

**QUALITATIVE DATA ANALYSIS:
DEVELOPMENT OF CONTENT-CONTEXT ANALYSIS**

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Note: This is several excerpts from the methods sections of a paper currently under development and my dissertation. It is obviously not polished, as it is not a paper in and of itself. This presentation grew out of a request by Mani to discuss my methodology. In short, I use computer assisted text analysis to reduce documents to relevant, short pieces in a replicable process. I then use a content dictionary to reduce these sections to scale variables based on their context. I look forward to Friday.

METHODOLOGY

The implementation of this research requires several steps. The first step was to build a sample of firms that have committed white collar crime. Second, those firms were matched with others that have not had announcements of white collar crime. Third, data on the governance of all the firms in the study were then gathered. Impact of internal governance mechanisms will be evaluated with a discriminant analysis and logistic regressions.

Sample Creation

The firms that have committed white collar crime were identified through a Lexis-Nexis search of the Wall Street Journal from January 1, 1988-December 31, 1998¹. This search yielded tens of thousands of articles.

Once the articles were gathered, I eliminated articles that did not discuss economic crime within the firm, articles that dealt with an economic crime either committed outside the United States or committed by a foreign firm within the United States, and articles that discussed economic crime in private firms (204 occurrences remaining in sample). I also eliminated firms in certain industries. I eliminated defense industry firms, financial firms, power (energy) firms and health care firms (related to Medicare fraud). These industries have extensive regulation and so occupy an environment where what might be a 'gray' crime in another industry is 'black' in the industries mentioned (161 occurrences remaining in sample). I then verified that data was available for these remaining firms by gathering the 10Ks, annual reports and proxy statements for them. I gathered the SEC data in the year prior to the announcement of the crime. This was to ensure that the firm governance conditions were those that coexisted with the crime. If a company committed a crime twice in the same year, they and their match are entered twice. The final sample represents occurrences, not firms.

Table 5.1 Generation of the crime-firm sample.

¹ The crime-related search terms were obtained from a listing of the types of white collar crimes in Fraud: Bringing Light to the Dark Side of Business by Albrecht, Wernz and Williams (1995). The list of terms generated from this book's comprehensive description is as follows: fraud, kiting (false checks - a form of embezzlement), skimming (a form of embezzlement), lapping (a form of embezzlement), bilking, embezzling, larceny, theft, kickbacks, overbilling, swindling, price fixing, bid rigging, racketeering, defraud, fraudulent.

Filter	Number remaining
First search	Tens of thousands of articles
Economic crime, in US, by US firm, public company,	204 announcements of separate crimes.
Not defense or healthcare or financial services or power industry	161 announcements of separate crimes.
Data availability and reasonable match	77 announcements of separate crimes

I then found ‘matching’ firms for the crime firms, again, in the year prior to the announcement of the crime. The key dimensions for matches were primary industry, similar numbers of industries (4 digit SIC codes) outside of primary industry, and asset size. In order to find the best matches, I first generated a complete list of the firms in the primary 4-digit SIC code. Then I identified all firms in that 4-digit SIC code that were half as large to twice as large in asset size as the crime firm. I then took this list of firms and compared the descriptions of the businesses either in Hoover’s corporate descriptions or in the beginning of the 10K for each firm and selected the firm with the closest description in terms of primary industry and other industries if the firm was somewhat diversified. I felt that this second step in matching was necessary as SIC codes are often not very informative and sometimes only distantly related to the primary business of the firm. In some cases, when a firm’s business description did not match its SIC code, I re-matched in the SIC code that was a better description of its business. For example, Cendant (which was CUC at the time the crime was committed) is classified in SIC code 4724 (travel agencies), and its match is Damark. Damark is classified in SIC code 5961 (catalog and mail order houses). Below are excerpts from their 10Ks:

CUC International Inc. (the "Company") is a membership-based consumer services company, providing consumers with access to a variety of services. These memberships include such components as shopping, travel, auto, dining, home improvement, lifestyle, vacation exchange, credit card and checking account enhancement packages, financial products and discount programs. (CUC 1995 10K, p 3)

DAMARK's products and services are offered through mail order catalogs and a variety of membership clubs which provide members discounts on travel, hospitality, entertainment and merchandise purchased through its catalogs. (Damark 1995 10K, p 2-3)

Some of the matches will be for firms that are some distance apart in asset size. There are matches that are as poor as one firm twice as large as the other. However, the scope of the firms are similar, and they are in identical businesses, and there was no closer match. I will also control for size in the empirical tests.

I then verified that complete data was available for the matching firms by downloading the annual reports and proxies for them, as for most of the matching firms the 10Ks had already been downloaded. In the final sample there are 77 occurrences of crime and 77 matches. Seven firms committed two crimes in my time window, two committed three crimes, one committed four crimes, and one committed six².

Measurement of variables

Most of the variables are combinations of numbers easily available in the firm's annual reports, proxy statements or 10Ks. For example, the percent ownership of the CEO, or the number of meetings of the Board of Directors are easily found and are unambiguous numbers. The other variables, primarily those used to measure low level monitoring, bonding and reduction of divergent preferences, are much more difficult to generate. I will discuss the process I used before discussing the variables in depth.

For all variables I use the annual reports, 10Ks and proxy statements for each firm. For the low level monitoring, bonding and reduction of divergent preferences variables I use a modified form of content analysis to find references to particular characteristics of the firm, and then code those references on a scale of 1 to 7, based on details about those characteristics. This procedure differs from content analysis in that I am not recording the number of times certain words appear, instead, I am analyzing the context of the words.

Content analysis has been used in organization research before. Traditionally, it involves identifying constructs of interest, determining what terms are included in that category, then counting the occurrence of those terms in sample documents that are interpreted as indicating

² The only similar data collected was first used in Baucus and Near, 1991. That sample was 1974-1983, of four types of wrongdoing, including antitrust violations, product liability issues, discrimination, and 'other' which includes securities fraud. They found 74 convictions; 51 firms with one, 16 with two, and 7 with three or more. My sample is not limited to the Fortune 500, and includes only the 'other' category. With such dissimilar studies it is hard to say if mine is very different. Given that I accepted only very clearly articulated wrongdoing, and do not include firms for which there was little data or no match, and not the healthcare, defense, energy or financial services firms, my 77 incidents vs. their 74 seems equivalent. I believe my data to be in line with theirs.

degree of presence of the original constructs (please see Popping 2000 for an historical review of the evolution of content analysis). Recently, with the increase in computing power available, software programs that support content analysis have become available. This allows greater flexibility and detail in content analysis. Most strategy research that has used content analysis has used primarily annual reports and a dictionary to search for terms in the annual reports. These terms were then related to their category for quantitative analysis (Arndt and Bigelow, 2000; Bowman, 1984; Abrahamson and Park, 1994). Some researchers use multiple public documents, yet still use a dictionary approach (e.g. Kabanoff, *et al* 1995)³.

As discussed, the method I employed went beyond the word-count approach. Since I was interested in, for example, the relative strength of a firm's accounting system, I used the content analysis software to retrieve each mention of a firm's accounting system. Then, based on the context of the terms, or the description of the accounting system, I scored the strength of the accounting system on a 1-to-7 scale. I term this method 'content-context analysis'.

Specifically, for each company and year (crime as well as non-crime firms), electronic versions of the SEC documents were imported into a qualitative data analysis software package called NUD*IST. Within NUD*IST I created nodes, or files, for each variable. Due to space limitations, I analyzed up to 25 firms at a time. I was unable to do them all at once. I developed a dictionary (included in Appendix A with the scoring information) to use for the search terms. For each set of 25 firms I wrote a text search function to find the words in the dictionary in all the documents and retrieve the line that the word appeared in, as well as 10 lines on each side for the context. The text retrieved would be saved at the node (or in the file) belonging to that variable. To generate the dictionary, or text to search for, I wrote lists of relevant, expressive words. For example, in searching for references to a firm's accounting system, I searched for references to accounting or internal controls. Any reference that was not relevant was deleted. Any reference that would belong elsewhere was also deleted. For example, there would often be references to internal auditing near accounting references. Internal auditing is a separate variable, and the references were filed there instead. For each company, for example, I have several paragraphs on the accounting system, generated by search words. These paragraphs are read and assigned a value from 1 (meaning weak, few controls or crosschecks, selecting which

³ Much of the more recent content analysis has been computer assisted text analysis. There are a number of software programs available for use, including ATLAS, NUD*IST and Textpack. For some reason, most researchers do not discuss their software choice.

principles to use, little top management attention beyond formal signing off) to 7 (strong, controls that are reviewed and changed, top management attention and interest). The coding is mostly blind, in that I rarely know which companies I am scoring at any point in time. On the occasions that I do it is when the company name appears in the paragraph that I am scoring. This is actually a rare occurrence, as most often in the SEC documents companies refer to themselves as ‘the Company’ or ‘the registrant’. The selected search words and assigned strength are theoretically informed. The complete list of search terms with the variables they relate to and the scoring sheets are in Appendix A. Thus far, this research is possible to replicate without error. Following the completion of a retrieval, I read through the file and deleted any non-informative text. Appendix B illustrates a retrieval after being stripped of non-relevant material. It shows the retrieval result for the retail industry for a search for ‘Audit Committee’. ‘Non-relevant’ or ‘non-informative’ refers to text that was retrieved that has no bearing on the variable in question. For example, one of the search terms for the ‘policies and procedures’ variables is ‘document’. ‘Document’ also occurs in describing the document-date of the SEC document in question. In other words, I use extreme definitions of relevant vs. non-relevant. I believe even this step is replicable. Then, reading through the remaining text, I allocated a score of 1 through 7 for each company based on the text. For example, in ‘Audit Committee’, a 1 means that the job of the Audit Committee is to select the auditors for the forthcoming year. A 2 means they also conduct a generic review of the auditor’s plans, as well as the scope of the audit. Each subsequent increment designates greater authority and independence of the Audit Committee—they meet with auditors without management, they discuss the overall quality of financial reporting, they determine if any actions are required of them, or if changes in the current system must be made, and so forth. The description of what each number means for each variable is in Appendix A. Each company ended up with the highest score they obtained from any one document. In other words, if a company was being scored for their accounting system, if they received a 4 on the proxy statement, there was no information in the annual report, and a 5 in the 10K, this company would be awarded a 5. While I did not have a second rater to score these variables with me, and so to test an inter-rater reliability, I believe, given the nature of the descriptive text and the explicit nature of the scoring sheets, that the scoring can be duplicated as well. I believe the scoring system is valid, as well, as, in most cases, if the variable score is higher, it means the

company has ‘more’ of the variable. In some cases, for example type of largest owner, it is merely a categorical variable.

In the following subsections I discuss each category of internal governance and the measurement of variables that make up each of these categories or constructs. A table that summarizes the measurement parameters follows each subsection. As previously discussed, in some cases the measurement is straightforward (percent of the firm owned by the CEO) and in some cases it is the result of the content-context analysis.

Table 5.2: Summary of Control Variables and Measures

Variable	Measure
<i>Largest owners</i>	The percent all 5%+ shareholders own of the stock
<i>Largest owner</i>	The largest 5%+ shareholder alone
<i>Type of owner</i>	Scale 1-5
<i>Board insiders</i>	Measured as the number of insiders (defined above) divided by the total number of Board members
<i>Board insiders and affiliates</i>	Measured as the number of insiders and affiliates (defined above) divided by the total number of Board members.
<i>Board compensation</i>	Measured as the yearly pay received by Board members, assuming the member attended all regular meetings, and was not on a committee.
<i>Board compensation type</i>	Scale 1 - 7
<i>Stock held by the Board</i>	Measured as the percent of stock held by the directors and officers of the company.
<i>Stock held by the outsiders on the Board</i>	Measured as the percent of stock held only by outside directors.
<i>Number of meetings</i>	The number of regular and special meetings in the past year of the Board of Directors.
<i>Number of meetings of the Audit Committee</i>	The number of meetings in the past year of the Audit Committee.
<i>Insiders on the Audit Committee</i>	The number of insiders on the Audit Committee divided by the total number of Audit Committee members.
<i>Insiders and Affiliates on the Audit Committee</i>	The number of insiders and affiliates on the Audit Committee divided by the total number of

	Audit Committee members.
<i>Strength of Audit Committee</i>	Scale 1-7, Higher numbers represent more independent committees, with more responsibility and authority.
<i>Number of roles</i>	1=CEO, 2=CEO+Chair, 3=CEO+Chair+President
<i>CEO stock ownership</i>	Measured as the percent of shares of the firm held by the CEO
<i>CEO flat compensation</i>	Measured as the natural log of the CEO's salary and bonus.
<i>CEO flat vs. contingent compensation</i>	Measured as the salary, bonus and other annual compensation divided by the dollar value of any options, stock, or other long term incentive pay.

Operating rules of the game or systems and procedures:

Operational monitoring includes information on the nature of the accounting system, on the written policies, procedures, job descriptions, whether or not there are liaison roles or permanent or temporary teams and the extent of integration within the firm (Martinez and Jarillo, 1989; Hoskisson, Hill and Kim, 1993; Gupta and Govindarajan, 1991). Table 5.3 summarized the variables and their measures for the remaining three categories. With one exception (CEO relative pay), these are all variables created from the text retrieval and scoring discussed above. Appendix A has the specific scoring information.

Accounting system: Scale 1-7, higher numbers represent more communication throughout the company as to maintaining the integrity of the accounting system, as well as periodic reviews and changes as necessary.

Policies and Procedures: Scale 1-7, higher numbers represent more communication of policies throughout the organization, training, clear responsibility, formalized procedures.

Liaison Roles: Scale 1-7, Higher numbers represent greater company wide interaction among employees.

Teams: Scale 1-7, Higher numbers represent greater use of teams, and more cross-functional or cross-geographic use.

Code of Conduct: Scale 1-7, Higher numbers represent more specific codes, with greater company wide education and management responsibility for communicating these codes.

Employee Screening: Scale 1-7, Higher numbers represent more background checking for qualifications, better interviewing, and more focused recruiting.

Contingent pay for employees: Scale 1-7, Higher numbers represent more significant contingent pay available to more employees.

Morale: Scale 1-7, Higher numbers represent more satisfied employees, employees have input into company, employee personal satisfaction considered.

Table 5.3: Summary of Low Level Monitoring, Bonding and Divergent Preferences Variables and Measures

Variable	Measure
<i>Accounting system</i>	Scale 1-7, Higher numbers represent more communication throughout the company as to maintaining the integrity of the accounting system, as well as periodic reviews and changes.
<i>Policies and Procedures</i>	Scale 1-7, Higher numbers represent more communication of policies throughout the organization, training, clear responsibility, formalization.
<i>Liaison Roles</i>	Scale 1-7, Higher numbers represent greater company wide interaction among employees.
<i>Teams</i>	Scale 1-7, Higher numbers represent greater use of teams, and more cross-functional or cross-geographic use.
<i>Code of Conduct</i>	Scale 1-7, Higher numbers represent more specific codes, with greater company wide education and management responsibility.
<i>Behavior Reinforced</i>	Scale 1-7, Higher numbers represent more evidence of rewarding 'good' behavior and punishing 'bad' behavior.
<i>Internal Auditors</i>	Scale 1-7, Higher numbers represent more specific tasks for the internal auditors, including periodic reviews of the systems and effectiveness reporting.
<i>Employee Screening</i>	Scale 1-7, Higher numbers represent more background checking for qualifications, better interviewing and recruiting.
<i>Contingent pay for employees</i>	Scale 1-7, Higher numbers represent more contingent pay

	available to more employees.
<i>CEO relative pay</i>	CEO total pay/(labor expense/number of employees)
<i>Morale</i>	Scale 1-7, Higher numbers represent more satisfied employees, employees have input into company, employee personal satisfaction considered.
<i>Community</i>	Scale 1-7, Higher numbers represent more giving back to the community, more methods (cash, goods, time) and at not only a national but a local level.

APPENDIX A

DICTIONARY

Dictionary used in referencing each variable that had to be created with NUD*IST or that required a scale, the variable name, search text if it was a NUD*IST search, and scale definitions.

High level monitoring

Board Compensation

- 1 Flat
- 2 flat+committee
- 3 +attendance/meeting
- 4 +retirement package
- 5 +opts
- 6 +(stock or charity death bens)
- 7 +stock and char death bens

Ownership of stock type:

- 0 none
- 1 company owns
- 2 individual in company owns
- 3 an institution owns
- 4 other company owns
- 5 other individual owns

Audit Committee:

Meetings, # members, insiders, gray, outsiders
search-text "Audit Committee"

- 1 Select auditors
- 2 + generic review, scope, plans, adequacy
- 3 + w/o management
- 4 results discussed, overall quality financial reporting
- 5 actions required, reviews, changes, other matters
- 6 related to Business Conduct Code/ethics program, suggestions, recommendations
- 7

Operational monitoring

accounting system

search-text "[accounting|internal]"

- 1 reasonable assurance
- 2 costs vs bens
- 3 internal auditor evaluates and reports on adequacy and effectiveness, emerging accounting issues
- 4 new control procedures implemented, based on reccs
- 5 systematic review and modification
- 6 communication throughout company, selection, training, development of qualified personnel
- 7 6+ more procedures, inc conduct, organizational responsibility

Policies and procedures

(How well do people know their job, what to do, etc? Where lines are drawn.)

search-text "[policy|policies|procedure|duty|duties|manual|training|process|document]"

- 1 only basic
- 2 training of sales people
- 3 discussion of systems or examination of process (not necessarily around a profitability issue, eg efficiency)
- 4 evidence of comprehensive, understood procedures in one div, or manager training, or quality assurance
- 5 policies communicated throughout company, selection, training
- 6 well defined organizational responsibility and communication, qualified people
- 7 clear organizational responsibility, formalized procedures, training to update

Liaison Roles

(Cross-co communication, opportunity for formal and informal interaction and communication)

search-text "[meeting|conference|retreat|contact|feedback|rotation|interaction|cross|liaison]"

- 1 no mention
- 2 large group, remote locations
- 3 sales groups, or smaller, with limited responsibility
- 4 mid level, limited cross-co
- 5 cross co cooperation and interaction
- 6 managers with open doors and rotating meetings, or rotating managers
- 7 training employees from all over the world in one place

Teams

search-text "[team|group]"

- 1 no mention
- 2 mention, but large, generic team, or only TMT
- 3 mention of use of small teams
- 4 cross-functional teams, product development, small
- 5 team structure, products with management, strategy focus
- 6 limited teams, careful selection, full participation, training
- 7 teams rotate across function or geography, cross functional management teams

Code of Conduct

search-text "[conduct|behavior|integrity|responsibility|principles |credo|ethic]"

- 1 none, no mention
- 2 compliance
- 3 social responsibility, corporate citizenship mention
- 4 top management know it
- 5 annual review re: code, communication to all key emps, to read, understand, and certify no violations
- 6 top management training
- 7 company wide training and understanding

Behavior reinforced

search-text "[remedial|channels|immunity|sanctions|rewards| ombuds|whistleblower]"

- 1 no mention
- 2 ?
- 3 top management rewards are clear, and include rewards for internal, non-financial goals
- 4 ?
- 5 company wide, managements' responsibility for the systems that reward good
- 6 emphasis on an environment that recognizes and rewards performance and policies and programs that meet employees' needs
- 7 ?

Internal auditors

(Internally, how secure is accounting info regardless of CEO?)

search-text "[audit|controller|comptroller]"

- 1 no mention
- 2 mention, scope external audit, adequacy
- 3 +meet without management
- 4 +results, internal control
- 5 +comprehensive system internal audit
- 6 regular tests+alignment with policies, procedures, effectiveness reporting
- 7 ?

Employee Screening

(Is the co hiring good people? Can they tell if they are hiring a bad person?)

search-text "[employee screening|applicant testing|hir|select|recruit]"

- 1 no mention
- 2 of financial and audit staff
- 3 recruiting depth
- 4 emphasis on checking qualifications
- 5 training staff to interview
- 6 recruiting process important, emphasized
- 7 6+ emphasize best talent

ESOP + Employee contingent compensation

search-text "[ESOP|employee stock|employee benefit]"

search-text "[bonus|profit sharing|retention|promotion|discount| incentive|commission|pension]"

- 1 employee savings plan/basic retirement plan
- 2 options to key employees or 401K and post retirement benefits to all
- 3 options to key employees and 401K and post retirement benefits to all
- 4 promotion from within
- 5 bonus or profit sharing available to all
- 6 options or stock possible to all
- 7

Morale

(How much do emps enjoy working there?)

search-text "[morale|participation|satisfaction|commitment
|union|empower|attitude|turnover|relations with|committment| collective]"

- 0 no mention
- 1 satisfaction of employees mentioned, but that's it
- 2 company considers relationship to be good, minority/women mentioned as important internal constituencies, turnover low
- 3 development plans fro employees, very good relations, empowerment mentioned
- 4 emphasis on one division being very satisfied, or voluntary programs for good employees/recognition
- 5 company considers relationship with emps to be excellent
- 6 emphasis on all emps personal satisfaction, empowerment emphasized, more than just words
- 7 ?

Community

(Does the company do activities beyond 'existing' to support communities?)

search-text "[community|philanthrop|needy|charit|volunteer|foundation|corporate giving|corporate responsibility]"

\$ contributed, 0 if no mention

- 1 none
- 2 South Africa, minimum involvement
- 3 Limited donation company products or company foundation, no other info
- 4 Significant donation company products, employees also contribute
- 5 Time or local focus or 5%+
- 6 4+time or local focus or 5%+
- 7 4+time+local focus + 5%+ (more than a National program)

APPENDIX B

**EXCERPTS FROM RETAIL INDUSTRY DOCUMENTS FROM QSR NUD*IST
RELATING TO THE AUDIT COMMITTEE.**

SEARCH TERMS: AUDIT COMMITTEE.

Q.S.R. NUD.IST Power version, revision 4.0.
Licensee: Karen Schnatterly.

PROJECT: Dissertation, User Karen Schnatterly, 3:16 pm, Jun 12, 2000.

(1 10) /High Level Monitoring/Audit Committee

*** No Definition

+++++

+++ ON-LINE DOCUMENT: Chaus PRX 91

+++ Retrieval for this document: 26 units out of 1589, = 1.6%

++ Text units 312-322:

department stores in the United States. 312

313

314

315

The Board of Directors of the Company has standing Compensation and 316

Audit Committees. Messrs. Kling and Feldstein, neither of whom is an 317

officer or an employee of the Company, are members of both such 318

committees. The Company does not have a standing Nominating Committee. 319

320

The Compensation Committee has such powers as may be assigned to it by 321

the Board of Directors from time to time, and is charged with 322

++ Text units 330-344:

who is employed pursuant to a contract for one year or longer and whose 330

annual compensation exceeds \$150,000. The Compensation Committee met or 331

acted by written consent on four occasions during the fiscal year ended 332

June 30, 1991. 333

334

The Audit Committee has such powers as may be assigned to it by the 335

Board of Directors from time to time and is charged with recommending 336

annually to the Board of Directors the independent auditors to be 337

retained by the Company, reviewing the audit plan with the auditors, 338

reviewing the results of the audit with the officers of the Company and 339

its auditors and reviewing with the officers and internal auditors of 340

the Company the scope and nature of the Company's internal auditing 341

system. The Audit committee met or acted by written consent on four 342

occasions during the fiscal year ended June 30, 1991. 343

344

+++++

+++ ON-LINE DOCUMENT: Costco PRX 89

+++ Retrieval for this document: 10 units out of 908, = 1.1%

++ Text units 473-482:

The Board of Directors of the Company has a standing Audit Committee and 473

474

475

The Audit Committee held one meeting during the last fiscal year. The 476

functions performed by the Audit Committee are to meet with and review 477

the results of the audit of the Company performed by the independent 478

public accountants and to recommend the selection of independent public 479

accountants. Directors Frederick O. Paulsell, Jr., David Pulver and	480
Ralph R. Shaw are members of the Audit Committee.	481
	482
+++++	
+++ ON-LINE DOCUMENT: Dayton ARS 88	
+++ Retrieval for this document: 12 units out of 3575, = 0.34%	
++ Text units 2657-2668:	
	2657
The Audit Committee of the Board of Directors, consisting of five	2658
outside directors, recommends independent auditors for appointment	2659
by the Board, and reviews their proposed services and their reports.	2660
The Committee also reviews the internal audit plan and their audit	2661
reports. Our independent auditors, Ernst & Whinney, our internal	2662
auditors and our Corporate Controller have full and free access	2663
to the Audit Committee, and meet with it periodically, with and without	2664
the presence of management. The results of the auditors' examinations	2665
and their opinions on the adequacy of our internal controls and	2666
the quality of our financial reporting are regularly reviewed by	2667
the Committee.	2668
+++++	
+++ ON-LINE DOCUMENT: Dayton ARS 90	
+++ Retrieval for this document: 18 units out of 3970, = 0.45%	
++ Text units 1225-1242:	
REPORT OF THE AUDIT COMMITTEE	1225
	1226
The Audit Committee met twice during fiscal 1990 to review the overall	1227
audit scope, plans of the internal auditors and independent auditors,	1228
the Corporation's internal controls, emerging accounting issues, officer	1229
and director expenses, audit fees and retirement plans. The Committee	1230
also met individually with the internal auditors and independent	1231
auditors, without management present, to discuss the results of their	1232
audits. The Committee encourages the internal and independent auditors	1233
to communicate closely with the Committee.	1234
	1235
Audit Committee results were reported to the full Board of Directors,	1236
and the Corporation's annual financial statements were reviewed and	1237
approved before issuance. The Audit Committee also recommended to the	1238
Board of Directors that the independent auditors be reappointed for	1239
fiscal 1991, subject to the approval of the shareholders at the annual	1240
meeting.	1241
	1242
+++++	
+++ ON-LINE DOCUMENT: Dayton ARS 91	
+++ Retrieval for this document: 32 units out of 3369, = 0.95%	
++ Text units 949-957:	
	949
The Board of Directors exercises its oversight role with respect of the	950
Corporation's system of internal financial controls primarily through	951
its Audit Committee, which is composed of six independent directors.	952
The Committee oversees the Corporation's systems of internal controls,	953
accounting practices, financial reporting and audits to ensure their	954
quality, integrity and objectivity are sufficient to protect	955
shareholders' investments. Their report appears on this page.	956
	957
++ Text units 974-996:	
Karol D. Emmerich	974
Vice President, Treasurer and Chief Accounting Officer	975
	976
March 20, 1992	977
	978
REPORT OF AUDIT COMMITTEE	979
	980
The Audit Committee met twice during 1991 to review the overall audit	981

scope, plans for internal and independent audits, the Corporation's 982
 internal controls, emerging accounting issues, officer and director 983
 expenses, audit fees and retirement plans. The Committee also met 984
 individually with the internal auditors and independent auditors, 985
 without management present, to discuss the results of their audits. The 986
 Committee encourages the internal and independent auditors to 987
 communicate closely with the Committee. 988
 989
 Audit Committee results were reported to the full Board of Directors, 990
 and the Corporation's annual financial statements were reviewed and 991
 approved by the Board before issuance. The Audit Committee also 992
 recommended to the Board of Directors that the independent auditors be 993
 reappointed for 1992, subject to the approval of the shareholders at the 994
 annual meeting. 995
 996

+++++
 +++ ON-LINE DOCUMENT: Dayton ARS 93
 +++ Retrieval for this document: 32 units out of 3622, = 0.88%
 * * * * * TEXT OF FILING * * * * * 31
 ++ Text units 2807-2815:

The Board of Directors exercises its oversight role with respect to the 2807
 Corporation's system of internal financial controls primarily through 2808
 its Audit Committee, which is composed of five independent directors. 2809
 The Committee oversees the Corporation's systems of internal controls, 2810
 accounting practices, financial reporting and audits to ensure their 2811
 quality, integrity and objectivity are sufficient to protect 2812
 shareholders' investments. Their report appears on this page. 2813
 2814
 2815

++ Text units 2842-2864:
 Controller and 2842
 Chief Accounting Officer 2843
 March 18, 1994 2844
 2845
 2846

REPORT OF AUDIT COMMITTEE 2847

The Audit Committee met twice during fiscal 1993 to review the overall 2848
 audit scope, plans for internal and independent audits, the 2849
 Corporation's internal controls, emerging accounting issues, officer and 2850
 director expenses, audit fees and retirement plans. The Committee also 2851
 met individually with the internal auditors and independent auditors, 2852
 without management present, to discuss the results of their audits. The 2853
 Committee encourages the internal and independent auditors to 2854
 communicate closely with the Committee. 2855
 2856
 2857

Audit Committee results were reported to the full Board of Directors, 2858
 and the Corporation's annual financial statements were reviewed and 2859
 approved by the Board before issuance. The Audit Committee also 2860
 recommended to the Board of Directors that the independent auditors be 2861
 reappointed for fiscal 1994, subject to the approval of the shareholders 2862
 at the annual meeting. 2863
 2864

+++++
 +++ ON-LINE DOCUMENT: Dayton ARS 94
 +++ Retrieval for this document: 32 units out of 3372, = 0.95%
 * * * * * TEXT OF FILING * * * * * 31
 ++ Text units 2594-2602:

The Board of Directors exercises its oversight role with respect to the 2594
 Corporation's systems of internal financial control primarily through 2595
 its Audit Committee, which composed of five independent directors. The 2596
 Committee oversees the Corporation's systems of internal controls, 2597
 2598

accounting practices, financial reporting and audits to ensure their	2599
quality, integrity and objectivity are sufficient to protect	2600
shareholders' investments. Their report appears on this page.	2601
	2602
++ Text units 2623-2645:	
Senior Vice President and	2623
Chief Financial Officer	2624
	2625
March 8, 1995	2626
	2627
Report of Audit Committee	2628
	2629
The Audit Committee met twice during fiscal 1994 to review the overall	2630
audit scope, plans for internal and independent audits, the	2631
Corporation's internal controls, emerging accounting issues, officer	2632
and director expenses, audit fees and retirement plans. The Committee	2633
also met individually with the internal auditors and independent	2634
auditors, without management present, to discuss the results of their	2635
audits. The Committee encourages the internal and independent auditors	2636
to communicate closely with the Committee.	2637
	2638
Audit Committee results were reported to the full Board of Directors,	2639
and the Corporation's annual financial statements were reviewed and	2640
approved by the Board before issuance. The Audit Committee also	2641
recommended to the Board of Directors that the independent auditors be	2642
reappointed for fiscal 1995, subject to the approval of the	2643
shareholders at the annual meeting.	2644
	2645
+++++	
+++ ON-LINE DOCUMENT: Dayton ARS 95	
+++ Retrieval for this document: 19 units out of 3624, = 0.52%	
* * * * * TEXT OF FILING * * * * *	31
++ Text units 3034-3052:	
	3034
Report of Audit Committee	3035
	3036
The Audit Committee met three times during fiscal 1995 to review the	3037
overall audit scope, plans for internal and independent audits, the	3038
Corporation's systems of internal control, emerging accounting issues,	3039
officers and director expenses, audit fees and retirement plans. The	3040
Committee also met individually with the internal auditors and	3041
independent auditors, without management present, to discuss the results	3042
of their audits. The Committee encourages the internal and independent	3043
auditors to communicate closely with the Committee.	3044
	3045
Audit Committee results were reported to the full Board of Directors and	3046
the Corporation's annual financial statements were reviewed and approved	3047
by the Board before issuance. The audit Committee also recommended to	3048
the Board of Directors that the independent auditors be reappointed for	3049
fiscal 1996, subject to the approval of the shareholders at the annual	3050
meeting.	3051
	3052
+++++	
+++ ON-LINE DOCUMENT: Dayton PRX 88	
+++ Retrieval for this document: 24 units out of 1603, = 1.5%	
++ Text units 790-813:	
	790
The Board of Directors has an Audit Committee, consisting of the	791
persons identified above. The Audit Committee held two meetings during	792
the last fiscal year. In designating the members of the Audit	793
Committee, the Board specifically evaluates their independence of	794
judgment according to guidelines published by the New York Stock	795
Exchange. The Audit Committee, among other duties, regularly reviews	796

the scope of the internal audit program and internal controls, approves 797
the scope of 798

[*9] [HARDCOPY PAGE 7] 799

800
801
802
the independent public accountants' audit, evaluates the independent 803
public accountants' qualifications, reviews the internal auditors' 804
opinions as to internal controls, monitors the adequacy of accounting 805
policies and systems and meets privately, at least annually, with the 806
public accountants, controller and internal auditor of the Corporation 807
for exposition and review of their respective information, opinions and 808
functions. The Audit Committee also reviews the designation, 809
qualifications and performance of the managers of those employee 810
benefit plans of the Corporation that are governed by the Employee 811
Retirement Income Security Act of 1974 ("ERISA"). 812
813

+++++

+++ ON-LINE DOCUMENT: Dayton PRX 90
+++ Retrieval for this document: 19 units out of 3379, = 0.56%
++ Text units 695-713:

695
The Board of Directors has an Audit Committee, consisting of the 696
independent directors identified above. The Audit Committee held two 697
meetings during the last fiscal year. In designating the members of the 698
Audit Committee, the Board specifically evaluates their independence of 699
judgment according to guidelines published by the New York Stock 700
Exchange. The Audit Committee, among other duties, regularly reviews 701
the scope of the internal program and internal controls, approves the 702
scope of the independent public accountants' audit evaluates the 703
independent public accountants' qualifications, reviews the internal 704
auditors' opinions as to internal controls, monitors the adequacy of 705
accounting policies and systems and meets privately, at least annually, 706
with the public accountants, chief accounting officer and internal 707
auditor of the Corporation for exposition and review of their respective 708
information, opinions and functions. The Audit Committee also reviews 709
the designation, qualifications and performance of the managers of those 710
employee benefit plans of the Corporation that are governed by the 711
Employee Retirement Income Security Act of 1974 ("ERISA"). 712
713

+++++

+++ ON-LINE DOCUMENT: Dayton PRX 91
+++ Retrieval for this document: 20 units out of 2359, = 0.85%
++ Text units 602-621:

Audit Committee 602
603
The Board of Directors has an Audit Committee, consisting of the 604
independent directors identified above. The Audit Committee held two 605
meetings during the last fiscal year. In designating the members of the 606
Audit Committee, the Board specifically evaluates their independence of 607
judgment according to guidelines published by the New York Stock 608
Exchange. The Audit Committee, among other duties, regularly reviews 609
the scope of the internal audit program and internal controls, approves 610
the scope of the independent public accountants' audit, evaluates the 611
independent public accountants' qualifications, reviews the internal 612
auditors' opinions as to internal controls, monitors the adequacy of 613
accounting policies and systems and meets privately at each meeting with 614
the public accountants, chief accounting officer and internal auditor of 615
the Corporation for exposition and review of their respective 616
information, opinions and functions. The Audit Committee also reviews 617
the designation, qualifications and performance of the managers of those 618
employee benefit plans of the Corporation that are governed by the 619
Employee Retirement Income Security Act of 1974 ("ERISA"). 620

621

+++++

+++ ON-LINE DOCUMENT: Dayton PRX 93

+++ Retrieval for this document: 21 units out of 3144, = 0.67%

* * * * * TEXT OF FILING * * * * * 26

++ Text units 582-602:

Audit Committee 582

583

The Board of Directors has an Audit Committee, consisting of the 584

independent directors identified above. The Audit Committee held two 585

meetings during the last fiscal year. In designating the members of 586

the Audit Committee, the Board specifically evaluates their 587

independence of judgment according to guidelines published by the New 588

York Stock Exchange. The Audit Committee, among other duties, reviews 589

the overall audit scope, plans for internal and independent audits, the 590

Corporation's internal controls, emerging accounting issues, officer 591

and director expenses, audit fees and retirement plans. The Audit 592

Committee meets individually with the internal auditors and 593

594

9 595

596

597

independent auditors, without management present, to discuss the 598

results of their audits. The Audit Committee encourages the internal 599

and independent auditors to communicate closely with the Audit 600

Committee. 601

602

+++++

+++ ON-LINE DOCUMENT: Dayton PRX 94

+++ Retrieval for this document: 16 units out of 2957, = 0.54%

* * * * * TEXT OF FILING * * * * * 26

++ Text units 841-856:

AUDIT COMMITTEE 841

842

The Board of Directors has an Audit Committee, consisting of the 843

independent directors identified above. The Audit Committee held two 844

meetings during the last fiscal year. In designating the members of 845

the Audit Committee, the Board specifically evaluates their 846

independence of judgment according to guidelines published by the New 847

York Stock Exchange. The Audit Committee, among other duties, reviews 848

the overall audit scope, plans for internal and independent audits, the 849

Corporation's internal controls, emerging accounting issues, officer 850

and director expenses, audit fees and retirement plans. The Audit 851

Committee meets individually with the internal auditors and independent 852

auditors, without management present, to discuss the results of their 853

audits. The Audit Committee encourages the internal and independent 854

auditors to communicate closely with the Audit Committee. 855

856

+++++

+++ ON-LINE DOCUMENT: Dayton PRX 95

+++ Retrieval for this document: 17 units out of 2613, = 0.65%

* * * * * TEXT OF FILING * * * * * 26

++ Text units 808-824:

AUDIT COMMITTEE 808

809

810

The Board of Directors has an Audit Committee, consisting of the 811

independent directors identified above. The Audit Committee held three 812

meetings during the last fiscal year. In designating the members of 813

the Audit Committee, the Board specifically evaluates their 814

independence of judgment according to guidelines published by the New 815

York Stock Exchange. The Audit Committee, among other duties, reviews 816

the overall audit scope, plans for internal and independent audits, the 817

Corporation's internal controls, emerging accounting issues, officer and director expenses, audit fees and retirement plans. The Audit Committee meets individually with the internal auditors and independent auditors, without management present, to discuss the results of their audits. The Audit Committee encourages the internal and independent auditors to communicate closely with the Audit Committee.

+++++

+++ ON-LINE DOCUMENT: Gott PRX 90
 +++ Retrieval for this document: 18 units out of 697, = 2.6%
 ++ Text units 318-335:

All directors hold office until the next annual meeting of the stockholders of the Company and until their successors are elected and qualified. In the fiscal year ended February 2, 1991, the Board of Directors held three meetings. The Board-appointed Audit Committee, consisting of Messrs. Penbera, Blum and Joseph Levy, assists the Board in matters relating to Accounting. The Audit Committee receives from, and reviews with, the Company's independent accountants the annual report of such auditors; reviews with the independent auditors the scope of the succeeding annual audit; nominates the independent auditors to be selected each year by the Board; reviews consulting services rendered by the Company's independent auditors and evaluates the possible effect on the auditors' independence of performing such services; ascertains the existence of adequate internal accounting and control systems; and reviews with management and the Company's independent auditors current and emerging accounting and financial reporting requirements and practices affecting the Company. The Audit Committee met once during 1990.

+++++

+++ ON-LINE DOCUMENT: Jacobsons ARS 90
 +++ Retrieval for this document: 10 units out of 2412, = 0.41%
 * * * * * TEXT OF FILING * * * * *

++ Text units 1288-1297:
 The Audit Committee of the Board of Directors, composed entirely of outside directors, meets regularly with management, the internal auditors and the independent public accountants to assure that each is carrying out its responsibilities. Both the independent public accountants and the Company's internal auditors have full and free access to the Audit Committee, with and without management representatives present, to discuss the results of their examinations and their opinions on the adequacy of internal accounting controls and the quality of financial reporting.

+++++

+++ ON-LINE DOCUMENT: Jacobsons PRX 93
 +++ Retrieval for this document: 19 units out of 1772, = 1.1%
 * Less than 1% of the class

++ Text units 818-836:
 The Audit Committee consists of Directors Longe (Chair), Amster, Couzens, J. R. Fowler, Lewis, and Robert L. Rosenfeld. It met twice during the year. The Audit Committee reviews the Company's accounting policies and reporting practices, internal controls, and security procedures; reviews and evaluates the scope and results of the audits completed by the Company's internal auditor; and recommends to the Board, subject to shareholder approval, the selection of independent public accountants, reviews the quality standards maintained in their audit of the Company's financial statements, and evaluates their independence and

	832
	833
	834
professional competence, as well as the scope and results of their	835
audit.	836
+++++	
+++ ON-LINE DOCUMENT: JCP ARS 90	
+++ Retrieval for this document: 33 units out of 3587, = 0.92%	
++ Text units 1238-1259:	
Company.	1238
	1239
The consolidated financial statements have been audited by independent	1240
auditors whose report appears above.	1241
	1242
The Audit Committee of the Board of Directors is composed solely of	1243
directors who are not officers or employees of the Company. The Audit	1244
Committee's responsibilities include recommending to the Board for	1245
stockholder approval the independent auditors for the annual audit of	1246
the Company's consolidated financial statements. The Committee also	1247
reviews the audit plans, scope, fees, and audit results of the auditors;	1248
reports on the adequacy of internal accounting controls; non-audit	1249
services and related fees; the Company's ethics program; status of	1250
significant legal matters; the scope of the internal auditors' plans and	1251
budget and results of their audits; and the effectiveness of the	1252
Company's program for correcting audit findings. Company personnel,	1253
including internal auditors, meet periodically with the Audit Committee	1254
to discuss auditing and financial reporting matters.	1255
	1256
William R. Howell	1257
Chairman of the Board and Chief Executive Officer	1258
	1259
++ Text units 3509-3519:	
	3509
FRONT, LEFT TO RIGHT: William M. Ellinghaus, Joseph D. Williams,	3510
Clifton C. Garvin, Jr., Boris Yavitz, Jane C. Pfeiffer, Vernon E.	3511
Jordan, Jr.	3512
	3513
1. Member of the Audit Committee of the Board of Directors. This	3514
committee recommends to the Board of Directors for shareholder approval	3515
the independent auditors for the annual audit of the Company's	3516
consolidated financial statements. The committee also reviews the audit	3517
plans, scope, fees, and audit results of the auditors, reports on the	3518
adequacy of internal accounting controls, non-audit services and related	3519
+++++	
+++ ON-LINE DOCUMENT: JCP PRX 90	
+++ Retrieval for this document: 13 units out of 1502, = 0.87%	
++ Text units 322-334:	
	322
The principal standing committees of the Board of Directors, which are	323
composed entirely of directors who are not employees of the Company,	324
include the following:	325
	326
Audit Committee	327
	328
The Audit Committee's responsibilities include recommending to the Board	329
of Directors for stockholder approval the independent auditors for the	330
annual audit of the Company's consolidated financial statements. The	331
Committee reviews the audit plans, scope, fees, and audit results of the	332
auditors; reports on the adequacy of internal accounting controls;	333
non-audit services and related fees; the Company's ethics program;	334
+++++	
+++ ON-LINE DOCUMENT: KMart ARS 91	
+++ Retrieval for this document: 27 units out of 4365, = 0.62%	

* * * * * TEXT OF FILING * * * * *	31
++ Text units 2242-2252:	
The Audit Committee of the Board of Directors, consisting solely of	2242
outside directors, meets regularly with management, internal auditors	2243
and the independent accountants to assure that each is carrying out its	2244
responsibilities. The internal auditors and independent accountants	2245
both have full and free access to the Audit Committee, with and without	2246
the presence of management.	2247
	2248
	2249
/S/ J.E. Antonini	2250
Chairman of the Board, President	2251
and Chief Executive Officer	2252
++ Text units 4035-4050:	
Joseph R. Thomas	4035
Executive Vice President	4036
	4037
Committees of the Board	4038
	4039
Audit Committee	4040
	4041
	4042
Gloria M. Shatto, Chair	4043
Lilyan H. Affinito	4044
Willie D. Davis	4045
David B. Harper	4046
	4047
Compensation and Incentives Committee	4048
	4049
	4050
Joseph P. Flannery, Chair	
Joseph A. Califano, Jr.	
+++++	
+++ ON-LINE DOCUMENT: Kmart PRX 91	
+++ Retrieval for this document: 10 units out of 1472, = 0.68%	
* * * * * TEXT OF FILING * * * * *	27
++ Text units 427-436:	
Following are the committees of the Board of Directors, the members of	427
each committee as of the date hereof, the number of meetings held by	428
each committee during the Company's fiscal year ended January 29, 1992,	429
and a brief description of the functions performed by each committee.	430
	431
AUDIT COMMITTEE	432
	433
Members: Gloria M. Shatto (Chair), Lilyan H. Affinito, Willie D. Davis	434
and David B. Harper. (This Committee is comprised solely of	435
non-employee directors.)	436
+++++	
+++ ON-LINE DOCUMENT: LFay PRX 91	
+++ Retrieval for this document: 14 units out of 909, = 1.5%	
++ Text units 434-447:	
Meetings and Committees	434
	435
	436
The Board of Directors of the Company met five times during the	437
Company's 1991 fiscal year. The Board has an Audit Committee which held	438
one formal meeting during that period; however, its members also met	439
informally from time to time. The principal functions of the Audit	440
Committee include recommending the appointment of the Company's	441
independent auditors, reviewing the adequacy of internal auditing and	442
accounting procedures and consulting with the independent auditors on	443
matters relating to internal financial controls and procedures. The	444
Board also has a Nominating Committee which met informally from time to	445
time during the Company's 1991 fiscal year. The principal functions of	446
the Nominating Committee include advising and making recommendations to	447
the Board on all matters concerning the selection of candidates as	

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+++ ON-LINE DOCUMENT: May ARS 90
+++ Retrieval for this document: 27 units out of 3498, = 0.77%
++ Text units 3062-3088:
business affairs in accordance with the highest ethical standards and in 3062
conformity with the law. This standard is described in the company's 3063
policies on corporate conduct which are publicized throughout the 3064
company. 3065
3066
Audit Committee of the Board of Directors 3067
3068
The Board of Directors, through the activities of its Audit Committee, 3069
participates in the reporting of financial information by the company. 3070
The committee meets regularly with management, the internal auditors and 3071
representatives of the company's independent public accountants. The 3072
committee met three times during 1990 and reviewed the scope, timing and 3073
fees for the annual audit and the results of audit examinations 3074
completed by the internal auditors and independent public accountants, 3075
including the recommendations to improve certain internal controls and 3076
the follow-up reports prepared by management. Representatives of the 3077
independent of public accountants and the internal auditors have free 3078
access to the committee and the Board of Directors and attend each 3079
meeting of the committee. 3080
3081
The members of the Audit Committee are Richard R. Shinn (chairman), 3082
Edward H. Meyer, Russell E. Palmer, Robert D. Storey, Murray L. 3083
Weidenbaum and Edward E. Whitacre, Jr. 3084
3085
The Audit Committee reports the results of its activities to the full 3086
Board of Directors. 3087
3088
+++++
+++ ON-LINE DOCUMENT: May PRX 90
+++ Retrieval for this document: 15 units out of 1063, = 1.4%
++ Text units 840-854:
Audit Committee 840
841
The audit committee is comprised of Messrs. Meyer, Palmer, Shinn 842
(chairman), Storey, Weidenbaum and Whitacre. The audit committee met 843
three times during the last fiscal year. The functions of the audit 844
committee include making recommendations to the board of directors as to 845
the selection of the firm of independent public accountants and auditors 846
to examine the books and accounts of the Company for each fiscal year 847
and as to the proposed arrangements with the independent public 848
accountants and auditors for each fiscal year, reviewing the results of 849
the audit for each fiscal year, reviewing the coordination between the 850
independent public accountants and auditors and the Company's internal 851
auditing staff and overseeing the Company's policies concerning 852
sensitive payments and conflict of interest. 853
854
+++++
+++ ON-LINE DOCUMENT: One Price ARS 90
+++ Retrieval for this document: 13 units out of 1490, = 0.87%
++ Text units 1353-1365:
CORPORATE COMMITTEES 1353
1354
Audit Committee 1355
David F. Bellet 1356
J. Randall Groves 1357
Charles D. Moseley, Jr 1358
Raymond S. Waters 1359
1360
Compensation Committee 1361

```

David F. Bellet	1362
J. Randall Groves	1363
Charles D. Moseley, Jr.	1364
	1365

+++++	
+++ ON-LINE DOCUMENT: One Price PRX 91	
+++ Retrieval for this document: 16 units out of 1684, = 0.95%	
++ Text units 480-495:	
times. Each member of the Board attended at least 75% of the total	480
number of meetings of the Board of Directors. Due to business	481
commitments, Mr. Bellet was unable to attend one of the two meetings of	482
committees on which he served as a member during fiscal 1991.	483
	484

The Board of Directors has an Audit Committee, which is responsible for	485
reviewing and making recommendations regarding the Company's engagement	486
of independent auditors, the annual audit of the Company's financial	487
statements and the Company's internal accounting practices and policies.	488
The current members of the Audit Committee are David F. Bellet, James M.	489
Shoemaker, Jr., and Raymond S. Waters. The Audit Committee met two	490
times during fiscal 1991.	491

	492
The Board of Directors also has a Compensation Committee, the function	493
of which is to make recommendations to the Board of Directors as to the	494
salaries and bonuses of the officers of the Company. The current	495

+++++

+++ ON-LINE DOCUMENT: RAD ARS 87	
+++ Retrieval for this document: 15 units out of 2483, = 0.60%	
++ Text units 1066-1080:	
Practice Section of the American Institute of Certified Public	1066
Accountants and has submitted a copy of their peer review results to	1067
management.	1068
	1069

The Board of Directors pursues its responsibility for these statements	1070
through its audit committee, composed of outside directors, which meets	1071
periodically with both management and the independent auditors to	1072
assure that each is carrying out its responsibilities. Peat Marwick	1073
Main & Co. and the internal audit department have free access to the	1074
audit committee, with and without the presence of management.	1075

	1076
ACCOUNTANTS' REPORT	1077

	1078
The Board of Directors	1079
Rite Aid Corporation	1080

+++++

+++ ON-LINE DOCUMENT: RAD PRX 87	
+++ Retrieval for this document: 17 units out of 626, = 2.7%	
++ Text units 259-275:	
The Board's Compensation Committee met once during the fiscal year for	259
the purpose of evaluating key officer's salaries and bonuses. Members	260
of this Committee are Alex Grass, Philip Neivert, Leonard Stern and	261
Gerald Tsai, Jr.	262
	263

The Board's Audit Committee, which held two meetings during the fiscal	264
year, reviewed the scope and results of the audit by the independent	265
auditors. The Committee examined the accounting practices and methods	266
of control and the manner of reporting financial results. These	267
reviews and examinations included meetings with independent auditors,	268
staff accountants and representatives of management. The results of the	269
Committee's examinations and the choice of the Company's independent	270
auditors are reported to the full Board. The Audit Committee includes	271
no officers or full-time employees of the Company. Members of this	272
Committee are Philip Neivert, Richard Kogan, Henry Taub and Dick	273
Thornburgh.	274

+++++

+++ ON-LINE DOCUMENT: Sears ARS 88
+++ Retrieval for this document: 18 units out of 6006, = 0.30%
++ Text units 5848-5865:

5848
The Audit Committee of the Board of Directors is comprised entirely of 5849
directors who are not employees of the company. The committee reviews 5850
audit plans, internal controls, financial reports and related matters 5851
and meets regularly with the company's management, internal auditors and 5852
independent certified public accountants. The independent certified 5853
public accountants and the internal auditors have free access to the 5854
Audit Committee, without management being present, to discuss the 5855
results of their audits or any other matters. 5856
5857

5858
Touche Ross & Co., independent certified public accountants, have 5858
audited the financial statements of the company and their opinion is 5859
presented below. Their audit includes a study and evaluation of the 5860
company's control environment, accounting systems and control 5861
procedures. Touche Ross advises management and the Audit Committee of 5862
significant matters resulting from their audit of our financial 5863
statements and internal controls. 5864
5865

+++++

+++ ON-LINE DOCUMENT: Sears ARS 90
+++ Retrieval for this document: 12 units out of 5786, = 0.21%
++ Text units 1068-1079:

1068
The Audit Committee of the Board of Directors is comprised entirely of 1069
directors who are not employees of the company. The committee reviews 1070
audit plans, internal controls, financial reports and related matters 1071
and meets regularly with the company's management, internal auditors and 1072
independent accountants. The independent accountants and the internal 1073
auditors advise the committee of any significant matters resulting from 1074
their audits of our financial statements and internal controls and have 1075
free access to the committee without management being present. 1076
1077

1078
Edward A. Brennan
Chairman, President and Chief Executive Officer 1079

+++++

+++ ON-LINE DOCUMENT: Sears ARS 93
+++ Retrieval for this document: 15 units out of 6257, = 0.24%
* * * * * TEXT OF FILING * * * * * 30
++ Text units 5201-5215:

5201
procedures. The independent accountants and internal auditors advise 5201
management of the results of their reviews, and make recommendations to 5202
improve the system of internal control. Management evaluates the audit 5203
recommendations and takes appropriate action. 5204
5205

5206
The Audit Committee of the Board of Directors is comprised entirely of 5206
directors who are not employees of the Company. The committee reviews 5207
audit plans, internal control reports, financial reports and related 5208
matters and meets regularly with the Company's management, internal 5209
auditors and independent accountants. The independent accountants and 5210
the internal auditors advise the committee of any significant matters 5211
resulting from their audits of or financial statements and internal 5212
controls and have free access to the committee without management being 5213
present. 5214
5215

+++++

+++ ON-LINE DOCUMENT: Sears ARS 95
+++ Retrieval for this document: 10 units out of 3980, = 0.25%
* * * * * TEXT OF FILING * * * * * 30

++ Text units 3528-3537:
The Audit Committee of the Board of Directors is comprised entirely of 3528
directors who are not employees of the Company. The committee reviews 3529
audit plans, internal control reports, financial reports and related 3530
matters and meets regularly with the Company's management, internal 3531
auditors and independent accountants. The independent accountants and 3532
the internal auditors advise the committee of any significant matters 3533
resulting from their audits of our financial statements and internal 3534
controls and have free access to the committee without management being 3535
present. 3536
3537

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+++ ON-LINE DOCUMENT: Sears PRX 88
+++ Retrieval for this document: 20 units out of 1560, = 1.3%
++ Text units 642-661:
information. 642
643
The Audit Committee meets periodically with the Company's internal 644
auditors and its independent public accountants to review their reports 645
concerning 646
647
648
649
[*8] [HARDCOPY PAGE 6] 650
651
652
(i) their examination of the financial statements and internal 653
accounting control systems of the Company and its subsidiaries, (ii) 654
their recommendations relating to internal controls and operating 655
procedures and (iii) compliance by employees of the Company and its 656
subsidiaries with policies of the Company and its subsidiaries relating 657
to various governmental laws, regulations, ethics, conflicts of interest 658
and disbursements of corporate funds. The Committee also makes 659
recommendations to the Board of Directors regarding the independent 660
public accountants to be appointed as the Company's auditors. 661

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+++ ON-LINE DOCUMENT: Sears PRX 90
+++ Retrieval for this document: 13 units out of 2631, = 0.49%
++ Text units 787-799:
787
The Audit Committee meets periodically with the Company's internal 788
auditors and its independent public accountants to review their reports 789
concerning (i) their examination of the financial statements and 790
internal accounting control systems of the Company and its subsidiaries, 791
(ii) their recommendations relating to internal controls and operating 792
procedures and (iii) compliance by employees of the Company and its 793
subsidiaries with policies of the Company and its subsidiaries relating 794
to various governmental laws, regulations, ethics, conflicts of interest 795
and disbursements of corporate funds. The Committee also makes 796
recommendations to the Board of Directors regarding the independent 797
public accountants to be appointed as the Company's auditors. 798
799

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+++ ON-LINE DOCUMENT: Sears PRX 93
+++ Retrieval for this document: 18 units out of 3551, = 0.51%
*A majority-owned, indirect subsidiary of the Company. 638
++ Text units 776-793:
776
The Audit Committee reviews with management, the Company's independent 777
public 777
accountants and its internal auditors, upon completion of each audit, the 778
annual financial statements of the Company, the independent public 779
accountants' report thereon and the other relevant financial information

to be 780
included in the Company's Annual Report on Form 10-K and its annual
report to 781
shareholders, and reports to the Board of Directors on its review. The
Committee also reviews recommendations made by the independent
accountants and 783
internal auditors with respect to the Company's accounting methods and
system 784
of internal control and reports to the Board on such review. The Audit
Committee recommends the appointment of independent accountants and
examines 786
and makes recommendations to the Board of Directors with respect to the
scope 787
of audits conducted by the Company's independent public accountants and
internal auditors. The Committee reviews reports from the independent
accountants and internal auditors concerning compliance by management
with 790
legal provisions and with the Company's business conduct and ethics
policies 791
and conducts such other inquiries as are consistent with its
responsibilities. 792
793

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+++ ON-LINE DOCUMENT: Sears PRX 94
+++ Retrieval for this document: 20 units out of 2119, = 0.94%
*A majority-owned, indirect subsidiary of the Company. 548
++ Text units 697-716:

697
The Audit Committee reviews with management, the Company's independent
public accountants and its internal auditors, upon completion of each
audit, the annual financial statements of the Company, the independent
public accountants' report thereon and the other relevant financial
information to be included in the Company's Annual Report on Form 10-K
and its annual report to shareholders, and reports to the Board of
Directors on its review. The Committee also reviews recommendations
made by the independent accountants and internal auditors with respect
to the Company's accounting methods and system of internal control and
reports to the Board on such review. The Audit Committee recommends
the appointment of independent accountants and examines and makes
recommendations to the Board of Directors with respect to the scope of
audits conducted by the Company's independent public accountants and
internal auditors. The Committee reviews reports from the independent
accountants and internal auditors concerning compliance by management
with legal provisions and with the Company's business conduct and
ethics policies and conducts such other inquiries as are consistent
with its responsibilities. 715
716

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+++ ON-LINE DOCUMENT: Sears PRX 95
+++ Retrieval for this document: 19 units out of 2550, = 0.75%
* The Finance Committee was dissolved on September 26, 1995. The 728
++ Text units 771-789:

771
The Audit Committee reviews with management, the Company's independent
public accountants and its internal auditors, upon completion of each
audit, the annual financial statements of the Company, the independent
public accountants' report thereon and the other relevant financial
information to be included in the Company's Annual Report on Form 10-K
and its annual report to shareholders, and reports to the Board of
Directors on its review. The Committee also reviews recommendations
made by the independent accountants and internal auditors with respect
to the Company's accounting methods and system of internal control and
reports to the Board on such review. The Audit Committee recommends
the appointment of independent accountants and examines and makes 781

recommendations to the Board of Directors with respect to the scope of 782
audits conducted by the Company's independent public accountants and 783
internal auditors. The Committee reviews reports from the independent 784
accountants and internal auditors concerning compliance by management 785
with legal provisions and with the Company's business conduct and 786
ethics policies and conducts such other inquiries as are consistent 787
with its responsibilities. 788
789

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+++ ON-LINE DOCUMENT: Service PRX 88
+++ Retrieval for this document: 11 units out of 3857, = 0.29%
++ Text units 362-372:

The Company has an Audit Committee for the purposes of recommending the 362
Company's auditors, reviewing the scope of their engagement, consulting 363
with such auditors, reviewing the results of the audit examination prior 364
to finalization thereof, acting as a liaison between the Board and 365
internal auditors and reviewing various Company policies, including 366
those relating to accounting and internal controls matters. The members 367
of the Committee are R. Maynard Holt, Chairman, Richard P. Crane, Jr., 368
Charles V. Moore and James E. Poole. During the fiscal year ended 369
December 31, 1988, there were four meetings of the Audit Committee. 370
371
372

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+++ ON-LINE DOCUMENT: TJX ARS 92
+++ Retrieval for this document: 23 units out of 3025, = 0.76%
++ Text units 2214-2225:

An Audit Committee, comprised of members of the Board of Directors who 2214
are neither officers nor employees of the Company, meets periodically 2215
with management, internal auditors and the independent public 2216
accountants to review matters relating to the Company's financial 2217
reporting, the adequacy of internal accounting control and the scope and 2218
results of audit work. The internal auditors and the independent public 2219
accountants have free access to the Committee. 2220
2221
2222

The financial statements have been examined by Coopers & Lybrand, whose 2223
report appears separately. Their report expresses an opinion as to the 2224
fair presentation of the consolidated financial statements and is based 2225
++ Text units 2280-2290:

Sumner L. Feldberg, Chairman 2280
Bernard Cammarata 2281
Robert F. Shapiro 2282
2283
2284
Audit Committee 2285
2286
Phyllis B. Davis, Chairperson 2287
Burton S. Stern 2288
Fletcher H. Wiley 2289
2290

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+++ ON-LINE DOCUMENT: TJX PRX 92
+++ Retrieval for this document: 18 units out of 2026, = 0.89%
* * * * * TEXT OF FILING * * * * * 27
++ Text units 402-419:

THE BOARD AND ITS COMMITTEES 402
403
404
The Audit Committee, which held three meetings during fiscal 1993, 405
reviews with management, the internal audit group and the independent 406
accountants the Company's financial statements, the accounting 407
408

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	411
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	413
principles applied in their preparation, the scope of the audit, any	414
comments made by the independent accountants upon the financial	415
condition of the Company and its accounting controls and procedures,	416
and such other matters as the Committee deems appropriate, and the	417
Committee reviews with management such matters relating to compliance	418
with corporate policies as the Committee deems appropriate.	419

+++ ON-LINE DOCUMENT: Walgreen ARS 87	
+++ Retrieval for this document: 23 units out of 2388, = 0.96%	
++ Text units 1586-1595:	
	1586
Audit Committee	1587
	1588
Three outside members of the Board of Directors comprise the Company's	1589
Audit Committee. Regular meetings of the committee are held with	1590
Company management and the independent public accountants to monitor and	1591
review financial and accounting matters.	1592
	1593
Principles of Consolidation	1594
	1595
++ Text units 2047-2059:	
provide reasonable assurance that the consolidated financial statements,	2047
considered in their entirety, are not misleading and do not contain	2048
material errors.	2049
	2050
Three outside members of the Board of Directors comprise the Company's	2051
Audit Committee, which meets at least quarterly and is responsible for	2052
reviewing and monitoring the Company's financial and accounting	2053
practices. In order to insure and maintain complete independence,	2054
Arthur Andersen & Co. and the Company's General Auditor have access to	2055
meet alone with the Audit Committee, which also meets with Company	2056
management to discuss financial matters, auditing and internal	2057
accounting controls.	2058
	2059

+++ ON-LINE DOCUMENT: Walgreen PRX 87	
+++ Retrieval for this document: 7 units out of 841, = 0.83%	
++ Text units 382-388:	
The Audit Committee, which consisted of John J. Louis, Jr., who was	382
replaced by Theodore Dimitriou, as Chairman; John E. Jueck, who was	383
replaced by Marilou M. Hedlund, and Mirrel R. Kephart, met four times.	384
The Committee's responsibilities include evaluation of significant	385
matters relating to the audit and internal controls of the Company and	386
review of the scope and results of audits by the independent auditors.	387
	388

+++ ON-LINE DOCUMENT: WMT ARS 91	
+++ Retrieval for this document: 23 units out of 2219, = 1.0%	
++ Text units 1714-1724:	
	1714
The Board of Directors, through the activities of its Audit Committee	1715
consisting solely of outside Directors, participates in the process of	1716
reporting financial information. The duties of the Committee include	1717
keeping informed of the financial condition of the Company and reviewing	1718
its financial policies and procedures, its internal accounting controls	1719
and the objectivity of its financial reporting. Both the Company's	1720
independent auditors and the internal auditors have free access to the	1721
Audit Committee and the Board of Directors and meet with the Committee	1722

periodically, with and without management present. 1723
1724

++ Text units 1866-1877:

Audit Committee 1866
1867
1868
David R. Banks 1869
F. Kenneth Iverson 1870
Robert Kahn 1871
1872

Stock Option Committee 1873
1874
1875
David D. Glass 1876
Donald G. Soderquist 1876
S. Robson Walton 1877

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+++ ON-LINE DOCUMENT: WMT PRX 91
+++ Retrieval for this document: 19 units out of 923, = 2.1%
* * * * * TEXT OF FILING * * * * * 26

++ Text units 580-598:

580
The Board of Directors holds meetings four times a year to review 581
significant developments affecting the Company and to act on matters 582
requiring Board approval. The Board of Directors has established four 583
standing committees to assist it in the discharge of its 584
responsibilities: the Audit Committee, the Stock Option Committee, the 585
Special Stock Option Committee, and the Executive Committee. During the 586
1991 fiscal year, the Audit Committee held two meetings, the Stock 587
Option Committee held five meetings, the Special Stock Option Committee 588
held two meetings, and the Executive Committees held no meetings, having 589
taken all action by written unanimous consent to action. These four 590
committees are as described below: 591
592

The Audit Committee is responsible for keeping informed of the financial 593
condition of the Company and reviewing its financial policies and 594
procedures, its internal accounting controls and the objectivity of its 595
financial reporting. The Audit Committee currently consists of F. 596
Kenneth Iverson, James H. Jones and Robert Kahn. 597
598

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+++ ON-LINE DOCUMENT: Woolworth ARS 92
+++ Retrieval for this document: 10 units out of 3478, = 0.29%
++ Text units 1275-1284:

1275
The Audit Committee of the Board of Directors, which is composed solely 1276
of directors who are not officers or employees of the company, meets 1277
regularly with corporate management, the company's internal auditors and 1278
legal counsel, and Price Waterhouse to review the activities of each and 1279
to satisfy itself that each is properly discharging its responsibility. 1280
In addition, the Audit Committee meets formally with Price Waterhouse, 1281
without management's presence, to discuss the audit of the financial 1282
statements as well as other auditing and financial reporting matters. 1283
1284

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+++ ON-LINE DOCUMENT: Woolworth PRX 92
+++ Retrieval for this document: 15 units out of 1632, = 0.92%
* * * * * TEXT OF FILING * * * * * 27

++ Text units 647-661:

647
Audit Committee. The members of the committee are: J. W. Adams 648
(Chairman), H. Galland, F. M. Kirby, J. W. Lynn, J. J. Mackowski, J. E. 649
Preston and E. J. Sullivan. The committee met three times during 1991. 650
The committee evaluates and reviews such matters as the Company's 651

accounting policies and reporting practices, the adequacy of the 652
 Company's systems of internal accounting controls and the scope and 653
 results of the Company's internal audit procedures. The committee also 654
 recommends to the Board the appointment of the Company's independent 655
 accountants, reviews the scope and results of their audit and approves 656
 their fees. The committee meets with the Company's independent 657
 accountants (both with and without the presence of Company management), 658
 internal auditors, financial personnel and general counsel to review 659
 their various activities and findings. 660
 661

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