

LEIGH ANN WALKER, STAFF ACCOUNTANT

Leigh Ann Walker graduated from a major state university in the spring of 1989 with a bachelor's degree in accounting.¹ During her college career, Walker earned a 3.9 grade point average and was involved in extracurricular activities, including a number of student business organizations. Her closest friends often teased her about the busy schedule she maintained and the fact that she was, at times, a little too "intense." During the fall of 1988, Walker interviewed with several public accounting firms as well as a number of large corporations, and she received six job offers. After considering all of her offers at length, she accepted an entry-level position on the auditing staff of one of the "Big Six" accounting firms. Walker was not sure whether she wanted to pursue a partnership position with her new employer, but she believed that the training programs the firm provided and the breadth of experience she would receive as a result of her varied client assignments would get her career off to a good start.

Walker spent the first two weeks on her new job at her firm's regional audit staff training school. On returning to her local office in early June 1989, she was assigned to work on the audit of Saint Andrew's Hospital, a large sectarian hospital that had a June 30 fiscal year-end. Walker's immediate supervisor on the Saint Andrew's engagement was Jackie Vaughn, a third-year senior. On Walker's first day on the Saint Andrew's audit, Vaughn informed her that her assignment included responsibility for auditing the cash accounts of the hospital, as well as assistance with the audit of accounts receivable. Walker was excited about her first client assignment and was particularly pleased that she would be working for Vaughn. Vaughn had a reputation in the local office as being a demanding

senior who typically brought her engagements in under budget, but also as being a senior who was fair and knowledgeable and had an excellent rapport with clients.

Like many newly hired staff auditors, Walker was apprehensive about her new job. Although she believed that she understood the purpose of independent audits and had a general understanding of the nature of the work performed by auditors, she was not sure that her two-week staff-training seminar or her one college course in auditing had adequately prepared her for her new work role. After being assigned to work under Vaughn's supervision, Walker was somewhat relieved. She perceived Vaughn as the type of individual who, although demanding, would be patient and understanding with a new staff auditor and as someone from whom she could learn a great deal. Walker resolved that she would work hard to impress Vaughn and had hopes that Vaughn would choose to be her mentor through the first few years of her career.

Early in Walker's second week on the Saint Andrew's engagement, Vaughn asked her during lunch whether she had taken the CPA examination in May. After a brief pause, Walker replied that she had not but was planning to do some intensive studying over the following five months and then take the exam in November. Vaughn indicated that was a good strategy and offered to lend Walker a set of CPA review manuals—an offer that she declined. In fact, Walker had returned to her home state during the first week of May and sat for the CPA exam. Because she was concerned that she had not done particularly well, she had decided not to tell her co-workers that she had taken the exam. Even though she realized that most of her peers would not pass all sections of the exam on their first attempt, she wanted to avoid the embarrassment of admitting throughout the remainder of her career that she had not been a "first timer."

Walker continued to work on the Saint Andrew's engagement throughout the summer. She completed the cash audit within budget and thoroughly documented her work. Vaughn was pleased with Walker's work and was quick to compliment and encourage her. As the engagement was winding down in early August, Walker received her grades on the CPA exam in the mail one Friday evening. To her surprise, she had passed all four parts of the exam. She immediately called Vaughn to tell her the good news and was disappointed when her superior's response was much less than enthusiastic. At that point, Walker recalled having earlier told Vaughn that she had not taken the exam in May. She immediately apologized and explained why she had chosen not to disclose that she had taken the exam. Still, Vaughn seemed somewhat perturbed, and Walker decided that it was best to drop the subject and pursue it later in person with Vaughn.

The following week, Vaughn spent Monday through Wednesday with another client, while Walker and the other staff assigned to the Saint Andrew's engagement continued to wrap up the hospital audit. On Wednesday morning, Walker received a call from Don Roberts, the office managing partner, who was also the engagement audit partner for Saint Andrew's. Roberts asked Walker to meet with him late that afternoon in his office. She assumed that Roberts simply wanted to congratulate her for passing the CPA exam.

The usually upbeat Roberts was quite somber when Walker stepped into his office that afternoon. After she was seated, Roberts informed her that he had spoken with Vaughn several times during the past few days and that he had

consulted with the three other audit partners in the office regarding a situation involving Walker. Roberts then explained that Vaughn was very concerned about Walker's having lied to her regarding the CPA exam. Vaughn had told Roberts that she did not want Walker assigned to any future engagements of hers, since she could not trust Walker to be truthful. Vaughn had also suggested that Walker be dismissed from the firm because of the lack of integrity that she had demonstrated. Roberts then told Walker that he and the other audit partners agreed with Vaughn. He informed Walker that she would be given sixty days to find another job and that he or the other partners in the local office would not disclose that she had been "counseled out" of the firm if they were contacted by employers interested in hiring her.

QUESTIONS

1. In your opinion, did Vaughn overreact to Walker's admission that she had been untruthful regarding the CPA exam? If so, how would you have dealt with the situation if you had been in Vaughn's position? How would you have dealt with the situation if you had been in Roberts's position?
2. Vaughn obviously questioned Walker's personal integrity. Is it possible that one can fulfill the responsibilities of a professional role while lacking personal integrity? Why or why not?