



The Canadian
Accounting
Hall of Fame

Le Temple
de la renommée comptable
du Canada

Rodney J. Anderson (1935 – 2014) – inducted 2023



Rod Anderson was a visionary accountant, auditor, and leader whose major contributions shaped the emergence of systems-centric auditing methodologies in the 1960s through the 1980s. In the late 1990s he co-led a significant CICA project to envision and inform a new value creation measurement and reporting paradigm, operating in parallel to the traditional value realization accounting conceptual framework. Beyond his career in accounting, he was active as a poet and musician.

Rod graduated from the University of Toronto with an undergraduate degree in chemistry in 1956. He then decided on an accounting career, and articulated in the Toronto office of Clarkson, Gordon & Co. (now EY), the firm with which he served until he took early retirement in 1983.

He was strongly associated with adapting auditing techniques to recognize and take advantage of new business technologies as computing transformed data processing and accounting, initially through the adoption of mainframes and mini-computers in the 60s and 70s, followed by the PC revolution in the late 70s and 80s. Rod believed that all auditors should have sufficient understanding of computers to enable them to audit “through computers, not around them”. As early as 1965 he developed a computer audit course which included intense study of computer concepts, followed by in-depth coverage of computer controls and auditing. The following year he co-authored, with his partner Ross Skinner, *Analytical Auditing*, which incorporated a flow-charting approach to documenting systems and internal controls; this text was in due course translated and published in seven languages.

From 1966 to 1974 Rod was a member of the CICA’s Study Group on Computer Controls and Auditing, which produced the two ground-breaking studies *Computer Control Guidelines* and *Computer Audit Guidelines*.

In the late 1960s Rod went on to investigate statistical sampling, particularly as it was starting to be used by audit firms like Haskins & Sells in the USA. In due course he and his partner Don Leslie, together with Professor A. D. Teitlebaum, published *Dollar-Unit Sampling: a Practical Guide for Auditors* (1970).

In 1972 Rod was appointed to the CICA's Accounting and Auditing Research Committee, which at that time set both accounting and auditing standards. The following year, when this Committee was divided between an Accounting Standards Committee and an Auditing Standards Committee, he was appointed Inaugural Chair of the Auditing Standards Committee and helped to guide the ongoing evolution of Canadian auditing standards over the subsequent two years.

In 1977 Rod published the 1,100-page, two-volume text *The External Audit*. A second edition was published in 1984 with the editing support of his partner John Davidson. This work was adopted by many universities and firms in Canada and the U.S. as the authoritative textbook on modern audit methodology.

Also in 1977, the CICA organized its first Auditing Symposium, which Rod chaired jointly with Jim Goodfellow. Rod and Jim had participated in various auditing research symposiums in the US and decided that holding an auditing research symposium in Canada would stimulate more auditing research and thought leadership in Canada. The participants were selected from academia, the large accounting firms, internal audit departments, the public sector and securities regulators. Each Session in the two-day symposium consisted of a research paper presented by the author with two discussants - one from academia and the other from public practice. The symposium was a success and generated more interest in auditing research in Canada and a greater working relationship between academe and the large accounting firms. Rod also chaired the first annual conference of the Canadian Comprehensive Auditing Foundation.

In 1979 Rod was elected a member of the Council of the Institute of Chartered Accountants of Ontario (ICAO). He served on this Council for four years, being a member of the ICAO's Executive Committee in his final year.

All of these professional roles were strongly encouraged by his colleagues at Clarkson Gordon, where Rod was recognized for his leadership ability as well as his intellect and technical abilities. Rod was part of the team that developed Clarkson Gordon's unique video-based training program for incoming staff. He was one of the youngest appointees to the firm's Executive Committee and to the leadership of Clarkson Gordon's largest office, when he became Toronto's Managing Partner, a role in which he served from 1979-1982.

To the surprise of many, but not to his closest associates, Rod took early retirement from his business career in 1983 in order to pursue his other passions: poetry and music. His poetry was published in three anthologies, *Garden Varieties*, *The Dry Wells of India*, and *More Garden*

Varieties. In 1988 he won in the poetry category in a competition by *Cross-Canada Writers' Quarterly*, and in 1989 published *Sky Falling Sunny Tomorrow*. With a longstanding interest in opera (he was President of the Canadian Opera Company in 1969 and 1977), Rod wrote two opera librettos for the Canadian Opera Company: *Dulcitius*, performed by the COC ensemble in 1988, and a three-act opera *Mario and the Magician* performed in 1992. Rod was an accomplished pianist who composed many “rags” over the years.

Rod continued to serve as an Independent Advisor to the Office of the Auditor General of Canada throughout the 1980s and 1990s.

In 1998, Rod was enticed by the CICA to collaborate in a project to design approaches for measuring and reporting on forward-looking value creation. Traditional accounting measures performance in realizing value as transactions occur. The challenge of the project was to discover how accountants could measure performance in creating value in advance of its subsequent realization through transactions. Rod worked with Rob McLean on this Total Value Creation project, and the framework they developed for measuring, tracking and reporting on value creation was critically tested in several North American organizations and explicated through various case studies. Their inventions were documented in a set of business method patents awarded by the United States Patent and Trademark Office and Australia's Patent Office. These patents were held by CICA on behalf of the accounting profession.

Rod's contributions to the accounting profession were recognized in several ways, in addition to his being selected to chair prestigious committees and events, as noted above:

- Ontario Gold Medalist in the Canadian Uniform Final Examinations for the Chartered Accountant designation (1959).
- Fellow (FCA) (1970) - Institute of Chartered Accountants of Ontario, for his contributions to the accounting profession and to the community.
- Awarded, jointly with co-authors D.A. Leslie and A.D. Teitlebaum, the Wildman Medal by the American Accounting Association (1980) for their significant contribution to public accounting, with the publication of *Dollar-Unit Sampling: a Practical Guide for Auditors*.