

CROP POSITION ON TASK FORCE ON ROLE AND RESPONSIBILITIES OF AICPA COUNCIL REPORT

As previously reported to Council, the CROP Executive Committee believes that issues of governance of the AICPA are vital to the success of the organization and we are pleased that the issue is on the agenda for the New Orleans meeting. CROP has been discussing and debating the issues of governance of the AICPA long before corporate America began re-evaluating how organizations are governed. CROP congratulates the Governance Task Force on its work, evaluation, and efforts in coming to grips with the challenges related to recommendations for revisions to the governance structure of the AICPA. We would like to remind you here that our initial paper to Council was issued prior to issuance of the Task Force report.

CROP's position is that in general we support the majority of the proposals brought forth by the Task Force. In particular, we support the recommendations for term limits and two-year terms, which will more effectively cause Council member rotation to bring in fresh ideas and points of view. Additionally, we support, indeed we advocate, a more democratic process for the selection of Council members.

We have a suggestion regarding the New Council Member Orientation program. We believe that the training of Council members should occur at regional meetings of Council. This will enable new Council members to reflect upon the matters learned during the training session so that they are better prepared for their governance role. Having the training session on the Sunday prior to the full Council meeting may not provide sufficient time for such preparation.

There are two proposals with which we have concerns. While we encourage more frequent regional Council meetings for the reasons cited in the report, we don't believe they should occur at the cost of a reduction in the number of full Council meetings as that may inhibit the Council from effectively fulfilling its governance role. Accordingly, we encourage Council to debate this issue considering implementation. We are of the opinion that while economics should be a factor in the decision it shouldn't be THE overriding issue.

We are most concerned about the proposal that we interpret as telling Council members that they must publicly support the positions of the majority. This will reduce or eliminate transparency to members and in fact may be a proposal to eliminate a legal imperative for dissenters to voice their opinions at the grass roots level. Clearly, dissenting Council members should never disrupt the governance of the AICPA and we recognize that there are many occasions where Council will not reach unanimous decisions. Accordingly, dissenters should have the opportunity and retain the responsibility to report back to the Membership their logic and opinions as to Council decisions. Recent history at the AICPA seems to indicate that divergent viewpoints must be tolerated. In fact we point out that any organization that cannot tolerate differences will likely ultimately fail its membership. Furthermore, we remind you that the Council is the legal governing body and thus and Council members have specific obligations and responsibilities that cannot be mitigated by internal governance criteria. If indeed Council members vote to support this proposal CROP recommends that independent legal counsel be obtained to assure that such a provision is not a prohibition against the legal rights and obligations of Council members.