

**DEPARTMENT OF ACCOUNTING AND AUDITING
STRATEGIC PLAN**



0. Introduction

The Department of Accounting and Auditing conducts research and provides teaching in the academic fields of financial accounting, auditing and management accounting in both the private and the public sector. The Department aims to be a recognised research institution that offers high-end research-based teaching, disseminates research results and serves as a nationally and internationally well-established cooperative partner. It is the overall goal of the Department to maintain and develop its position in order to be known as the most significant Danish research environment in the above three academic fields. This is to be manifested as follows:

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International publication and research cooperation

Through publication in internationally recognised journals, anthologies etc., it is the Department's goal to be acknowledged as an established research institution in the academic fields of management accounting, financial accounting and auditing. In addition, the Department wants to consolidate and develop its competence to a level that will make it a prominent and attractive cooperative partner in an international context.

National publication and communication

It is the aim of the Department to balance its international and national publication activities. Through articles, textbooks, committee memberships etc. the Department will seek to influence the academic and professional debate in Denmark by disseminating both international and Department research results in a Danish context.

Teaching

The Department is academically responsible for and offers research-based teaching in the fields of accounting and auditing at CBS. Enrolled students will receive instruction of the highest quality and relevance through the use of up-to-date and IT-supported teaching methods.



1. Research

The Department's publication strategy for research results prioritises both Danish and international publication and thus takes its starting point in the targets for increased research efforts and quality laid down in the development contract.

As regards the Danish university environment, it is observed that the Department is the largest academic environment in accounting and auditing and also the only remaining department solely devoted to those fields. This imposes certain obligations on the Department, not least towards the accounting profession, the financial sector, public authorities, legislators etc. On the other hand, it also offers obvious opportunities for the Department to make practical and measurable contributions to the manner in which the business community and legislators approach accounting and auditing.

2. Teaching

Although the Department has experienced a significant increase in the demand for its degree programmes, it must be anticipated that the demand for existing programmes will increase even further in the years to come. On top of this, the existing teaching resources do not allow the establishment of new programmes (unless existing programmes are discontinued).

The Department aims to maintain and develop the existing range of programmes. If the number of academic full-time staff develops in a positive direction, it will be possible to expand the range of

programmes offered. An obvious example of a new programme would be a new MSc (cand.merc.) programme comprising financial accounting, management accounting and marketing. At the moment, this combination is not available at CBS.

In cooperation with the Law Department, the Department is planning a restructuring of the pedagogical approaches of the MSc programme in Business Economics and Auditing in order to encourage student participation and increase learning. As part of the plan, instruction in the four main disciplines (accounting, external reporting, tax law and business law) will be conducted as a combination of joint lectures, video-recorded lectures and practice-oriented classes. Joint lectures and video-recorded lectures will be used to introduce basic concepts and other material. Practice-oriented classes will promote practice-oriented learning through solving assignments, case-based work, analysing case law etc.

Although the full-time academic staff already teach as much as they can, we

acknowledge that we need to expand the range of courses offered in several fields. It may be expected that an increasing number of the interdisciplinary programmes at bachelor level will demand courses in primarily accounting and management accounting. In addition, the stricter requirements for admission to the MSc programmes (ratio of business economics disciplines) will result in an increased need for elective courses in accounting and management accounting for other students at bachelor level than BSc students in Economics and Business Administration. Because of the shortage of full-time academic staff, such instruction must be provided by part-time academic staff, with responsibility for course coordination resting with a full-time academic staff.

An established tradition and practice of the Department is to immediately incorporate (its own) new research into teaching. This practice serves two purposes. First, it encourages researchers to conduct applied research and to communicate this to a broader audience, namely students, which is the largest group of research consumers. Second, it makes students feel that classes are relevant to practice, and in addition it awakes and sharpens their critical sense towards contemporary issues in accounting and auditing. The Department will continue to ensure that individual full-time academic employees maintain this focus in their teaching.

3. Dissemination

Publication in Danish is targeted at book releases and journals that are read by the target audience.¹ International publication is targeted at recognized journals. The FI authority list of journals is used as an indicator of journal quality. The table below shows Department publications over a five-year period as well as targets for the coming five years (assuming present staffing level and present differentiation of individual staff member research percentage).

	Actual					Target				
	2008	2009	2010	2011	2012- >31.10	2013	2014	2015	2016	2017
Authority list, level-2 journals:										
International articles ²	2	1	5	1	1	2	2	2	3	3
Authority list, level-1 journals:										
International articles ³	5	3	6	3	2	4	4-5	4-5	4-5	4-5
National articles ⁴	4	4	4	7	6	6	7	7	7	7
Other publications:										
PhD dissertations	1			3	3	2	0	2	2	3
Books		4	4	3	1	3	3	3	3	3
Book chapters	1	2		5	1	3	3	3	3	3
Other journals not included in the authority list, working papers or other publications	11	16	8	11	2	5	5	5	5	5

Note: Based on research@cbs registration of year of publication and the authority list of journals.

¹ These journals include: *Revision og Regnskabsvæsen, Ledelse og Erhvervsøkonomi, Økonomistyring og Informatik, Nyhedsbrev for bestyrelser* and *Økonomisk ugebrev*.

² The Department's primary level-2 international journals include: *Accounting Review; Accounting, Auditing and Accountability Journal; Accounting, Organizations and Society; Auditing; Contemporary Accounting Research; European Accounting Review; Journal of Accounting and Economics; Journal of Accounting Research; Journal of Business Finance & Accounting;*

Journal of Management Accounting Research; Management Accounting Research; Review of Accounting Studies.

³ The Department's primary level-1 international journals include: *Abacus; Accounting and Business Research; Accounting and Finance; Accounting Forum; Accounting Horizons; Accounting in Europe; British Accounting Review; Critical Perspectives on Accounting; Financial Accountability & Management; International Journal of Accounting; International Journal of Auditing; Managerial Auditing Journal.*

⁴ The Department's primary level-1 national journals include: *Revision og Regnskabsvæsen; Ledelse og Erhvervsøkonomi; Økonomistyring og Informatik.*

The Department aims at increasing its publication of international articles to a level where the number of publications at level 1 is maintained or increased to about 4-5 a year, whereas the number of international level-2 articles is increased to 2-3 a year.

International articles according to FT research rank and ABS Academic Journal Quality Guide Version3 (2009)

	Actual				
	2008	2009	2010	2011	2012
FT Research rank:					
Among the 45 journals	1	1	2		
ABS Academic Journal Quality Guide (2009):					
Level 4		1	2		1
Level 3	2		4	1	1
Level 2	1		3	1	
Level 1	2			1	
Not listed	2	3	2	1	1

4. Financing and external funding

Historically, external funding of the Department has consisted of grants towards PhD projects from the *Foreningen af Statsautoriserede Revisorers Uddannelsesfond* as well as industrial PhD projects in cooperation with business enterprises. In some cases, the Department has also received external funding from business enterprises towards research projects and the organisation of workshops and conferences. In addition, some of the Department's staff take part in large, foundation-funded projects (which do not go through CBS' accounts). One example is the Innolink project, which was conducted in cooperation with 4 large manufacturing businesses, the Danish Technological Institute, researchers from the University of Southern Denmark and Aalborg University, and CBS. Another example is the D-CAF project, a cooperative effort between Danish researchers in finance and accounting. Finally, the Department has in some cases applied to FSE for financial support towards specific projects; so far unsuccessfully, however.

Seen from a historical point of view, the Department's work and benefit from external funding can be described as follows: If we have had qualified professional and academic resources (recruiting options, need for external funding of research projects), we have always been able to get the required external funding.

However, the expectations by the surrounding world (the development contract) of the Department still require specific and deliberate initiatives.

It is hardly an exaggerated observation that the competition for research funds has become fiercer in recent years. In addition, the charters of important foundations very often do not permit grants towards accounting and auditing.

It is supposed that the rate of success in efforts to achieve external funding is very much dependent upon the efforts made to create networks. And as described in the above section on external relations, the Department has an extensive and effective network with the business community. Through an intensive and conscious effort to extend this network, the Department aims to increase its external funding. Efforts towards this end will mainly be directed towards specific business enterprises rather than actual foundations. This prioritisation does not mean that the Department will refrain from applying for funding from foundations, but rather that the Department believes that such an application of internal resources will be most efficient and effective externally. Finally it may be added that the on-going dialogue with large auditing firms on co-financing of professorships will continue.

As a consequence of discussions in the Department on the strategy in this area we need to decide whether to set up an actual funding committee with participation of members from the Department's network in the business community.

5. Staff

The number of academic staff has increased considerably over the last few years, and a comprehensive generational succession has been completed. However, another extensive generational succession is looming in around 10 years' time! As known, the competition for academic staff in accounting and auditing is extremely fierce compared to the situation in other business economics disciplines.

The target should be a net increase in the number of full-time academic staff of 10 at the end of 2017 if the demand in both research and teaching is to be met. This target appears realistic. It should be added, however, that the target ought rather to be a net increase of 20 researchers in order to considerably reduce the number of part-time academic staff instructors. In view of the development contract target of increasing the full-time/part-time ratio it is thus doubtful whether the Department will be able to contribute further to CBS' overall fulfilment of this target.

An increase in the number of academic staff will be realised through two simultaneous efforts. *First*, the Department will seek to attract international, established scholars through continued active and selective recruitment. Our aim is that these individuals include scholars who have a documented, solid competence in publishing in absolute top journals. The selective-search strategy is chosen based on experience from earlier efforts to attract non-identified, qualified academics by advertising broadly, which turned out not to have the desired effect. *Second*, in the long term the Department's own production of PhD graduates needs to be increased in order to ensure a sufficient recruitment base for assistant professors. Already existing, well-run marketing efforts (brochures and recruitment rallies), national as well as international, should be maintained; see section 5, PhD development.

Investigations are also made into the possibility of attaching international professors to the Department on a part-time basis. They would be highly qualified professors whom it would not be possible to recruit for a full-time position, but who may make significant contributions to research and PhD supervision.

Investigations are presently on-going.

On a regular basis, the Department receives tentative and also very specific enquiries from (also internationally) highly reputed practitioners in auditing and accounting. The essence of such enquiries is often that a practitioner wants to be attached to the Department in such a way that they will (on a part-time basis) stay at the Department and thus contribute to both teaching and research. This obvious and useful resource must of course be used. The challenge is thus to attach such resources to the Department, in spite of the fact that they may not have the required, traditional academic qualifications (a PhD degree).

The number of PhD graduates has been historically high for the past few years. However, as mentioned above the production needs to be increased. We are screening the market regularly through broad and aggressive international announcement of scholarships. This effort is massive and will be maintained at its present level. Our annual information meetings for our own and other Danish qualified MSc students who may be in the market for PhD scholarships must also continue. Finally, it needs to be investigated in practice whether the so-called 4+4 model can be applied at the Department. As mentioned in the following section on cooperation with the business community, these cooperative efforts often result in industrial PhD scholarships. As it involves actual research cooperation with businesses (often based on Danish empirical data), it might be considered whether the Department could make it a condition for cooperation in (major) projects that a business research position be set up in connection with the project. Although industrial PhD graduates typically continue their career in business, experience shows that some of them may want to pursue an academic career in the Department.

6. External relations

As discussed in the above section on overall targets, both the surrounding community and the Department itself expect that the Department, as the (only) significant accounting and auditing environment in the country, plays an important role "in the Danish environment". This goes not least for the accounting/auditing professions, major companies, the press etc.

This does not only reflect national expectations of the Department's work, it also represents a number of opportunities that the Department has been able to maintain and exploit for societal benefits. The use of resources in this field draws in resources for research and education but is considered an investment in future opportunities for obtaining data, finance and other resources of benefit to the Department and CBS. Therefore it is still an important element of the Department's strategy to give high priority to cooperation with the business community.

The Department researchers take part in a long-standing effort, which includes preparatory legislative work and standard-setting in accounting and auditing. This commitment must be upheld.