

THE UNIVERSITY OF ALABAMA

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BUSINESS

Culverhouse School of Accountancy



Fall 2011

Alumnus James McManus Leads As CEO of Energen with a Curious Mind

We recently spoke to alumnus James T. McManus, II, Chairman and CEO of Energen Corporation and its subsidiaries. He is a member of The University's President's Cabinet and Chairperson of the Board of Visitors of The University of Alabama Business Schools.

The University holds a "special place" in his heart, not only because he obtained a BS in accounting from The Culverhouse School of Accountancy, but because he met and proposed to his wife on the Quad. McManus believes that The University "is definitely on the right track" with its recent changes and growth.

The campus is "bigger and even more beautiful" than in the years when he was a student, he explains. He has noticed dramatic changes in the learning process because of technology—the way students learn, and the way teachers teach. The College of Commerce has "moved into the 21st century to become a leader." He adds: "There is no better campus, frankly."

McManus provides this advice for aspiring leaders of publicly traded companies: "No matter what field you are in, you must have a curious mind. Learn the industry you are in both inside and out. Network with people who have experience in other aspects of business - operations, management, finance. Learn something new outside your own field every day so you can increase your overall



knowledge of the company on the whole."

He continues: "What will set you apart from others in accounting is good relationship and communication skills." Although technical competence is important, these skills can "make you special."

When asked about surprises and challenges a new graduate might face, he explains: "It is a great time to be coming out with an accounting degree now. The field has expanded, not contracted." He notes that the tough economic times make it harder for graduates to differentiate themselves. He recommends: "Have all your skill sets in place! Both academics and leadership activities where you learn people skills are important."

McManus joined Energen in 1986. In 1997 he became President and Chief Operating Officer of Energen Resources and, over the next decade, led the growth of Energen's exploration & production business from a small niche player in coalbed methane development in Alabama to one of the top 25 independent oil and gas producers in the United States. Prior to joining Energen, he worked with Pricewaterhouse Coopers.

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ACAP Doubles in Size

The School of Accountancy hosted a summer career development program for minority high school students, The Accounting Career Awareness Program (ACAP), in July 2011. This was the second year of the event, the only program of its kind in the state.

ACAP, founded by The National Association of Black Accountants, strives to increase the number of high school students from underrepresented ethnic groups that attend college and major in accounting. Chair Douglas M. White explains that the goal is "to prepare students for entry into college, help them learn about college life, and introduce them to business careers."

The camp revolves around a one-week summer residency program. Dr. Faye E. Williams, chair of the National Congress of Black Women and former counsel to the U.S. Congress, was the lead speaker for the program.

"The program introduces students to career opportunities in accounting through a carefully constructed curriculum that involves Culverhouse faculty and guest lecturers from business and government," said Lisa McKinney, program coordinator.

Forty students were chosen from across the state of Alabama to attend; this was twice the number of students in the 2010 program. Workshops included "Opportunities in Accounting", "Forensic Accounting & Fraud Detection", "Cultural Literacy in a Global Economy", "Ethics & Social Responsibility", "Business Integrity", "Making College Work for You", and "Financial Statement Basics". The students also visited Ernst & Young LLP and The Southern Company in Birmingham.

Recreational activities included a limo scavenger hunt, DJ night, karaoke, and a pool party. In addition, the students were divided into teams for a Group Case Study in which they were asked to analyze a publicly traded company using the annual report. Each member of the winning team receives a \$1,000 college scholarship.



*Dr. Faye E. Williams, second from left
ACAP Chair Douglas White, far right*

Speaker Dr. Williams is a former professor of international law at Southern University Law Center and previously served as White House Liaison to the U.S. Department of Energy. She is the author of several books on political and foreign affairs, including "The Peace Terrorists," which chronicles her 40-day peace mission leading up to the 1992 Gulf War. She has appeared on several radio and television programs, including BET, CBS, CNN, and Good Morning America. Dr. Williams has been named to Ebony Magazine's "100 Most Influential Black Americans".

Funding for the program was generously provided by Alabama Power (The Southern Company), Ernst & Young LLP, PricewaterhouseCoopers LLP, Deloitte, KPMG, Dixon Hughes PLLC, The College of Commerce, and The ASCPA.

Rankings

The School made a strong showing in Public Accounting Report's top 25 school rankings for 2010. The undergraduate program placed 23rd, up from 25th in 2009, and Graduate programs rose to 22nd. The doctoral program also saw improvement to 25th place in teaching.

Dr. Mary Stone, Director of The School, said that the ranking is encouraging given the intensity with which programs compete.

New Faculty: Dr. Peter Johnson

The School welcomes Peter Johnson to our faculty. Johnson moved from Utah to join us, bringing his extensive knowledge and experience in financial reporting and firm valuation and a delightful personality.

Johnson has been appointed The Ernst & Young Fellow of Accounting. Johnson explains why he came to The University: “Great faculty, great resources for faculty development and research, and great students...and of course the best football in the country.”

He has been pleasantly surprised by the exceptional friendliness of the faculty and staff, and he has also enjoyed the respect the students show for the faculty.

Johnson completed his bachelors and masters degrees at Southern Utah University where he also played NCAA Division I basketball, and received his PhD from Arizona State University. He worked in public accounting for Grant Thornton LLP and in his own CPA practice. He was a member of the faculty at Brigham Young University for 8 years.

He hopes to “continue to enhance the reputation of the UA accounting program through research publications and student support.” His greatest desire is “to assist and prepare students for their careers within the accounting profession.” He also plans to work closely with doctoral students to produce quality academic research. His research interest revolves around how earnings and expectation management used by firms meet or beat analyst’ expectations and how these activities affect investors’ assessment of firm value.

Other aspirations including the continual improvement of his classroom teaching skills and the development of min-case projects to provide students with more “real world” examples that will stimulate active participation. Johnson explains that “teaching and working with students is what I enjoy most about my job.” “It is exciting to learn with the students to solve problems and to research important topics that affect the accounting profession and the business community.”

Johnson plans to be actively involved in the community through service as he and his family have “always been involved in one form or another of service.” He and his wife Stephanie Lyn are proud parents of four children.



Executive Education Launched

The School has launched a new initiative to provide continuing professional education services to accounting firms throughout the Southeast.

The program is intended to be unique in its ability to offer custom-built, specialized training programs in accounting. Firms can choose the subjects and specific outline of material, the format of teaching, the dates and times, the location, and the level. Each unit of instruction is designed specifically for the firm and tailored to match the attendees’ needs and abilities.

The goal of the training is to enhance the revenue-generating ability of the firm attendees through increased technical knowledge and practical skills. Although the education will count towards the CPE requirements in each state, the intended outcome of the training far exceeds minimum standards. Available training subjects include audit, financial accounting, income taxation, entity taxation, ethics, forensic accounting, and valuation.

You can read more about the program at www.cba.ua.edu/accounting/cpe.

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Mock IRS Criminal Investigation at UA

*By Patrick Rupinski, Staff Reporter,
Tuscaloosa News, November 2011*

A team wearing bulletproof vests that identified themselves as IRS criminal investigators rifled through trash on The University of Alabama campus on Monday, November 15. Two accountancy professors were handcuffed. And a federal judge even came to campus to review testimony before approving search warrants.

No, it wasn't the ultimate white-collar crime bust at UA. It was a simulated exercise to show accounting students what a career in criminal forensic accounting is like.

Twenty agents from the U.S. Internal Revenue Service Criminal Investigation Division participated in the exercise, working alongside 26 junior and senior accountancy majors during the day. Faculty members and graduate students also participated, taking on roles that ranged from snitches to criminals.

"I even got to be a whistleblower," said Mary Stone, Director of UA's Culverhouse School of Accountancy. Stone played the role of a waitress at Cheater's Bar & Grill who decided to rat out her boss for cheating on his taxes by keeping two sets of books.

Stone told the investigators she never saw her boss's record books, but she heard him brag about it and knew that he was trying to sell his business for an excess amount — a lot more than he could get if the business earned what he reported on his taxes.

There was no solid evidence of tax fraud, just a tip to investigate, according to the scenario. Students had to observe the suspect and his business — props were set up in the faculty lounge at Alston Hall to resemble a bar and an apartment — and even look through the suspect's trash as they pieced together a case.



They then met with U.S. District Judge Scott Cooger of Tuscaloosa, who played the role of a federal magistrate who issued search warrants after the students convinced him there was probable cause.

After the students executed the warrant and searched the bar and apartment, they presented their findings to a mock grand jury set up in the moot courtroom of the UA School of Law.

Veronica Hyman-Pillot, assistant special agent in charge of IRS Criminal Investigations at the agency's Atlanta office, said the exercise "gives students an interactive experience in what IRS criminal investigation agents do day to day." The exercise, known as the Adrian Project, serves as a recruiting tool for the IRS, she said.

Hyman-Pillot said IRS criminal investigators are sworn in as special agents trained in law enforcement. New recruits, who must be younger than 37, have a bachelor's degree and at least 15 course hours in accounting, go through a 22-week training course at the IRS's academy in Brunswick, Ga. The agents are trained in firearms and self-defense and must pass physical fitness tests like other law enforcement officers, as well as train in accounting forensics and evidence gathering.

Student Blogs From China

Accounting senior Maggie Zblewski traveled to China this summer for an amazing opportunity to study and experience the culture. While there, she blogged about her experience.

Maggie explains that she agreed to blog “because I wanted to be able to share my experiences abroad with my fellow students in the Business School. I wanted to promote the opportunity to go abroad to students in hope that they will consider studies abroad in the future.”

She wrote in her blog every day and posted when she had an Internet connection. Often, it was difficult for her to complete the blog posting as Internet access was unreliable. Maggie received a large amount of emails with questions.

One of her blogs read: “Our day started off on time at the Sun Yat-Sen University, where we were welcomed by a banner and members of their business school. Heading into the lecture hall, we got to listen to lectures by the Sun Yat-Sen professors and our very own Dr. Alex Ellinger, who represented our university very well!”

Another read: “I wouldn’t say that I am an extreme world traveler, but between the places I have traveled to and my international friends, I believe that the best way to really experience a culture is to interact with the people in their true environment. Today, we visited China’s Pharmaceutical University... and the day became number one on the list of experiences during this trip thus far.”

Read more at <http://cba.ua.edu/studyabroadblog>.

Maggie will be graduating in December with an Accounting degree, a Computer Science minor, and a specialization in Global Business. She hopes to work for an international accounting firm with a branch in China. Maggie is originally from Pewaukee, Wisconsin and competed for the University swim team from 2006 to 2010.



Maggie Zblewski, right, in rickshaw in China

Camp To Honor Memory of Tornado Victim

Melanie Nicole Mixon, age 21, and an accounting major at The University of Alabama, lost her life on Wednesday, April 27, 2011 when an EF-4 tornado ravaged Tuscaloosa. A graduate of Minor High School and Jeff State Community College, Nicole was an honor student at UA.

To honor her memory, a fund has been established for donations. The funds will be used for The Nicole Mixon Accounting Bootcamp for Transfer Students. Faculty and staff members will present tips on how to succeed in accounting at The University. Topics include “How to Listen, Read, and Question”, “How to Study Financial Accounting”, “How to Study Tax Accounting”, and “Making the Most of Your Four Years”.

The College and School extend their deepest sympathies to the family and friends of Nicole. The hope is that her dedication and spirit will live on through this initiative to encourage and inspire other transfer students to succeed.

Faculty & PhD Highlights

Stone Appointed to Financial Accounting Foundation Board

The Financial Accounting Foundation (FAF) has announced that Dr. Mary Stone, Director of the Culverhouse School of Accountancy, is one of four appointed to the FAF Board of Trustees. The FAF is the independent, private-sector organization responsible for the oversight of the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB).



Other appointees include John Davidson, CPA, senior vice president, controller and chief accounting officer of Tyco International and Stephen R. Howe Jr., Americas managing partner of Ernst & Young. Each of the appointments is for a five-year term that begins in January 2011.

The FAF is responsible for the oversight, administration, and finances of both the Financial Accounting Standards Board and its counterpart for state and local government, the Governmental Accounting Standards Board. The FAF also is responsible for selecting the members of both Boards and their respective Advisory Councils.

Dr. Parsons Named Editor

Dr. Linda M. Parsons, associate professor, has been named associate editor of “Accounting Horizons.”



The journal is one of three association-wide journals published by the American Accounting Association. Its objective is to bridge academic and professional audiences with articles that focus on accounting and that provide insights pertinent to the accounting profession. Parsons will be the associate editor for submissions dealing with governmental and non-profit accounting.

“Dr. Parsons is an extremely gifted researcher and teacher,” said Dr. Mary Stone. “I am sure she will be an equally gifted editor. Publishing in top-tier journals is becoming increasingly important in accounting education for tenure and promotion reasons, so this appointment carries a great deal of responsibility.”

Parsons earned a Ph.D. from the University of Houston. She was previously on the faculty at George Mason University, a vice president for risk management at Bears Stearns & Company in New York, and an audit manager at Deloitte.

Career Services for Alumni

Services of The University Career Center are available to anyone who graduated from The University. Positions are posted through the on-line system, CrimsonCareers, at: www.myinterfase.com/alabama/student/home.aspx. Other services for alumni can be found at <http://career.ua.edu/students/studentsAlumni.cfm>.

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Other Achievements

- Dr. Tom Albright appointed to Editorial Advisory and Review Board of the IMA Educational Case Journal and awarded Professor of The Year by EMBA class.
- Dr. Mary Stone, serving as president of Beta Alpha Psi International.
- Dr. Tom Lopez, Dr. Linda Parsons, & Dr. Rich Houston appointed to editorial board of *The Accounting Review*.
- Dr. Rick Hatfield appointed as associate editor of *Auditing: A Journal of Practice & Theory* and to editorial board of *Contemporary Accounting Research*.
- Dr. Rich Houston appointed to Notable Contribution to the Auditing Literature Award Committee, Auditing section of AAA and as Group Leader and Plenary Session Presenter at AAA's New Faculty Consortium.
- Lisa McKinney, awarded Thomas D. Moore Endowed Undergraduate Teaching Award from College of Commerce.



Schnee Wins Tournament

Congratulations to Ed Schnee, Hugh Culverhouse Professor of Accounting and Coordinator, Master of Tax Accounting Program, on his July 2011 win. Schnee won the Pritchett-Moore Men's City Invitational tennis tournament, Singles 30 and over, at Indian Hills Country Club. Schnee won: 6-1, 6-3.

Schnee, 64, moved from New York to Alabama to teach accounting. This fall will be Schnee's 30th year teaching at The University of Alabama. However, it wasn't until he turned 51 years old that he started playing tennis.

Alumni & Friends Return

The following speakers visited campus this year:

Chris Blake & Douglas White - Alabama Power
 Dennis Riffer - President of AFFLINK LLC
 Bruce Ely & Will Thistle - Bradley, Arant, Boulton & Cummins
 Eddie Adair - Cordova Ventures
 Amy Jordan - Deloitte
 Geoffrey Mize & Chasity Chadwick - Ernst & Young
 Jim Leisenring - former member FASB and IASB
 Karl Stingily & Brad Allen - FedEx
 Alton Sizemore - Forensic Strategic Solutions
 Sonia Burrage - IRS
 Kasey Bureson - CFO, McLeod Software
 Faye Williams - chair of National Congress of Black Women
 Paul Booker - Pangea Two
 Chris Burgess - President and CEO, Performance Delta
 Jeff Fields, Joseph Griffin, Karen Miller, Barbara Pugh, & Mike Willis - PricewaterhouseCoopers LLP
 Heather Brewer, Chad Foshee, Ashley Nicholson, & David Turner - Regions Bank
 Jim Richardson & Clay Stoker - Sellers Richardson Holman & West LLP
 J.C. Rouse and Cecil Bostany - WAKM

2010-11 School Statistics

Undergraduate degrees awarded:
 208 accounting degrees
 86 were designated with honors.

Graduate degrees awarded:
 78 MAcc, 20 MTA

2011-12 graduate enrollment:
 88 MAcc, 18 MTA

Scholarships:
 Total awards = over \$493,000 to 90 undergraduate and 80 graduate students.

Schnee Receives Outstanding Tax Educator Award



Congratulations to Professor Ed Schnee on receiving The American Tax Association/E&Y Ray M. Sommerfeld Outstanding Tax Educator Award. This is the ATA's most prestigious award, named in memory of one of

the founding fathers of accounting tax research and education.

The award was presented to Schnee because of his extraordinary contributions to tax research and education. He received the honor the AAA's Annual Meeting in Denver in August 2011.

PCAOB Scholarship Winner



Congratulations to Cruse Nolen Bevill on selection as the winner of the Public Company Accounting Oversight Board Scholarship in the amount of \$10,000. Ms. Bevill completed her undergraduate degree this summer and will be starting the Master of Accountancy program in the fall. She has accepted a full-time position with the firm of Sellers Richardson

Holman & West, LLP after completion of the program.

The Board has established the PCAOB Scholarship Program to provide a source of funding to encourage outstanding undergraduate and graduate students to pursue a career in auditing.