



SOX'S FIFTH BIRTHDAY: A CANDID, NO HOLDS BARRED DEBATE ON THE GOOD, THE BAD AND THE UNRESOLVED

The Inaugural *International Journal of Disclosure and Governance Conference* sponsored by the Institute of Management Accountants Finance GRC Research Practice and the Open Compliance and Ethics Group (OCEG) will be held on September 21st 2007 at Rutgers Business School, Newark, NJ. The purpose of the conference is to commemorate the fifth anniversary of the enactment of the Sarbanes-Oxley Act in July 2002- an Act that most agree has been the most contentious—some would even say infamous— piece of business regulation in the history of securities regulation.

The conference will provide a much needed public forum to candidly debate the impact and future of this legislation, bringing together users and preparers of financial information, executives, regulators, legislators and auditors. Of particular note is a panel discussion titled “View from the Hill”: Does Congress think the SEC and PCAOB have gone far enough with their new revised guidance to fix the problems caused by SOX, or are legislative changes required?

The conference will be themed around four important, unresolved issues:

1. HAS SOX HELPED OR HURT U.S. BUSINESS?

Have U.S. capital markets and registrants been put at a competitive disadvantage by SOX, especially against the booming London stock exchange? What is the reality beyond the rhetoric? Will SEC and PCAOB regulatory changes issued this spring improve the situation, or are they a classic case of too little, too late? Is Congressional intervention necessary and likely?

2. HAS SOX IMPROVED AUDIT OPINION RELIABILITY?

A key question that needs to be asked and answered is: Are audit opinions issued under the auspices of SOX 404 more reliable and trustworthy than those being issued in the U.S. today by non-accelerated filers and private companies? Are they more reliable than those being issued on public companies listed elsewhere in the world including the UK, Europe, Canada, and Asia? Does the market believe SOX 404 audit opinions are “GRADE A” and other opinions GRADE B or worse? Does the market care? Do credit rating agencies care?

3. HAS SOX IMPROVED FINANCIAL STATEMENT RELIABILITY?

The fundamental rationale for SOX 404 is that better accountability and better controls over the financial reporting process results in management producing better, more accurate and reliable draft financial statements for their auditors’ review. Has this proven to be the case? How many material weaknesses are being reported because auditors are still finding material errors in the draft financial statements? Is a “zero material errors” in management’s draft financial statements a realistic standard, especially for smaller public companies? Are restatements of accelerated filers down because of SOX? Is the cost/benefit equation where it should be? How successful are the current methods and tools used to implement SOX? How successful is 404 at anticipating senior executive directed frauds? Is a separate fraud audit required as the big 6 have suggested or are current auditing standards related to fraud “good enough”?

4. **IS THE U.S. A CORPORATE GOVERNANCE GLOBAL LEADER OR HAVE REGULATORS LOST SIGHT OF REALITY AND PRACTICALITY?**

Canada, the UK, Europe and Japan have concluded after careful study that the cost of the current U.S. SOX 404(b) regulatory regime far exceeds the benefits. Will these countries change their mind after the new and improved “top-down/risk-based” guidance from the SEC and PCAOB is implemented, or will U.S. listed companies just be stuck with higher compliance costs and limited benefits? If audit opinions issued under the SOX audit regime are, in fact, more reliable, is this resulting in higher share prices and a lower cost of capital for U.S. listed companies relative to companies listed in the U.K., Canada, Asia and elsewhere?

Registration: \$195 before August 31st, \$245 onsite. Paid registration includes a one year subscription to the *International Journal of Disclosure and Governance*. Registration information available on the conference website: <http://raw.rutgers.edu/IJDG>.

Date and Location: 9:00am to 5:00pm, 21st of September, 2007, Rutgers Business School, Bove Auditorium in Engelhard Hall, 190 University Avenue, Newark NJ 07102, USA.

CPE Credit: 8 hours of CPE credit will be granted.

For directions and other information, please see the conference website. Newark is located 10 miles from downtown Manhattan and is easily reached by train and car. The conference location is only a few minutes away from Newark International Airport.

The *International Journal of Disclosure and Governance* is a quarterly publication of Palgrave Macmillan, a division of Macmillan Publishers Ltd. The journal is devoted to the study and analysis of governance and disclosure in the Business and Non-for-Profit sectors worldwide. The readership of the journal includes international diversified body of academicians, accountants, CEOs, corporate directors, lawyers, managing directors and regulators.

The journal’s aim is to examine, from both an academic and professional perspective, issues affecting governance and disclosure as they are impacted by accounting, law, ethics, finance, information systems, management and related fields. Given the objective of reaching a diverse audience of scholars and practitioners, the journal seeks papers that analyze important developments from the field that need to be brought to the attention of a wider audience or takes innovative academic research and makes it accessible to practitioners. The journal is unique in that it provides a forum for this diverse constituency to talk and learn from each other in way that does not happen with journals that are purely for academics and by academics. Visit www.palgrave-journals.com/jdg for a link to further information on the *International Journal of Disclosure and Governance*.

For more information, please contact the journal editor and conference chair, Professor Michael Alles, at Rutgers Business School, alles@business.rutgers.edu, (973) 353 5352.