



William R. Scott



William R. Scott — known to everyone as “Bill” — was born in Los Angeles of Canadian parents in 1931. Caught up in the Great Depression, the family moved to Canada in 1932. Growing up in Toronto and Ottawa, Bill decided to become a Chartered Accountant while still in high school. With this in mind, he enrolled in the Commerce program at Carleton University. Graduating in 1953, he won the Commerce Medal of that year, then joined McDonald Currie & Co. (now a part of PricewaterhouseCoopers) as a student-in-accounts. Bill obtained his CA designation in 1956, and joined an Ottawa construction firm as accountant, later Treasurer (no one can accuse him of never having had to meet a payroll!).

During this period, Bill began teaching accounting in the evening program of Carleton. He quickly realized that an academic career was for him, and he joined the Carleton faculty as assistant professor in 1961. To succeed in academe, however, it was necessary to gain additional education. With his wife Mary Ann and 3 young children, he moved to Chicago to attend the prestigious School of Business of the University of Chicago. He obtained his MBA in 1968 and his PhD in 1973. His doctoral dissertation was entitled “A Bayesian Approach to the Accounting Problems of Asset Valuation and Audit Size.” A paper taken from his dissertation and bearing the same title was published in *Journal of Accounting Research* (1973, Vol.11, No.2).

Returning to Canada, Bill joined the faculty of Queen’s University in Kingston, where he held the Clarkson Gordon Professorship of Accounting from 1980 to 1983. In 1984, he joined the rapidly developing School of Accounting and Finance at the University of Waterloo. He held the Ontario Chartered Accountants' Chair in Accounting at Waterloo from 1991 to his retirement in 1996. While at Waterloo, Bill chaired the Graduate Studies Committee of the School from 1984 to 1989 and was responsible for the creation of the School’s PhD program in 1985. He chaired the thesis committees of several PhD and Masters of Accounting students. Bill also served as editor of *Contemporary Accounting Research* (1989–91), succeeding the Founding Editor, Haim Falk, and was a member of its Editorial Board for many subsequent years. He also served on the Editorial Boards of three other top-tier academic journals: *Journal of Accounting Research* (11 years); *The Accounting Review* (three years); and *Auditing: A Journal of Practice and Theory* (three years). Upon retirement from Waterloo, Bill was awarded the rank of Distinguished Professor Emeritus by the University.

Bill then moved back to Eastern Ontario (to be closer to his beloved cottage), and taught accounting part-time as an adjunct professor of the Queen’s School of Business from 1996 to 2010. He also served on the Academic Advisory Committee of the Canadian Accounting Standards Board, from 2005 to 2015.

Bill’s original research interests were in the application of statistical decision theory concepts to auditing. For example, he demonstrated conditions for the rationality of conservative asset valuation. His interests later shifted to financial reporting and executive compensation. His research has been published in the *Journal of Accounting Research*, *Contemporary Accounting Research*, and several other academic journals. He also made numerous presentations at academic conferences, at invited seminars and in other fora. His

financial accounting interests culminated in his unique and influential *Financial Accounting Theory* textbook. First published in 1997, this text is in its 8th edition in 2020 (this time with co-author Patricia O'Brien). It is also popular internationally, and has been translated into Chinese, Japanese and Korean.

This text is founded on the belief that accounting students, while learning how to account, should also be exposed to theory and evidence underlying the important contributions of professional accounting to the efficient operation of our economy. It argues that understanding “why” is an essential complement to understanding the “what” and “how” of financial accounting. In this regard, the text has two main themes. The first is the role of financial reporting in providing information to financial statement users. A major goal here is to promote user trust that financial reports reasonably reflect underlying firm reality, thereby enhancing the operation of capital markets. The IFRS Conceptual Framework is reviewed and built into discussions throughout the text. The second theme is the role of financial reporting in monitoring, and thus motivating, responsible management performance. This is consistent with the Conceptual Framework’s statement of the objectives of financial reporting. Finally, the text points out that accounting policies which best inform investors are not necessarily the same as policies that best motivate management. Thus, the role of standard-setting is envisaged as a process of mediation between the sometimes-conflicting needs and views of users and managers.

In addition to those mentioned above, Bill has been honoured with three academic and professional awards/distinctions:

- the L. S. Rosen Outstanding Educator Award from the Canadian Academic Accounting Association, in 2005;
- the Haim Falk Award for Distinguished Contribution to Accounting Thought from the Canadian Academic Accounting Association, in 1988; and
- Fellow (FCA – now FCPA) from the Institute of Chartered Accountants of Ontario, in 1985.

Bill derived great satisfaction from talking with students. He was nominated for The Canadian Accounting Hall of Fame by a former student, now a professor at a US university, who had had no contact with him since being one of his B. Comm. students at Queen’s almost 40 years before. This student wrote:

“Dr. Scott had a tremendous influence on me. He always had his door open and many times I would sit down and talk with him. These conversations inspired me to become an accountant. He instilled an ability to question things and encouraged my appetite to be a lifelong learner. His influence led to my pursuits in becoming a Chartered Accountant, a Certified Management Accountant, and eventually earning my doctorate in accounting. I am not the only student on whom he had a tremendous impact.”

Praise like this may be fairly common from graduate students, especially PhD students, but from undergraduates it is rare. It is but one indication of how special Bill Scott is.