



Date: October 12, 2020

To: Diversity Section of the AAA

From: Management Team of the AAA Board of Directors

Subject: Initial response to the Diversity Section memo dated September 10, 2020.

The Management Team (AAA CEO, President, Immediate Past President, President-Elect, VP Finance, and Council Chair, ex officio) met on September 15, 2020. We discussed your memo. We are deeply grateful for your work in providing us actionable recommendations. We appreciate your willingness to be in this discussion and agree that underrepresented minorities should not be expected to bear the burden of making change. In the following paragraphs, I will briefly update you on some actions we have taken since June 2020 as well as some short-term plans for moving forward. Please understand that this is only an informal initial update to convey our seriousness in addressing racial inequities. I will continue to update you as we make progress and I hope that you will continue in the discussion and hold us accountable. We agree it is an ongoing process.

Special Task Force with Report Date Target March 2021

Given the importance of substantive, coordinated changes required to address inequities and encourage DEI, we have appointed a task force to provide a draft set of recommendations to the Board and AAA CEO by the March 2020 Board meeting. We have specifically asked the Task Force to address:

- How other organizations are developing DEI initiatives that enhance both their organization membership as well as the allied profession.
- Whether the AAA should develop a Code of Conduct or similar document for its members.
- Whether the AAA should have either or both a professional staff Chief Diversity Officer and a Board of Director member focusing on DEI.
- Whether the AAA should modify governance as well as processes and procedures to enhance DEI efforts.
- How the AAA can encourage and support DEI research and its dissemination.
- How the AAA can communicate to stakeholders its commitment, efforts and accomplishments to improving DEI in the accounting academy and profession.

The following individuals have agreed to be members of the Task Force: Marc Rubin, Chair, Bob Allen, AAA President Elect, Stephanie Austin, AAA Professional Staff, Ken Bouyer, EY, Ann Dzurainin, Board Director Focusing on Membership, Norma Montague, Vice President Diversity Section, Blane Rushak, KPMG, and Sandra Shelton, PhD Project Hall of Fame. The task force may select an additional member outside of accounting to provide a broader perspective.

Increasing Visibility and Educating our Colleagues

We are in the process of changing our website to make DEI more visible and to provide educational resources. By November 1, we plan to include a rotation of the plenary and panel recordings related to DEI from the 2020 Annual Meeting on the home page, with a link to a dedicated DEI page. On the dedicated page, we plan to have all of the recordings from the last several annual meetings (to the extent the speaker has consented to posting the recording – some of the external speakers have limits) and resources to educate our members, including but not limited to DEI research. We also plan to use the site to communicate our current efforts and planned actions.

In addition, we are planning on including break-out sessions on DEI at both the fall segment leader meeting, and the Board and Council November meeting to provide input to the task force and to encourage action throughout the organization.

Governance

The association-wide committee structure for 20/21 is detailed at: <https://aaahq.org/About/Directories/2020-2021-AAA-Committees-Task-Forces>. Currently, the Management Team or Council is responsible for populating most association-wide committees. For those populated by the Management Team, we meet in June and recommend faculty for open positions (most committees rotate on a three-year basis to maintain continuity), along with alternates. The professional staff then sends an email invitation on our behalf. If someone declines, the professional staff automatically moves to the alternate. For the current year, we added underrepresented minorities to the Education Committee, the Governance Committee (Chair), the Research Committee, The Accounting Review Steering Committee, and the Membership Advisory Committee. We also invited an underrepresented minority to serve on the Publication Committee and the New Faculty Consortium Committee, but were declined. I note the Doctoral Consortium Committee carried forward for one year, but does have one underrepresented minority member.

The Council Committee on Awards Committees populates the Award Committees for the next year in April. We note of the eight awards committees, only two have underrepresented minority members. As noted above, we are planning on including DEI on the agenda of the November Council meeting and we will encourage increased diversity in future committee structure.

Regarding governance of meetings, we note that the Diversity Section is not alone in their frustration with the current meetings structure. In 2019, the Board appointed a Meetings Model Task Force to provide recommendations to the Board about how revenues, costs, and responsibilities should be shared between sections and professional staff. Their work was progressing until Covid-19 required everything to pivot to virtual. Understanding the desire for multiple meeting models, the professional staff has designed three platforms for virtual meetings, with multiple choices within each platform. As a result, sections are able to design a virtual meeting much more flexibly. We hope that we will be able to offer multiple meeting models that are efficient and effective when we return to in person meetings. This is an ongoing project of the Meetings Model Task Force.

Regarding governance over the selection of journal editors for AAA publications, each of the three association-wide journals are governed by a steering committee that recommends at least two candidates for senior editor to the publications committee, who makes a final selection subject to

approval of the Board. For an example, see the description of the Accounting Review Steering Committee (<https://aaahq.org/About/Directories/2020-2021-AAA-Committees-Task-Forces/Accounting-Review-Steering-Committee>). Senior Editors do have discretion in selecting associate editors and editorial boards. As you note, the Senior Editors are in the process of addressing lack of diversity of AAA wide and/or section journals. In addition, DEI is also on the Publications Committee agenda. Finally, at the council meeting in August, incoming Council Chair strongly encouraged all the segments to consider diverse candidates for segment committees and appointment as editors of section journals and also encouraged these editors to be more inclusive in naming their editors and editorial boards.

Through the extensive committee structure, the Board is committed to shared governance. We recognize that we need increased representation of underrepresented minorities in the committee structure and have increased diversity this year. As noted above, the Task Force will be considering our governance processes.

Once again, thanks for your memo. We look forward to continuing the conversation. Thanks also for the invitation for the CEO and President to participate in the Diversity Section Midyear Meeting later this month.