



Management Committee Meeting

Valencia – 9th May 2017

MINUTES

Attendees

Members present:

Salvador CARMONA (President)
Saverio BOZZOLAN (Treasurer)
Beatriz GARCIA OSMA
Miles GIETZMANN
Begoña GINER
Philip JOOS (President-elect)
Annalisa PRENCIPE
Aljoša VALENTINCIC
Nicole COOPMAN (Executive Secretary)

Members excused:

Lise EVANS
Hanna SILVOLA

Invited Guests present:

Ralf EWERT
Irene KARAMANOU
Keith ROBSON

Invited Guests excused:

Paul ANDRE
Kees CAMFFERMAN
Niclas HELLMAN
Matias LAINE
Hervé STOLOWY

Agenda

1. Welcome, apologies and adoption of the agenda

ITEMS FOR DISCUSSION AND DECISION (to be attended only by MC Members)

2. Corporate Governance issues (*S. Carmona*)
 - 2.1 Election/nomination processes and outcomes: MC Members, PC Member, SSC Member
 - 2.2 Revision of MC composition rule
3. Administrative issues (*S. Carmona*) and Financial issues (*S. Bozzolan*)
 - 3.1 Membership statistics
 - 3.2 Approval of EAA accounts 2016 and Auditor's report
 - 3.3 Approval of Committee Budgets 2018
 - 3.4 Savings strategy
 - 3.5 EAA Congress 2017 Budget
4. External relations
 - 4.1 External Relations Committee
 - 4.2 Relationship with associations of accounting academics

ITEMS FOR REPORTING/NOTING
(to be attended by MC Members and all invited Guests)

5. Matters arising
6. Congress updates
 - 6.1 Report on the EAA Congress 2017 (*B. Giner*)
 - 6.2 Update on preparations for the EAA Congress 2018 (*A. Prencipe*)
 - 6.3 Report on preparations for the EAA Congress 2019 (*I. Karamanou*)
 - 6.4 Future EAA conference venues (*M. Laine*)
7. Scientific Committee update
 - 7.1 Report of the EAA Standing Scientific Committee (*R. Ewert*)
8. Doctoral Colloquium update
 - 8.1 Report on the EAA Doctoral Colloquium 2017 (*K. Robson/B. Garcia Osma*)
9. Publications Committee update (including Newsletter & Book Reviews) (*K. Camfferman*)
 - 9.1 Update of EAR aims & scope statement
 - 9.2 EAR Editor's Report (*H. Stolowy*)
 - 9.3 AinE Editors' Report (*P. André*)
10. EAA Financial Reporting Standards Committee report (*N. Hellman*)
11. Update from EAA representatives on External Committees
 - 11.1 IFRS Advisory Council (*N. Hellman*)
 - 11.2 Consultative Advisory Group (CAG) of the International Accounting Education Standards Board (IAESB) (*M. Cameran*)
12. PhD support and training
 - 12.1 Report on EAA PhD Forum @ EAA 2017 (*T. Sellhorn / P. Joos*)
 - 12.2 EAA Accounting Research Centre (EAA-ARC) (*T. Sellhorn / P. Joos*)
 - Report on launching activities in Valencia
 - Future structure of EAA-ARC Committee
 - 12.3 Academic first paper consultancy service (*B. Garcia Osma*)
 - 12.4 Talent Workshop 2017 (*S. Carmona*)
13. Relationship with other organisations (*S. Carmona*)
 - 13.1 Reception for National Associations of Accounting Academics (*S. Carmona*)
 - 13.2 IASB Research Forum
14. Any Other Business

Minutes

Note

All the reports, to which we refer as “Appendix” in these minutes, have been posted on Dropbox prior to the meeting and access was given to all current EAA MC Members. Copies of the reports can be obtained anytime at the EAA secretariat.

1. Welcome, apologies and adoption of the agenda

The President, Salvador Carmona (SC), welcomed all members present and conveyed the apologies of MC members Lisa Evans and Hanna Silvola as well as of the invited guests Kees Camfferman, Niclas Hellman, Matias Laine and Hervé Stolowy.

The meeting was split in two parts, a private part attended only by the MC members followed by a public part attended by both the MC members and the invited guests.

The President thanked the Valencia Congress Chair, Begoña Giner (BG), and her local organising team, for their wonderful preparation of this year’s EAA congress.

ITEMS FOR DISCUSSION AND DECISION

2. Corporate Governance issues

2.1. Election/Nominations processes and outcomes

The President reported on the outcome of the past elections.

Regarding the MC, SC

- acknowledged and thanked Beatriz Garcia Osma and Hanna Silvola for their proactive contribution to the MC during the past 3 years as well as for their engagement in other EAA projects, such as the Doctoral Colloquium and the Accounting Research Centre;
- congratulated Anne Jeny-Cazavan and Mark Clatworthy as the two new Members elected.

Regarding the Board, SC

- thanked the outgoing Members, i.e. Marcela Zarova, Thorsten Sellhorn, Seraina Anagnostopoulou, Aljosa Valentincic and Martin Walker;
- congratulated the re-elected Members, i.e. Marco Jarvenpää, Chrystelle Richard and Beatriz Garcia Osma;
- welcomed the new Members, i.e. David Prochazka, Jürgen Ernstberger, Apostolos Ballas, Barbara Mörec and Mark Clatworthy.

Regarding the PC, SC

- thanked the outgoing member Peter Walton for his huge commitment and contribution to the PC over the years in different positions;
- welcomed the incoming member Giovanna Michelon.

Regarding the SSC, SC

- congratulated Carlos Larrinaga for having been re-elected for a second term of office.

2.2. Revision of MC composition rule

The President explained that the current MC composition rule required the MC to include “6 members, of which at election time 3 at least and no more than 4 should already be members of the Board”.

SC proposed to change the rule for the following two reasons:

- 1) It could happen that not a single Board member wanted to go for nomination as MC member;
- 2) It could also happen that a Board member was nominated with only one vote while 3 non-Board members had more votes, it would not be logic that the Board member would automatically be selected.

Hence SC suggested to change the rule saying that the MC includes “6 members, **for whom at election time, there will be a preference for** 3 at least and no more than 4 being already members of the Board”.

The MC unanimously approved the change, which the President was going to submit to the Board for final approval.

3. Administrative issues

3.1 Membership statistics

The President referred to the membership statistics and pointed out that the current membership 2017 was showing a recovery after two years of decline. While the largest group of members was still from Germany, some interesting progression could be seen in different countries such as Australia, Brazil, The Netherlands, France, USA, Sweden and Spain.

SC was confident that some actions which were in the pipeline, e.g. building on a closer relationship with national accounting associations, would pay off the efforts to increase the membership.

3.2 Approval of EAA accounts 2016 and Auditor’s report

Saverio Bozzolan (SB), the Treasurer, reported on the results 2016, he pointed out that despite a nice increase of some 20.000€ in the net revenues 2016 (memberships, journal royalties, other revenues) a deficit of close to 27.000€ (coming from 57.000€ in 2015) was registered, and this mainly due to the investment in academic development initiatives.

The financial position at December 31, 2016 showed an increase of 46.000€, i.e. an amount larger than the deficit, which was due to an increase of account receivables.

3.3 Approval of Committee Budgets 2018

Next SB reported on the Committee Budgets 2018 and expected a deficit of 40.000€ for 2018 and pointed out to the important budget 2018 for academic development initiatives of which a large part was meant for the further development of the Accounting Research Centre (ARC).

Philip Joos (PJ) explained that the budget for the ARC was needed for two main reasons:

- 1) While the project management of the ARC website was still taken care of by volunteering PhDs, this could not be the model for the future. It became more and more obvious that someone who would monitor the website content would be needed rather sooner than later.
- 2) The website developer was not as efficient and proactive as expected. Moreover, he built the website on a somewhat obsolete platform. There was a high probability that the website needed to be transferred to a new technological platform, and this would represent a cost.

The proposed budget of 25.000€, corresponding to 10% of the whole EAA budget, was actually a small budget for such a big project. There was a need for more funds.

It was proposed and accepted to increase the ARC budget to 30.000€ and to look for fundraising.

3.4 Savings strategy

SB mentioned that it was currently still better to keep the savings on bank accounts rather than investing in very low return financial products.

If the market allowed for it, he was hoping to present a proposal for discussion during the Fall 2017 MC meeting.

3.5 EAA congress 2017 budget

BG highlighted especially for the next organiser that the early bird delegate fees had been budgeted for 75% of the total fees, but at the end the number went up to 85%.

In terms of expenditure, the expected result was increased by about 35.000€ due to having to order more catering, to rent laptops, to pay extra costs for the Early Bird reception and for Printing.

The surplus was estimated at around 90.000€.

The President congratulated Begoña for this exceptional result.

4. External relations

4.1 External Relations Committee

The President related that with a view of setting up an organised way of approaching sponsors, Ann Jorissen, the External Relations Committee Chair, suggested the following 3 persons to join the Committee:

- Martin Jacob → WHU Otto Beisheim School of Management, EAR Associate
- Angelo Ditillo → Bocconi University, Member of the EAA 2018 Organising Team
- Jason Xiao → Cardiff University Business School, good connections with China

The MC unanimously approved the three candidates proposed.

4.2 Relationship with associations of accounting academics

The President reminded that for the second year a reception, to which the representatives of national associations of accounting academics had been invited, was organised during the Valencia congress.

The President addressed two issues in relation to agenda topics for which the MC needed to take a position and/or a decision:

Item 6.4 – Future EAA conference venues

The President proposed to accept holding the congress in Bucharest in 2020 and in Helsinki in 2021. As to Vilnius, discussions were still going on.

The MC unanimously approved SC's proposal.

Item 7 – Scientific Committee update

The President mentioned that in his view it was good for the academic profile of the conference to have more papers with discussants. Given the difficulties for the SSC to identify potential discussants, he suggested to call upon PhD students (e.g. DC students or final-year doctoral students) for this role.

ITEMS FOR REPORTING/NOTING

5. Matters arising

In the absence of new matters arising, the President proposed to move to the next item.

6. Congress updates

6.1 Report on the EAA Congress 2017

Begoña Giner (BG, Chair of the EAA Congress 2017 updated on the conference status:

- the Organising Committee
- the congress venues
- the social programme
- the opening session
- the various types of sessions
- the budget (*already discussed earlier – see item 3.5*)
- the sponsors and exhibitors

The President thanked BG and her entire team for all their efforts.

6.2 Update on preparations for the EAA Congress 2018

Annalisa Prencipe (AP), Member of the EAA Congress 2018 Organising Team, reported on the progress of the preparations for the Congress 2018 in Milan with a Powerpoint presentation

- the key dates
- the Local Organising Committee
- the congress venues
- the social events
- the doctoral colloquium
- the leaflet
- the website
- the hotel accommodation
- VAT and tax issues
- the fees
- the budget

AP mentioned that they now had 3 options for the gala dinner and they were waiting for the final number of persons that could be hosted in the locations.

As to the EAA Doctoral Colloquium, they suggested the Palace Grand Hotel in the Varese Lake area, which has the advantages of being located in a city but still isolated, being not too far from Milan (45 minutes by bus) and meeting the requested logistics requirements.

The President thanked AP and the Milan team for all the preparation work done so far for the EAA congress 2018.

6.3 Report on preparations for the EAA Congress 2019

Irene Karamanou (IK), Chair of the EAA Congress 2019, reported on the progress of the preparations for the Congress 2019 in Paphos:

- the dates → they opted for the end of May to assure good weather
- the University of Cyprus, the School of Economics and Management, the Department of Accounting and Finance
- the country of Cyprus
- the airport of Larnaca and the flights → the PCO will monitor the flights and the transport from Larnaca to Paphos
- the city of Paphos
- the conference venue, i.e. the Aliathon Holiday Village
- the Paphos hotels

The conference venue is in walking distance (1 mile) from a famous archeological site and a medieval castle as well as from the Paphos harbour, where there are lots of restaurants and shops. There is a large conference room for 1.000 delegates and 11 meeting rooms. More meeting rooms will be booked in a hotel opposite the main conference venue.

Regarding the budget, IK mentioned that there were no changes compared to the version presented in February 2017. The conference venue could host up to 1.500.

The President thanked AP for having started the preparations of another promising EAA congress.

6.4 Future EAA conference venues

The President referred to the report prepared by Matias and thanked him for the excellent follow up on the additional questions and concerns raised by the MC during their February 2017 meeting (see above).

7. Scientific Committee update

7.1 Report of the EAA Standing Scientific Committee

Ralf Ewert (RE), the EAA SSC Chair highlighted the following numbers:

- Number of papers received: 1.269
- Number of papers accepted: 1.071 (84,4%)
- Number of papers presented: 947 (74,6%) of which 410 in PS, 54 in PSD and 483 in RF

The President thanked RE, the SSC members and all reviewers for their commitment and contribution to the success of the EAA congress 2017.

8. Doctoral Colloquium update

8.1 Report on the EAA Doctoral Colloquium 2017

Keith Robson (KR), Co-Chair of the Doctoral Colloquium, reported that the EAA doctoral colloquium, held in the Parador El Saler, from 6-9 May 2017, was an unqualified success. KR reported on the students and the faculty (*extracted from the report of the DC Co-Chairs*):

The Students

The students are selected on the twin criteria of those who will benefit most from the colloquium and who can also contribute significantly. The assumption is that their research program will lead to top-level academic publications.

(...) Typically the students will be final or pre-final year students and will be expected to have draft research papers/PhD overviews ready for the colloquium. This year we received 125 applications. Applications to the Colloquium require an extended abstract (or paper), a CV, and a letter of recommendation from a supervisor. The total number of applicants is an improvement upon last year's tally (103) for the Maastricht/Vaals EAA Congress and Doctoral Colloquium.

(...) The final cohort were 20 male, 16 female, with: 8 from Germany; 5 from UK; 3 from Austria; 3 from France; 3 from Spain; 2 from Belgium; 2 from Netherlands; 2 from Norway; 2 from Finland, 1 from Sweden; 1 from US; 1 from Australia; 1 from Switzerland; 1 from Cyprus; 1 from Italy. The American delegate was an appointee from the American Accounting Association, and the Australian was an appointee from the AFAANZ.

Two students have been selected to go to the AFAANZ and American Accounting Association doctoral colloquia. These are Chiara Bottausci (from HEC, Paris), who will go to AFAANZ, in Adelaide, 28th June to the 30th July 2017 and Harald Hinterecker (from University of Graz) who will go to the AAA, at Deloitte University, Westlake, USA 14th-18th June 2017. Feedback from students selected in the past suggests that this experience has been very useful.

The Faculty

The co-chairs select the faculty. The over-riding consideration is to select academics who can help the students to develop high-level research from their doctoral studies. Thus we look for established professors, with a research record of an outstanding and international standard, editorial links, and who are reviewers for primary journals. The faculty needs to demonstrate the social skills to interact constructively with a range of students. We also prefer academics with an ongoing commitment to the EAA. Finally, we seek a diverse group representing different genders, discipline areas and nationalities, and to balance the advantages of change against the need for a core of established academics who have demonstrated their proficiency and social skills at the colloquium.

Prof. Beatriz Garcia Osma, (Co-Chair), Universidad Carlos III, Spain

Prof. Keith Robson, (Co-Chair), HEC, France

Prof. Joachim Gassen, Humboldt University Berlin, Germany

Prof. David J. Cooper, University of Alberta, Canada

Prof. Wayne Landsman, University of North Carolina, USA

Prof. Andrea Mennicken, London School of Economics and Political Science, U.K.

Prof. Peter Pope, London School of Economics and Political Science, U.K.

Prof. William Rees, University of Edinburgh, U.K.

Prof. Karen Sedatole, Michigan State University, USA

Prof. Cathy Shakespeare, University of Michigan, USA

Prof. Wim Van der Stede, LSE, U.K.

Prof. Sally K. Widener, Clemson University, USA

Three plenary sessions were offered which covered Originality and Contribution (Profs, Cooper, Gassen, Landsman and Van der Stede), Early Career Development (Profs. Garcia Osma, Mennicken, Rees, and Widener) and Editors, Reviewers and Getting Published (Profs. Pope, Robson, Sedatole and Shakespeare)

9. Publications Committee update

In the absence of the PC Chair Kees Camfferman (KC), the President referred to KC's report. The President reminded that Araceli Mora was going to replace Paul André as AinE Editor as of January 2018, and pointed out that in 2018 substitutes would need to be found for Hervé Stolowy, EAR Editor, and Lucia Lima Rodrigues, Book Review Editor.

President-elect, Philip Joos (PJ), mentioned that more and more institutions, and in particular funding institutions, ask for the impact of research on non-academic organisations. Given the increasing importance of the impact factor, PJ is of the opinion that EAA should develop a vision.

9.1 Update of EAR aims and scope statement

In the absence of the EAR Editor Hervé Stolowy (HS), the President pointed out to the changes proposed by HS, which were unanimously approved by the MC.

9.2 EAR Editor's report

In the absence of the EAR Editor Hervé Stolowy (HS), the President referred to the report of HS) and highlighted the following points:

Regarding the 2016 volume

- The 4 issues 2016 were published within schedule including a total of 30 articles.

Regarding the submissions

- The number of original submissions decreased by about 6 percent compared with 2015.
- The journal received 105 resubmissions in 2016, hence managing 439 submissions in total in 2016.
- 44 manuscripts were processed for publication consideration for the Special Issue on *New Directions in Earnings Management and Financial Statement Fraud Research*.
- Although still significant, the number of manuscripts submitted in 2016 to the Young Scholars Track decreased compared to the year before.
- EAR remained highly international.
- The biggest submission volumes come from the U.S.A., Australia, Germany, the U.K, Spain, Italy and China, showing an increase of submissions from the U.S.A. and for the other top countries a relatively stable trend with respect to previous years.
- Financial accounting remains the most active area, representing about 51 percent of all submissions. Auditing is next (16 percent compared with 14 percent in 2015), followed by Managerial accounting (10 percent, down from 12 percent in 2015);
- 10% of desk rejection (154 papers) come from plagiarism and self-plagiarism.

Regarding the editorial feedback

- The mean (median) number of days from first submission to first decision is stable around 65 (61) days, which shows that the editorial team has continued to pay special attention to ensuring a good turnaround time for authors.
- 69 percent of submitted papers receive a first decision within a 60-day time frame and 94 percent before 90 days.

Regarding the editorial decisions

- The percentage of papers rejected in the first round (including desk rejections), equals approximately 79 percent (82 in 2015).

Regarding indexing

- The table listing the citations and impact factor from 2008 to 2015 shows that the impact factor of EAR varies across the years.

Regarding other editorial matters

- Three members joined the editorial board 2016, and one stepped down.

It was noted by the MC that the majority of the submissions come from the countries with the largest number of EAA members.

The President congratulated the Editor for the very relevant special issues attracting a huge number of citations. He thanked HS for all the work done over the past year.

9.3 AinE Editor's report

The President referred to Paul Andre (PA)'s report and pointed out:

- Overall the journal was doing well; the flow was there and the processing time remained the same as last year;
- Only a few changes had been made to the AinE Editorial Board formed in 2013/2014;
- AinE went from 2 to 3 issues in 2016;
- Volume 13, Number 2 had a special section on IFRS and Number 3 had one on Accounting for Goodwill;
- Another special issue was in the pipeline on "The role and current status of IFRS in the completion of national accounting rules";

- As of April 2017, 14 new manuscripts had been received and he was expecting 13 for the IASB Research Forum;
- The EUFIN 2017 workshop will be hosted in Florence on August 31 – September 1 and organized by Francesco Mazzi;
- AinE was now followed up by the Emerging Source Citation Index (ESCI).

The President mentioned that the name of the journal would need to be discussed in the future.

The President thanked PA for all the work done in view of continuously developing the *AinE* journal.

10. EAA Financial Reporting Standards Committee report

The President referred to the FRSC Chair Niclas Hellman's (NH) report, describing the latest status on the following topics:

- Initiating work on the Discussion Paper on Principles of Disclosure
- Follow-up on the EAA FRSC comment letter on the Trustee's Review
- Follow-up on the EAA FRSC comment letter on the 2015 Agenda Consultation
- IFRS Advisory Council
- IASB Research Forum
- EFRAG Academic Panel
- Participation in other groups

The President thanked NH for his comprehensive report and for following up on these various important topics.

11. Update from EAA representatives on External Committees

11.1 IFRS Advisory Council

The report of Niclas Hellman (NH), the EAA representative on the IFRS Advisory Council, is part of NH's general FRSC report mentioned under item 10.

11.2 Consultative Advisory Group (CAG) of the International Accounting Education Standards Board (IAESB)

The President referred to the report drafted by Mara Cameran (MC), the EAA representative on the IAESB-CAG. The main topics discussed at the first meeting 2017 were:

- 2017-2021 IAESB Strategy and 2017-2018 Work Plan
- Maintenance of Support Materials for IES
- Professional Skepticism Project
- Information and Communications Technology Project
- Revision of IES 7, Continuing Professional Development
- IAESB Stakeholder Engagement & Communications
- forthcoming IAESB CAG Chair Election Process

The President thanked MC for her report and for representing EAA on this meeting.

12. PhD support and training

12.1 Report on EAA PhD Forum @ EAA 2017

Philip Joos (PJ), one of the Co-Chairs of the EAA PhD Forum 2017, presented the programme of the 5th edition that would take place the day after and was to be attended by the record number of 187 doctoral students.

The programme consisted of:

- 1 plenary session with Robert Bloomfield from Cornell University as the keynote speaker;
- 3 breakout sessions, chaired by Eddy Cardinaels, Ane Tamayo and Martin Messner.

The President thanked the two co-chairs, Philip Joos and Thorsten Sellhorn, for having once more organised this highly appreciated forum.

12.2 EAA Academic Resources Centre – EAA-ARC

Philip Joos (PJ), one of the Co-Chairs of ARC as well, started by showing the promotion flyer as well as the promotion video that had been created and posted on YouTube.

He then referred to his presentation posted on Dropbox prior to the meeting (see Appendix) and reported on the status of the EAA Accounting Research Center (ARC), and in particular on:

- the 3 teams: 1) Events, 2) Forum, Blogs, Repository and 3) Early Career Peer Review;
- the current developers involved;
- the composition of the ARC Committee;
- the activities of the ARC Committee;
- the next steps;
- the budget required.

PJ emphasized the need for a more formal and stable structure. In his view, the key to success is the Senior Editor, who will be expected to follow up on the day-to-day ARC business, to monitor the ARC content and traffic, to respond to external developments (eg AAA, Big4, IASB) and to solicit content and contributions to ARC. He should be a dedicated person capable of managing diverse issues such as e.g. plagiarism or privacy.

Equally essential to have is a support team, who would be responsible for programming, web design, marketing, finance and fundraising. This would imply the search for an ARC Managing Director and an ICT/web specialist.

PJ compared it to the structure of the Publications Committee. The Chair should not be too much involved with the day-to-day business.

The President mentioned that the ARC had benefitted a lot from the leadership of the two co-chairs, Philip Joos and Thorsten Sellhorn, He suggested that they would not be both replaced at the same time. PJ committed to ensure a transition period in 2017.

The MC reiterated their general agreement to support the project.

12.3 Academic first paper consultancy service

Beatriz Garcia Osma (BGO) reported that she was hoping that the PhD Review Service hosted on the T&F platform ScholarOne would be operational within the next 6 to 8 weeks from now.

Together with PJ, she would meet T&F during the Valencia congress.

12.4 Talent Workshop 2017

The President referred to the announcement for the 3rd EAA Talent Workshop. The event will be held in Madrid on 3-4 November 2017 and will be hosted for the third time by the IE Business School.

13. Relationship with other organisations

13.1 Reception for National Associations

The President reminded that all MC members were invited to attend the reception for representatives of national associations which would take place on Thursday.

13.2 IASB Research Forum

The President recalled that the EAA-IASB Research Forum will be organized on 28-29 November 2017 in Brussels.

The first day of the Forum will feature presentations of academic papers addressing issues relevant to the development and application of International Financial Reporting Standards.

The second day will present an opportunity for the IASB members and staff, standard setters and regulators to discuss with academics the disclosure project and will create for academics an opportunity to directly contribute to standard setting.

SC mentioned that in their endeavour to promote teaching, IASB want to cooperate with EAA. That is why they suggested defining the ARC as the “Academic Resource Centre” rather than the “Academic Research Centre”.

14. Any Other Business

It was reminded that the next interim meeting of the MC will take place in Brussels on Monday, 27th November 2017 from 09.00 to 16.30hrs, i.e. on the day before the IASB Research Forum.

No other question or remark was made. The President thanked all attendees and in particular the Valencia host before closing the meeting.
