIDs) are arguably the most important business enterprises undertake. Novelty, complexity, irreversibility and potentially, the huge sums involved are the distinguishing features of SIDs.

Successful decisions may lead to improved long-term corporate performance, but past empirical research studies have been unable to find a simple relationship between the use of sophisticated analytical appraisal techniques and corporate performance. The involvement and exercise of managerial judgement may be an alternative reason for successful companies taking effective SIDs.

The misplaced emphasis on the analysis and evaluation stage of SIDs has long been recognised (Haynes and Solomon, 1962; Hastie, 1974; and King, 1975). Prior stages like project origination, estimates of future benefits and costs, gaining political commitment and later stages, such as top management approval and post audit review may be equally important. The interaction between these stages is open to conjecture, however, there is growing support to view this as dynamic (Oysson, 1990; and Fike et al., 1996) and involving a potentially large number of managers (Scapens et al., 1982; Berry, 1984; and Bower, 1990). How managers are involved and exercise judgement in the SID-making process seems of critical importance in determining improvements in corporate performance.

Cognitive psychology and organisational behaviour literatures adopt a distinct set of assumptions relating to decision-making in contrast to those conventionally followed under economic rationality (Bazerman, 2002; and Caplan, 1966). The need to recognise dynamic environments, to gain agreement in the face of information asymmetries has led scholars in these fields to investigate managerial judgement (Kahneman and Twibley, 1979; and Payne et al., 1993). A review of this literature suggests that heuristics, framing and consensus are potentially important in exercising managerial judgement.

The project will investigate the process of SID-making, initially by cross-sectional surveys. This will involve managers including management accountants, in a number of organisations participating in the study. Following completion of an on-line survey instrument, participants will be invited to group meetings to discuss key aspects of the research and initial survey findings. The instrument is based upon the identification of the various stages in the SID process, at which managers are consulted and how agreement is facilitated. It is designed to identify the extent, or otherwise, by which heuristics, framing and/or consensus are admitted to the process, and will provide an insight to the exercise of managerial judgement. Initial analysis of the survey data will provide evidence of different practices in applying the SID-making process. The group meetings will provide a means to verify the analysis and to probe practices more deeply. In this way, best practice may be detected and the influence of managerial judgement more clearly seen.

A sample of a sufficiently large number of UK companies, which can be classified as successful and less so, offers an opportunity to study any potential relationship. Patterns of influence may relate to industry/type of project or other variables. The research aims to enrich our understanding of how successful companies apply managerial judgement in strategic decisions. This will give CIMA members a means to benchmark SID practice.

This project began in the second quarter of 2004 and is scheduled to be completed in the first quarter of 2006.
Accounting, like any socio-technical practice, is constantly undergoing change under the influence of diverse forces. In the last few decades such changes have been perceived as becoming more rapid and more widespread.

US developments in accounting theory and practice have been identified as a key source of accounting innovation and as carrying the potential for hegemonic influence in a "globalized" world. At the same time, some accounting researchers have pointed to the persistence of distinctively national "styles" of accounting that resist homogenisation into a single accounting form. Between these two poles of "national" accounting, and "global" accounting lies the possibility of "regional" (e.g. European) accounting patterns.

The Three Traditions in European Manufacturing Accounting project, begun the third quarter of 2003, explores these issues by focusing upon the experiences and perceptions of managers in Germany, France and the UK who are intimately concerned with the production and consumption of manufacturing accounts. Individuals are placed not only in a nexus of national, global and regional forces, but also in the specific contexts of their own organisations, positions and personal experiences. Thus our research seeks to understand change in manufacturing accounting not via macro-level generalisations, but through exploration of the enactment and meaning of change at the micro-level of the organisation.

The study will analyze three manufacturing companies in each of the three countries by examining the format, content and use of accounting information. It will also draw upon the reflections of management consultants to each country. In conducting the research the UK team are working in close co-operation with German and French academic partners: Professor Albrecht Becker (University of Innsbruck) and Anne-Marie Grouin (ESSEC Business School, Paris). Drawing upon these resources, we will identify convergent and divergent tendencies, highlight innovative practices, and point to key forces promoting change.

The project, which is due for completion in July-August 2005, is still in its early stages. The initial literature review and discussion with our continental colleagues have given us the strong impression that the intellectual discourse concerning German and French internal accounting is more dominated by established theories, and less empirically grounded, than the equivalent in the UK. In particular, it seems that qualitative field studies of accounting practices within companies are a rarity in France and almost unheard of in Germany. Thus our project is already breaking new ground.

So far we have visited six companies: three in Germany, two in the UK, and one in France. The data analysis of the materials collected has only just begun and it is clearly too early to make any certain statements about similarities and differences across the three countries. However, we have some initial - properly tentative - thoughts on our German studies of "controlling" (which is the nearest German equivalent to "management accounting" in the UK). Some of the points which we have already underlined for the detailed data analysis stage are:

- the challenge of adopting IFRSs in a financial accounting context that has been traditionally driven by tax considerations
- the likelihood, expressed by German financial accountants and consultants, that this will impact on internal management reporting as integrated systems develop
- the greater significance of financial performance indicators in the management of German companies that were once perceived (by their managers) as "engineering-dominated"
- the relationship between this change of focus, the late 1990s recession in German manufacturing with increasing international competition (especially from the low-wage, cost economies of Eastern Europe and Asia), and what German managers perceive as an "internationalization" (sometimes "Americanization") of management practices and technologies in which cost reduction has become a more significant strategy/requirement.

These and other themes emerging suggest that this project will generate considerable interest. For further information and updates on the project contact Robert Luther at: Robert.Luther@uwe.ac.uk.
In recent years the science of risk management has developed substantially, and many large companies and public sector organisations have established separate risk functions employing specialist staff. The reasons behind such developments are varied but they denote an increasing consciousness of a need to actively manage risks and, in compliance with regulations on corporate governance, ensure that an effective internal control system is in operation.

The type of risks faced by different companies is to some extent dependent upon the industry sector within which they operate, but certain risks are common to all firms. For example, regulatory compliance, reputational, systems and operational risks may all be classed as generic in nature. In contrast, other categories such as a security risk, or special forms of financial risk e.g. from derivatives trading may only arise in certain types of organisations. The relative significance of different risk types thus varies widely between companies, but the need to identify, measure and monitor them is universal.

The CIMA funded research project on which I am currently working is seeking to document the variations in risk management practice amongst FTSE100 companies via the use of a small number of case studies drawn from a broad mix of industries ranging from financial services through to food retailing, and the travel industry as well as publicly funded local authorities. The project is only partially complete, but it is already yielding interesting insights into current practice, some of which are outlined below.

One of the findings that is emerging from the research is that of a growing consciousness, at Board of Director level, of the need to be pro-active in risk management and aware of the risks to which a business is exposed. The Turnbull Report may be partly responsible for this increased consciousness, because the guidance for directors requires the board to take responsibility for an annual review of the effectiveness of internal control systems and assess the extent to which significant risks have been identified, evaluated and managed.

Frequent communication of the results of risk monitoring and the state of control systems within a company is an essential part of the ongoing review process. One example of this can be seen in the practice at one major UK bank whereby the Executive Board receives a 9am daily briefing from the Head of Risk about current financial risk exposures and any relevant areas of concern. In the same way that management accountants are used to generating flash reports on particular issues, risk managers are now producing similar reports with a frequency and content that reflects the field of business within which they work.
Decision-making in respect of a company’s willingness to take on different types and levels of risk is also a matter for the Board. The company’s “risk appetite” is defined by reference to its major stakeholders, and their perceived willingness to trade risk for return, and major strategic decisions will then be reviewed by the board in terms of their impact on the overall risk profile. For example, decisions on acquisitions or mergers or the expansion of overseas operations would be analysed to see if they meet the desired risk appetite criteria.

Another interesting research finding is the diversity of approaches towards organising a structure to monitor and manage risks within a company. In the risk management literature there is much debate about a holistic approach to risk management, which recognises the interaction between different types of risk, but implementation of such an approach can be very difficult in practice. My research to date suggests some particular difficulties in the division of internal control responsibilities between the risk management and internal audit functions. Some companies operate risk management and internal audit functions that are independent of one another, with the risk management function itself being subject to an internal audit. In other cases, risk management staff work within the internal audit department, and reporting lines are set accordingly. For example, one retail bank operates its risk management function almost in parallel with internal audit, and the Head of Internal Audit is also the Head of Risk Management. In contrast, in another retail bank the internal audit function is kept distinct and headed up by a different individual, but in both cases the efficacy of the risk measurement and control systems is validated by internal audit. A third arrangement is one in which there are no designated risk management staff except within the operational sections of the business. In such cases, line managers are directly responsible for risk management and the internal audit of each operating department thus includes a risk assessment as well as an evaluation of the internal control processes.

These alternative designs for management control systems reflect different perceptions of the significance of risk and views on where the core responsibility for its management should rest. Not surprisingly, therefore, the lines of reporting also vary between companies.

Variations include the Head of Risk reporting to any one of the Head of Internal Audit, Head of the Audit Committee, or the CEO and each one of these options has slightly different implications for corporate governance.

The nature of the interface between risk managers and internal auditors is interesting, because some internal auditors feel that their role is being undermined by the introduction of a separate risk management function. On the other hand, other internal auditors like the idea of a risk management section and believe that it will lead to tighter controls. This view is based on the idea that in complex areas such as financial risk, where the design of the risk measurement models requires specialist knowledge, the division of functions maximises effectiveness by using the risk experts to model and measure the risks, and the audit experts to test the control systems. This has the effect of tightening controls because it also ensures that the risk management function is itself subject to internal audit.

One might take the view that all of this increased attention being given to risk is beneficial but unfortunately, despite Turnbull, an information gap remains because there is no requirement on directors to disclose information on their risk management systems or the effectiveness of internal controls. All that can be hoped is that better awareness serves to lower risks, but this may be a big assumption.

This project began in the third quarter of 2002 and is scheduled to conclude in the last quarter of 2004.
Accounting for New Organisational Forms

Professor Mahmoud Ezzamel, Professor Jonathan Morris and Dr Julia A Smith, Cardiff Business School

This article reports upon research sponsored by CIMA, which aimed to identify the ways in which management accounting is informed by developments in new organisational forms. Existing literature suggests that new organisational forms have emerged because of heightened business competition, globalisation and developments in information and communication technologies. These new forms are typically flatter, leaner, less hierarchical and more flexible than the traditional bureaucratic forms.

Management Accounting Issues
In terms of management accounting, we were interested in a number of relevant issues. For example, were new management accounting techniques being developed by companies with new organisational forms? On the other hand, if management accounting techniques had undergone no change in themselves, were they perhaps being used in different ways within organisations? When considering the role of supply-chain management, how important was management accounting in deciding, for example, whether to make or buy, and which outsourcing partners to use? Did it have an important role to play in managing the partnership, once established? And was it able to provide a measure of the benefits received from engaging in such a contractual arrangement?

Objectives of the Research
The main questions addressed by this research were therefore:

- To what extent was there evidence of the introduction of new organisational forms in contemporary UK business; and
- What were the consequent implications for management accounting?

The key issues we examined were:

- What was the influence of subcontracting on the organisation’s management accounting?
- How were buyer-supplier relationships managed; and
- What was the impact of changing organisational form on corporate performance?
Data Gathering and Analysis
Two methods were used to gather the data for analysis. The first was a series of in-depth face-to-face interviews, which provided a set of detailed case studies, based on meetings with designers and users of management accounting systems. These took place within the following types of establishment, which were chosen for their likely experience of organisational change: a public sector organisation, a retail franchise operation, a major UK food retailer, an engineering manufacturer, and a food manufacturer. A postal questionnaire provided a larger representative sample of responses on which more sophisticated statistical analysis was performed. These respondents were taken from the private sector, National Health Service Trusts, and Local Authorities.

Changing Organisational Forms
Our results found that evolutionary, or incremental change, had taken place, rather than revolutionary or transformational change which supports recent literature on the subject. For example, the greatest changes appear to be in public sector organisations, where 45% of NHS Trusts and one-third of local authorities had entered into some form of strategic alliance or partnership. Nearly half of our private sector organisations, meanwhile, had been subject to merger or acquisition in the previous three years. Over 40 per cent of private companies and 37 per cent of NHS Trusts reporting evidence of delayering, a prominent feature of new organisational forms. Similarly, the numbers of departments in local authorities had declined, although they had increased in NHS Trusts, perhaps reflecting the growing complexity of those operations.

New forms were therefore common, in particular in the NHS, but also in private firms and local authorities. The reasons for change were several-fold. Most important were the introduction of new senior management teams and general market conditions. Also prominent, although of less importance, were the desire to reduce staff and other fixed costs and a wish to concentrate on core activities.

The Supply Chain Function
For a number of reasons, the supply chain function has become increasingly important to large organisations in the UK. We found that outsourcing has become increasingly popular, both to the private and public sectors. This was largely relevant to non-core service contracts, such as cleaning, catering and maintenance, but also concerned computing, IT, recruitment and training. The main reasons given for this increase in outsourcing were to save money by lowering costs, and to a lesser extent, to concentrate on core activities and to increase flexibility, quality and access to specialist skills.

Changing Practice in Management Accounting
Our questionnaire survey indicated certain changes in management accounting practices, but not dramatic changes. This was, perhaps, unsurprising, given that organisational changes had been noticeable, but gradual. For the public sector, little change was obvious. The NHS Trusts, in particular, tended to use ‘tried and tested’ techniques such as cost-benefit analysis, and a similar situation prevailed in the local authorities. While non-financial measures were used in both services, they were not prominent. New cost centres tended to be the main innovations in the public sector, particularly in local authorities, where financial reporting has taken on far more prominence. Moreover, there was a relationship between the extent of outsourcing and the growth of management reporting. The NHS Trusts, for example, were more likely to make specific calculations of the cost of contractual failure on organisational performance. Further, an increase in outsourcing had led to modifications in the budgeting process, with new techniques and measurements developed in order to cope with the new requirements it imposed.

Summary
The management accounting functions in the organisations we studied, by questionnaire and by interview, had undergone a shift from having primarily a financial reporting role to one of financial analysis and reporting. The second change in function was an increase in integration of management accounting into the other mainstream business areas. This in itself was part of an observed change in organisational form vis-à-vis that of multifunctional team-based organisation. For new projects, for example, multifunctional teams had been developed to analyse the business case and see it through to implementation. The management accounting function had become integral to these teams, and was therefore involved from the earliest stage. Furthermore, it was heavily involved in both forecasting and financial analysis. Thus while many of the management accounting techniques we observed were traditional (e.g. cost-benefit analysis, net present value, payback, discounted cashflows), the broad philosophy of the function had, arguably, changed in these organisations, and it had changed quite markedly. Such a change in philosophy is reflective of changes in strategy and structure which, in turn, are responses to a heightened competitive environment for these organisations.

This research project was recently concluded.
Divisional Performance Measurement: An Examination of the Potential Explanatory Factors
Colin Drury and Hatem al Shishini, Huddersfield University

This report presents the research findings of a postal questionnaire survey relating to the application of the controllability principle and divisional performance measurement in UK companies.

The conventional wisdom of management accounting advocates that the evaluation of a manager’s performance should consist of only those factors under a manager’s control. In other words, performance measurement should be based on the application of the controllability principle.

Despite the limitations that have been identified, this study has provided many additional insights into the area of divisional performance measurement and control. In addition, the research has provided a description of current practices of divisional performance measurement in the UK.

New Research on the Private Finance Initiative (PFI), with Particular Emphasis on the NHS
Jane Broadbent, Royal Holloway, Richard Laughlin, King’s College and Dr Jas Gill, Royal Holloway

This CIMA report provides an analysis of PFI both generally and in the NHS, with clear recommendations as to how pre-decision appraisals and post-decision project evaluations are undertaken and can be improved.

All directors and senior managers in both the public and private sector, who may be involved in PFI projects will be interested in this report. It will help them to ensure the provision of public sector services by the private sector that are better value for money relative to traditional forms of public procurement of these services.

The recommendations allow managers to focus on establishing robust and more sophisticated management accounting information systems to support pre-decision appraisals and post-decision project evaluations of proposed PFI projects. In so doing, it distances itself from some of the more questionable macro fiscal arguments in support of PFI and consequent financial accounting concerns with the balance sheet treatment.

The report calls for, and offers advice on, the construction of a wider, more quantitative and qualitative, post-decision project evaluation system, which will provide the basis for periodic merit and worth evaluations of PFI over the duration of the long-term contracts.

Exploring Intellectual Capital Practice in the Irish ICT Sector
Dr. Philip O’Regan, University of Limerick, Dr. Tom Kennedy, University of Limerick, David O’Donnell, The Intellectual Capital Research Institute of Ireland, Dr. Nick Bontis, Institute for Intellectual Capital Research Inc., and Peter Cleary, University College Cork

This study of Irish SME’s in the Information and Communications Technology (ICT) sector represents an initial attempt to contour management, governance and reporting practice in relation to Intellectual Capital. It encourages CFOs and others involved at a decision-making level in the ICT sector to actively engage with the best practice activities of various pioneering ICT companies operating internationally.

Knowledge Management and its Impact on the Management Accountant
Prof. John S. Edwards, Dr. Paul M. Collier, Dr. Duncan Shaw, Aston Business School, Aston University

This study’s objective is to provide an extra dimension from which organisational knowledge could be viewed as a business asset. The researchers believe that a description of knowledge management processes and the identification of metrics that support knowledge management would also inform the practice of management accounting.
Barriers and catalysts to sound financial management systems in small sized enterprises
Stuart McChlery, Lesley Meechan, Glasgow Caledonian University and Alan D Godfrey, Paisley University

This study focuses on the form and effectiveness of management accounting within Small and Medium sized Enterprises (SMEs).

The report suggests that it should be of concern that many firms believe their accountants add no value to, and lacked an awareness of the needs of, their businesses. Such aspects may be critical to the long-term development, success and growth of small firms.

It also proposes that accountants should be more proactive in offering a wide range of support to encourage firms to take maximum advantage of the facilities provided within their computerised accounting systems.

Decision Making in Health Care: Exploring Cost Variability
Professor Deryl Northcott, The Auckland University of Technology and Professor Sue Llewellyn, University of Edinburgh.

This study aims to identify, explore and elucidate the factors that contribute to cost variability within The National Reference Cost Exercise (NRCE). This exercise imposes a requirement on all NHS Trusts to report their costs for a comprehensive range of health care activities. The research indicates that many complex and diverse factors contribute to cost variability, caused by differences in costing approaches, underlying clinical activities and information quality.

The NHS Executive acknowledges that actions taken within the NHS will be directly affected by how performance is measured. It is important, therefore, that performance measurement approaches are aligned to overall NHS goals and objectives (DoH, 1998a). The cost data assembled for the NRCE suffers from various problems of inconsistency, unreliability and incomparability. Although the NHS Executive aspires to eliminate these problems, it is not clear that they can be avoided, since the outcomes of any costing system are shaped by incorrigible issues of data capture, data quality and cost apportionment.

An important question remains as to how cost efficiency measures are to be balanced against indicators of quality and service performance as a basis for evaluating the effectiveness of health care delivery.

Better Budgeting – A New Technical Report from CIMA Technical Services / ICEAW
This CIMA and ICAEW publication entitled ‘Better Budgeting’ is based on a roundtable event held at Chartered Accountants’ Hall in London at the end of March 2004. The report aims to highlight the latest thinking on budgeting theory and practice. Its overall message is largely pragmatic:

- Budgeting systems and processes are still indispensable if more flexibly applied.
- Budgeting is now less about cost-cutting and more about contributing to value creation (compared to 20 years ago)
- Budgets have become more forward-looking, making them better linked to strategic planning.

The report is available from www.cimaglobal.com

European Accounting Association (EAA) Annual Congress 2004, 1 – 3 April, Prague
The EAA 27th Annual Congress was organised by the Faculty of Finance and Accounting and held at the University of Economics in Prague, Czech Republic. This year’s Congress attracted over 1,500 delegates from 75 countries with 623 papers presented and discussed at the Congress. Of the 623 papers, 106 were from the Management Accounting stream, far outweighing the other 18 streams. Many of the other streams were strongly linked to management accounting including accounting information systems, accounting and strategy, corporate governance, financial management, organisational and behavioural aspects and social and environmental accounting. Interestingly, the emphasis on management accounting and related disciplines has increased significantly over recent years. Along with a number of publishers and other institutes, CIMA displayed technical and research outputs.

The BAA Doctoral Colloquium which was co-sponsored by CIMA was held immediately preceding the BAA Annual Conference, at the University of York, Heslington Campus. Attendance was open to students registered for a PhD in Accounting and Finance at a UK institution. Most of the 40 attendees made presentations of their planned research and/or preliminary findings using slides and brief paper handouts. Presentation of research proposals or working papers by attendees was encouraged. Co-organiser Vivien Batey presented the results of a survey of Doctoral students in the discipline in which she examined perceived strengths and weaknesses of doctoral students’ learning environment. Overall, students felt that the colloquium was beneficial, with the single most important element being the opportunity to meet and talk with, and get feedback from, their peers and experienced faculty in the context of an academic forum of that size.

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<td>This conference addresses any area of management accounting research and practice with a key topic of 'the evolving role of the management accountant.' Email Stan Brignall, Professor of Accounting e: <a href="mailto:T.J.S.Brignall@aston.ac.uk">T.J.S.Brignall@aston.ac.uk</a></td>
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<tr>
<td>November 2004</td>
<td>AACC 1st Annual International Accounting Conference, Istanbul, Turkey</td>
<td>Istanbul, Turkey</td>
<td>Email Can Simga-Mugan e: <a href="mailto:simga@kitkent.edu.tr">simga@kitkent.edu.tr</a></td>
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<tr>
<td>7 – 11</td>
<td>16th Asian-Pacific Conference on International Accounting Issues, Seoul, Korea</td>
<td>Seoul, Korea</td>
<td>The main theme of the conference is &quot;Corporate Governance and Accountability&quot;. Email Professor Ali Peyvandi or Professor Benjamin Tai e: <a href="mailto:alip@csufresno.edu">alip@csufresno.edu</a></td>
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<tr>
<td>December 2004</td>
<td>4th Conference on New Directions in Management Accounting, Brussels, Belgium</td>
<td>Brussels, Belgium</td>
<td>Sponsoring by CIMA Plenary Speakers: Chew Chow; Rong-Ruey Duft; Jason Xiao; Alfred Wagenhofer; Salvador Carmona; Robert Spacenza; Chris Ittner Email Ms. Graziella Michelante – EIASM Conference Manager e: <a href="mailto:michelante@eiasm.be">michelante@eiasm.be</a></td>
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<tr>
<td>January 2005</td>
<td>2005 AAA Management Accounting Section Research and Case Conference Scottsdale, USA</td>
<td>Scottsdale, USA</td>
<td>The deadline for submission of papers is July 31, 2004 Email Gordon Potter e: <a href="mailto:gp6@cornell.edu">gp6@cornell.edu</a></td>
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<tr>
<td>May 2005</td>
<td>28th European Accounting Association Annual Congress, Goteburg, Sweden</td>
<td>Goteburg, Sweden</td>
<td>The deadline for submission of papers is November 15, 2004 Contact Conference Secretariat e: <a href="mailto:eaa2005@gbg.congrex.se">eaa2005@gbg.congrex.se</a></td>
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<tr>
<td>30 – June 1</td>
<td>The 7th Manufacturing Accounting Research Conference, Tampere, Finland</td>
<td>Tampere, Finland</td>
<td>The deadline for submission of papers is January 31, 2005. Plenary Speakers: Shannon W. Anderson; Bill Nixon; Hanne Norreklit Email Ms. Grazielle Michelante – EIASM Conference Manager e: <a href="mailto:michelante@eiasm.be">michelante@eiasm.be</a></td>
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<tr>
<td>September 2005</td>
<td>3rd Conference on Performance Measurement and Management Control Improving Organisations and Society, Nice, France</td>
<td>Nice, France</td>
<td>Keynote Speakers: Prof. Marc J. Epstein; Professor Jean-Francois Manzoni Email Ms. Grazielle Michelante – EIASM Conference Manager e: <a href="mailto:michelante@eiasm.be">michelante@eiasm.be</a></td>
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