

Communication, disclosure and power games: a figurational approach to understanding CPA Australia's corporate governance scandal

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Abstract

Purpose – This research aims to examine and understand the rationales and modalities behind the use of disclosure before, during and after a corporate governance scandal involving CPA Australia (CPAA).

Design/methodology/approach – Data beyond CPAA's annual reports were collected, such as news articles, media releases, an independent review panel (IRP) report, and the Chief Operating Officer's letter to members. These disclosures were manually coded and analysed through the word counts and word trees in NVivo. This study also relied on Norbert Elias' conceptual tool of power games among networks of actors – figurations – to model the scandal as a power game between the old Board, the press, concerned members, the IRP and the new Board. This study analysed the data to reveal a collective and in fieri power balance that changed with the phases of the scandal.

Findings – A mix of voluntary, involuntary, requested and absent disclosures was important in triggering, managing and ending the CPAA scandal. Moreover, communication and disclosure fulfilled a constitutive role since both: mobilised actors, enabled coordination among actors, contributed to pursuing shared goals and influenced power balances. Such a constitutive role was at the heart of the ability of coalitions of figurations to challenge and restore the powerful status quo.

Originality/value – This research introduces to accounting studies the collective and in fieri dimensions of power from figurational theory. Moreover, the research sheds new light on using voluntary, involuntary, requested and absent disclosures before, during and after a corporate crisis.

Keywords Disclosure, Power game, Figurational theory, Actor–network theory, Crisis communication, Corporate governance

Paper type Research paper

1. Introduction

The work we do is supported by our strong governance and values. Governance is fundamental to CPA Australia's activities, with our Board ensuring strong adherence to the principles of good corporate governance. (IR2016, p. 3)



The above passage is from the 2016 Integrated Report of CPA Australia (CPAA), a not-for-profit professional association based in Australia comprising nearly 169,000 members in 2020. A few months after the above passage was issued, CPAA's President, its Board of Directors, the CEO and the top management team came under fire from the press and concerned members. Their criticisms spanned CPAA's remuneration scheme, marketing strategy and expenditures, governance structure and member engagement (IRP2017, see [Appendix 1](#) for a legend of the data source codes). Moreover, the establishment of CPAA Advice – CPAA's financial consulting arm – created a conflict of interest since CPAA would simultaneously carry out the dual functions of licensing its financial planners and being legally responsible for monitoring the behaviour of its members ([Patrick and Bailey, 2017](#)). Eventually, the building criticisms and demands for change at CPAA led to a corporate governance scandal that resulted in the resignation of the President and the Board, the termination of the CEO's contract and the launch of an Independent Review Panel (IRP) to inquire into the causes of the scandal ([Aston, 2018](#)).

The events surrounding the CPAA corporate governance scandal caught our attention for three reasons. Firstly, the scandal involved five different webs or networks of people – also termed figurations ([Elias, 1978](#)) – including the old Board, the press, the IRP, the concerned members and the new Board. Secondly, these figurations used different communication channels to convey their messages and influence how the scandal unfolded. For example, the old and new Board used traditional voluntary reporting; concerned members resorted to emails, social media and websites; the press communicated through news articles; whereas the IRP communicated through its reports. These circumstances allow us to explore disclosures by each figuration before, during and after the scandal and determine how these disclosures affected the power balance between the figurations ([Couldry and Hepp, 2017](#)). Thirdly, CPAA is a professional accounting body that should theoretically put the public interest before their own self-interest ([Everett and Green, 2007](#); [Paisey and Paisey, 2020](#)). Being the advocate of ethical leadership and moral virtues, professional accounting bodies should have all those management, governance and disclosure mechanisms in place to lead the way towards integrity for their members and the businesses they interact with ([Everett and Green, 2007](#)). Therefore, we argue that uncovering the roots at the heart of CPAA's governance scandal and how the organisation managed and eventually resolved the furore is relevant to accounting research and practice.

Researchers have highlighted that we do not have complete knowledge about how communication and power differentials between an organisation and its stakeholders affect how a scandal is triggered, how it is managed and its outcomes ([Bundy *et al.*, 2017](#); [Merkl-Davies and Brennan, 2017](#); [Perkiss *et al.*, 2020](#)). Crisis communication research predominantly focuses on giving organisations an indication of how to behave and communicate during a crisis ([Coombs and Holladay, 2023](#); [Ulmer *et al.*, 2019](#)). However, communication and disclosure mobilise figurations, coordinate actors and influence power balances ([Couldry and Hepp, 2017](#); [Latour, 1986](#)). On the one hand, organisations may voluntarily disclose some information while withholding other information to control the narrative or to preserve or restore threatened reputation, legitimacy and trust ([Coombs and Holladay, 2023](#); [Ulmer *et al.*, 2019](#)). On the other hand, uncovering information not willingly disclosed by an organisation – also called *involuntary* disclosure ([Andrew and Baker, 2020](#); [Dumay and Guthrie, 2017](#)) – can be an effective way for activists to change political decisions and counter mainstream, hegemonic narratives ([Hepp and Hasebrink, 2014](#); [Perkiss *et al.*, 2020](#); [Vinnari and Laine, 2017](#)). We believe that deepening our understanding of the role of media and communication in scandals may help expand the research on voluntary, involuntary and absent disclosures.

We, therefore, formulate the following research question to inform our study: Why and how do voluntary, involuntary and absent disclosures affect power balances during a corporate governance scandal?

We originally framed the power struggle of the CPAA scandal using Latour's (1986) dichotomy of individuals securing power *in potentia* and exerting said power *in actu*. We also serendipitously discovered Norbert Elias' (1978) figurational theory and conceptualisation of power games. This serendipitous encounter led us to augment actor-network theory's conceptualisation of power by emphasising the collective and *in fieri* (Latin for *being in constant flux; becoming*) dimensions of power. Firstly, power games are not necessarily played in a two-person or one-vs-many setting. Rather, power games are much more complex and involve coalitions playing against other coalitions (Connolly and Dolan, 2012; Dopson, 2001). Secondly, power games are seldom stable as actors and figurations form and dismantle coalitions and play trials of strength with their opponents (Elias, 1978). Framing power as a collective and *in fieri* process provides an innovative theoretical lens that integrates with actor-network theory's take on power and frames organisational change as ongoing power struggles and coalitions within and beyond organisational boundaries (Connolly and Dolan, 2012; Dopson, 2001).

We model the CPAA case as a power game involving several opposing figurations. We find that the figurations involved in the CPAA scandal played a multi-level, multi-player power game that resulted in the power balance shifting from the pre-2017 Board to the concerned members and the press and back to the new Board in late 2017. In this game, the figurations used a mix of voluntary and involuntary disclosures and not disclosing information (absent disclosures) to shift the power balance in their favour. Eventually, the new Board ended the crisis by establishing the IRP and having that panel play the Board's role in its stead. We refer to the information produced by the IRP as *requested* disclosure since it was not entirely under the control of CPAA, but CPAA's terms of reference did influence it. Analysing different disclosures contributes to our knowledge of how organisations and stakeholders use communication and disclosure strategies to affect power balances, oppose the status quo and respond to crisis events (Andon and Free, 2014; Bundy *et al.*, 2017; Perkiss *et al.*, 2020).

Our research makes three contributions to crisis management and communication research. Firstly, we show how different figurations can use specific communication and disclosure channels to coordinate and construct agency – to gain power, maintain it and challenge other figurations (Coudry and Hepp, 2017). Secondly, we present a case in which the absence of information acted as a crisis trigger. Therefore, we expand Firoozi and Ku's (2023) argument that a lack of information may create a vacuum for stakeholders to frame a crisis as they wish. In fact, we argue that the absence of disclosure can also be the triggering element of a crisis. Thirdly, we introduce *requested* disclosure as a type of disclosure that is neither entirely under the control of an organisation nor entirely involuntary (Dumay and Guthrie, 2017). In CPAA's case, the IRP report could appear as a form of voluntary disclosure since the IRP was set up by CPAA and acted on CPAA's terms of reference. However, the independence of the IRP made it impossible for CPAA to control the information contained in the IRP's final report.

Our research contributes also to accounting and organisational theory by augmenting actor-network theory with figurational theory in two ways (Elias, 1978). Firstly, we introduce the collective and *in fieri* dimensions of power from figurational theory (Elias, 1978). Secondly, we deepen the constitutive role of communication and communication channels for figurations (Coudry and Hepp, 2017).

Lastly, our research has practical implications that are relevant for member-based organisations. Such implications pertain to the role of disclosure, governance mechanisms and stakeholder engagement in preventing scandals from happening.

The remainder of this article is structured as follows. Section 2 provides an overview of crisis management and crisis communication research and builds a case for understanding how and why voluntary, involuntary and absent disclosures affect power balances during a

corporate governance scandal. Section 3 augments actor–network theory with the collective and dynamic dimensions of power taken from Norbert Elias’ figurational sociology. We then discuss the methodology we used to draw on data sources beyond corporate reports in Section 4. Section 5 builds the timeline of events around the CPA scandal and explores the disclosure and communication media used by the five figurations. Section 6 discusses the case findings, while Section 7 concludes the paper by deepening the contributions to research, theory and practice and details the limitations of this research.

2. Communication and disclosure in scandals

2.1 Crisis management and corporate scandals

Crisis management is a growing, fragmented research field (Bundy *et al.*, 2017). Strategy, organisational theory and organisational behaviour researchers address crises from internal or external perspectives. The internal perspective examines organisational structures and coordination efforts to prevent corporate crises, reduce their impact and learn from the aftermath. The external perspective analyses the interactions with an organisation’s stakeholders to avoid, limit and bounce back from a crisis. To date, these research strands have evolved in a way that is largely independent of the other. However, there is room for fruitful research that adopts an integrative approach. For example, it may be highly worthwhile to “explore the real-time discourse and information exchange that occurs between an organization and its stakeholders as they make sense of a crisis” (Bundy *et al.*, 2017, p. 22).

Organisational, management and accounting researchers see organisational crises as highly salient, unexpected and potentially disruptive events that can undermine the organisation’s relationships with its stakeholders and hinder its ability to pursue its strategy and achieve its goals (Bundy *et al.*, 2017). Corporate crises might originate from data breaches, accounting frauds, product failures, corruption, environmental incidents and deadly accidents, often ending in legal proceedings (Akbar and Deegan, 2021; Belluci *et al.*, 2021; Blanc *et al.*, 2019; Corazza *et al.*, 2020). However, in some cases, corporate crises do not imply illegal activity. Rather, they simply involve behaviour that goes against accepted social values (Coombs and Holladay, 2023). Therefore, corporate crises are infrequent events with a high potential to negatively affect how an organisation is framed by and interacts with its stakeholders (Bundy *et al.*, 2017).

Organisational crises usually follow three stages: pre-crisis prevention, crisis management and post-crisis outcomes (Bundy *et al.*, 2017; Coombs and Laufer, 2018). Organisations engage with stakeholders and set up internal procedures during crisis prevention to prepare for and reduce the likelihood of a crisis. When a crisis does occur, organisations enter crisis management and try to fix the root cause, allocate responsibility and manage stakeholder perceptions (Belluci *et al.*, 2021; Blanc *et al.*, 2019; Brändström and Kuipers, 2003; Coombs and Laufer, 2018). Post-crisis, organisations can learn from their mistakes, repair their broken reputation, regain trust and restore legitimacy (Belluci *et al.*, 2021; Blanc *et al.*, 2019; Bundy *et al.*, 2017; Coombs and Holladay, 2023). These three stages have overlapping boundaries since post-crisis outcomes such as organisational learning might begin even when the crisis is still at its peak. However, research mainly focuses on one of the three stages, with post-crisis being the least researched (Coombs and Laufer, 2018).

Scandals are crises characterised by intensive media coverage, strong moral outrage and calls for an organisation’s punishment (Coombs, 2007). A consequence of distinguishing between crises and scandals is that “the moral component of scandals demands we focus on the managers and not the organization itself because the managers, not the organization, commit the moral violations” (Coombs and Tachkova, 2019, p. 73). However, the individuals in an organisation do not operate in a vacuum. Rather, they are interwoven in relationships and power structures that give boundaries to their evolving actions. Even if the individuals

ultimately take action, they can only act thanks to the network of relationships that empower them and grant them agency (Elias, 1978; Latour, 1986). Crisis management researchers have been calling for more research on how power and power differentials may impact stakeholders' ability to respond to a crisis and how interactions among individuals, groups, organisations and institutions influence crises and crisis management (Bundy *et al.*, 2017; Coombs and Holladay, 2023).

Section 2.2 explores the potential role of voluntary, involuntary and absent disclosures in crises and scandals. Specifically, we explore the role of communication and disclosure in reinforcing and countering powerful figurations.

2.2 Crisis communication and disclosure

Regarding financial and non-financial information, three kinds of disclosures can trigger a crisis: voluntary, involuntary and absent disclosures. Organisations often disclose information voluntarily to build reputation, legitimacy and trust (Coombs and Holladay, 2023; Corazza *et al.*, 2020; Ulmer *et al.*, 2019). They also communicate with stakeholders "to reduce the likelihood of a crisis, work to minimize harm from a crisis, and endeavour to re-establish order following a crisis" (Bundy *et al.*, 2017, p. 3). If a crisis does erupt, the first (ethical) responses from the organisation are usually based on taking individual or collective responsibility and addressing the physical and psychological concerns of the parties affected (Edgar *et al.*, 2022; Shrivies and Brennan, 2017; Ulmer *et al.*, 2019). However, organisations do not always take responsibility immediately after the crisis. Instead, they may be forced to do so due to pressure from their stakeholders and the media (Andon and Free, 2014; Coombs and Tachkova, 2019). Then, organisational communication generally involves coordinating with stakeholders, shaping their perceptions and managing their impressions (Andon and Free, 2012; Bundy *et al.*, 2017; Belluci *et al.*, 2021; Edgar *et al.*, 2022). Voluntary disclosure, therefore, becomes a response strategy to ease stakeholder pressure on the organisation and channel the crisis towards its solution (Akbar and Deegan, 2021; Belluci *et al.*, 2021; Corazza *et al.*, 2020).

Involuntary disclosure refers to information uncovered by stakeholders that is not willingly disclosed by an organisation. Such information may also trigger a crisis (Andrew and Baker, 2020; Dumay and Guthrie, 2017). For example, the media triggered the National Rugby League's Melbourne Storm scandal over salary caps by providing details of anomalous invoices and player contracts (Andon and Free, 2012, 2014). In the Northern Rock Bank case, the BBC News disclosed that the bank had asked for emergency financial support, which triggered the crisis that led to nationalising the bank (Liff and Wahlström, 2018). Moreover, counter-accounting research shows how groups of people use different reporting and disclosure tools, like social networks, TV and newspapers, to produce financial, non-financial, qualitative and quantitative information that allows stakeholders to make economic, moral and political decisions (Perkiss *et al.*, 2020; Vinnari and Laine, 2017). Therefore, many groups use communication channels beyond traditional corporate reporting to construct a common agency and alternate representations of reality (Coudry and Hepp, 2017).

The absent disclosure can also be a source of crisis (Firoozi and Ku, 2023; Merkl-Davies and Brennan, 2017) because stakeholders are left alone to fill the void of information with their interpretations (Firoozi and Ku, 2023). And, once an interpretation crystallises, organisations might be unable to overcome it (Firoozi and Ku, 2023). Withholding information and not disclosing it upon request can also be a deliberate concealment strategy that organisations use to deny responsibility, distance themselves from negative outcomes, control the flow of information or conform to a "no comment" strategy (Belluci *et al.*, 2021; Corazza *et al.*, 2020; Firoozi and Ku, 2023; Shrivies and Brennan, 2017).

Alternatively, not disclosing information can be due to an unconscious bias where organisations underplay, neglect or do not know the information's importance to stakeholders (Coombs and Holladay, 2023; Corazza *et al.*, 2020; Edgar *et al.*, 2022). Identifying and studying the absence of information is not trivial. However, it does offer an interesting take on how a crisis might originate and transform into a broader corporate scandal (Firoozi and Ku, 2023; Merkl-Davies and Brennan, 2017).

Research on communication during crises and scandals falls short of tackling the issue of how and to what extent information is disclosed or concealed by those in power and those opposing the status quo. According to the symbolic-interpretive tradition, powerful individuals in organisations often imbue framing, rituals and masking with rhetoric that portrays a business-as-usual reality that runs counter to a behind-the-scenes reality to control the narrative and avoid conflict (Edgar *et al.*, 2022; Merkl-Davies and Brennan, 2017). However, in the functionalist-behavioural tradition, information is a one-directional communication tool for achieving economic, social or political goals and exerting control (Merkl-Davies and Brennan, 2017).

While research has explored how powerful individuals and organisations strategically disclose information to distance themselves from a crisis, seek legitimacy, convey accountability or ensure that stakeholders buy the actors' decisions, less is known about how stakeholders strategically communicate to oppose the status quo (Andon and Free, 2014; Tregidga, 2017; Akbar and Deegan, 2021). Power differentials between an organisation and its stakeholders may constrain how stakeholders learn about and respond to crisis events. However, more research is needed to unravel how such constraints, if any, might be resisted and overcome (Belluci *et al.*, 2021; Bundy *et al.*, 2017; Merkl-Davies and Brennan, 2017; Perkiss *et al.*, 2020).

We, therefore, formulate the following research question to inform our study.

RQ1. Why and how do voluntary, involuntary and absent disclosures affect power balances during a corporate governance scandal?

3. A dynamic and collective theory of power

3.1 Norbert Elias' figurational sociology and ANT: common premises

Organisations are not monolithic actors seeking legitimacy from a unified society in a one-to-one relationship. Instead, they resemble webs of functionally interdependent people interacting and measuring their relative strength to achieve their goals (Elias, 1978). These webs of interdependent people are referred to as figurations (Connolly and Dolan, 2012; Latour, 2005). Figurations comprise three elements: relevance-frames, actor-constellations and communicative practices (Couldry and Hepp, 2017). Relevance-frames represent the figuration's social meaning as expressed by the common orientation of its constituents towards a shared purpose. Actor-constellations represent arrangements of roles and relationships that actors have in the figuration, which is not a random accumulation of individuals. Communicative practices involve media ensembles and interrelated actions through which individuals coordinate, do certain things together and contribute to the overall meaning of the figuration (Couldry and Hepp, 2017). Figurations compose the operating environment in which the organisation operates and with which the organisation interacts. Organisations, internal and external stakeholder groups, the press and local communities can be modelled as actor networks negotiating and pursuing shared or opposing purposes and agendas (Gooneratne and Hoque, 2021).

Elias' (1978, 1984) figurational approach and Latour's (2005) actor-network theory share many similarities. Both theories see reality as a process. Both go beyond the structure-agent dichotomy to theorise agency as distributed across interdependent actors. Additionally, both

are useful for analysing webs of interdependent actors (i.e. networks and figurations), where boundaries are considered to result from interactions between actors. Both also recognise these interactions as tight and loose relationships (Newton, 1999, 2001, 2002). However, figuration theory provides a useful conceptualisation of dynamic and collective power and how communication can be used in power games to augment actor–network theory’s take on power. The benefits of using the figuration approach for our analysis are discussed next.

3.2 Collective and dynamic power: the power games

In both actor–network and figuration theory, power is not something that one can possess or hoard (Elias, 1978; Latour, 1986). Instead, it is made whenever actors attribute their actions to one among them; that person or entity becomes powerful (Latour, 1986). Latour (1986) distinguishes between power *in actu* and *in potentia*. Power *in actu* manifests whenever an actor exerts power and makes others perform actions. Power *in potentia* is the initial condition of having power *in actu* since actors attribute their actions to the one entitled enough to exert such power:

Power over something or someone is a composition made by many people [. . .] and attributed to one of them. (Latour, 1986, p. 265)

If power is not something you can hoard or possess, it is something that has to be made. Who will make it? Others, by definition [. . .]. These others, the only ones who are really powerful (in actu), therefore have to attribute their action to one amongst them who becomes powerful in potentia. (Latour, 1986, p. 274)

While for Latour (1986), a powerful actor is *someone* or *something* able to secure others’ actions through enrolment, enlistment and conviction, Elias (1978) talks about groups of people playing trials of strength as a power game. Such trials of strength are a two-person game where each player tries to increase control over the other. The power game can also be played as one-vs-many when an individual seeks to increase control over others who cannot cooperate. However, the trial of strength gets complicated when an actor faces opponents that can form coalitions, and even more complex when coalitions play against other coalitions to increase their “power to withhold from each other such elementary requirements as that of preserving their physical and social integrity, and ultimately of survival” (Elias, 1978, p. 78). Multi-person, multi-level power games make “the figuration, development and direction of the game [. . .] more and more opaque to the individual player” so that understanding the power *in actu* and *in potentia* of an actor becomes almost impossible (Elias, 1978, p. 85). Such a collective dimension of power is evident in co-operations and conflicts between managers and employees, an organisation and the media, political parties and the government and allied nations and enemies (Connolly and Dolan, 2012; Dopson, 2001).

Similar to how power is conceptualised in actor–network theory, the figuration approach maintains that power is a structural characteristic within the game of all human relationships. This naturally implies that actors are immersed in webs of functional interdependencies characterised by fluid balances of power (Dopson, 2001; Elias, 1978). Such a fluid characteristic of power implies that the participants always have, some control over each other though in considerably varying degrees (Elias, 1978). It also becomes possible to understand “the course of the game largely in terms of the goals and plans of the stronger player” (Dopson, 2001, p. 519). As the game’s complexity increases, involving multiple people and layers, “the course of the game becomes increasingly unpredictable and increasingly beyond the ability of any single individual or group of players to control” (Dopson, 2005, p. 1134). It follows that the power *in potentia* of actors and figurations at a certain moment is seldom the same in the following moment since a changing balance of power – a power ratio – emerges from the interaction (Dopson, 2001). We refer to this ever-changing dimension of

power as “power *in fieri*”. As [Connolly and Dolan \(2012, p. 492\)](#) note, power *in fieri* can explain organisational and societal change:

It is the shifting dependencies (and the changes in power and identity connected with this) between those individuals/groups at an intraorganizational level, between those at inter-organizational level, and between social groups on a higher level of integration and competition, and the overlapping and intertwining of these that explains the type and degree of organizational change.

3.3 Communication and media in figurations

Communication practices and media are constitutive elements of figurations ([Couldry and Hepp, 2017](#)). Communication and media channels enable coordination among actors, contribute to the overall meaning of the figuration, support the pursuit of shared goals and influence power balances ([Couldry and Hepp, 2017](#)). Communication devices and inscriptions can be mobilised to gain support and persuade, which actors can use to strengthen their bonds in a network, reinforce power ties ([Callon, 1986; Latour, 1986](#)), and project control to distant places ([Law, 1986b](#)). This way, corporate reports, statements, articles, emails and posts become instruments, tools and tricks for enrolling actors ([Callon, 1986; Law, 1986a](#)). Hence, the constitutive role of communication comes from making connections among people possible ([Couldry and Hepp, 2017; Hepp and Hasebrink, 2014](#)).

[Couldry and Hepp \(2017\)](#) argue that figurations use media and communication to construct their common agency and representation of reality. For example, groups of stakeholders and activists use social networks, TV and newspapers to produce and disseminate financial, non-financial, qualitative and quantitative information that allows stakeholders to make economic, moral and political decisions as well as counter mainstream, hegemonic narratives ([Perkiss et al., 2020; Vinnari and Laine, 2017](#)). Organisations, campaigners and activists are figurations – or figurations of figurations ([Couldry and Hepp, 2017](#)) – characterised by “patterns of processes of communicative interweaving” ([Hepp, 2013, p. 93](#)). According to [Couldry and Hepp \(2017\)](#), communication channels significantly impact organisations because they construct shared meanings and identity. They also transform organisational processes by making new networks possible.

We argue that analysing the role of media and communication in power games may help expand the research on voluntary, involuntary and absent disclosures. Indeed, figurations extend beyond the traditionally conceived organisational boundaries to include different communication channels through which agency or a particular representation of reality is constructed ([Connolly and Dolan, 2012; Couldry and Hepp, 2017](#)). Also, the communications media can alter power imbalances by making interactions with previously distant actors feasible, thus expanding the figurations by forming coalitions ([Hepp and Hasebrink, 2014](#)). We believe that augmenting classic actor–network theory with both the dynamic and collective take on power and the constitutive role of communication from the figuration approach may help us to understand how actors use (and/or conceal) disclosures to win the power game by shifting the balance to their favour.

4. Methodology

CPAA was founded in 1886 and is a sizeable professional accounting association based in Australia. As of 2020, CPAA has 169,000 members, 567 employees, an income of \$156M and assets of \$271M (all amounts in Australian dollars unless otherwise specified) ([CPAA, 2021b](#)). In terms of members, CPAA is one of the largest Australian professional accounting associations. By comparison, the Chartered Accountants Australia and New Zealand only has 128,683 members ([CAANZ, 2021](#)) and the Institute of Public Accountants has roughly 46,000 members ([IPA, 2021](#)). CPAA’s member base (as of 2020) is divided into three groups.

The first group accounts for 22% and comprises members studying the CPAA program who plan to sit the CPAA exam and, therefore, do not have a full professional membership. In the second group are members with Certified Practising Accountant status (70%). Lastly, 8% have Fellow Certified Practising Accountant status. Accountants do not necessarily need to obtain CPAA status for practising in Australia. However, having a CPAA certification sends a signal to employers and other parties that the person is proficient in finance, accounting and business skills. Further, the qualifications granted by CPAA after studying their program and successfully sitting the exam are conferred over and above a relevant university degree (CPAA, 2021a).

We chose to focus on CPAA for three reasons. Firstly, in 2017, CPAA underwent a significant corporate governance scandal involving the former Board of Directors and the CEO. Ultimately, the scandal resulted in the Board's breakdown and the firing of the CEO (Tadros, 2017c). Newspapers, such as *The Australian Financial Review*, *The Sydney Morning Herald*, and *The Australian*, along with the news arm of the Australian Broadcasting Corporation, extensively covered the scandal. Secondly, as a professional accounting body, CPAA's main ethical virtue should be the pursuit of the public interest rather than self-interest (Everett and Green, 2007; Paisey and Paisey, 2020). Therefore, CPAA case is a relevant example of how the delicate balance and tension between the accountant's two masters – the public and the self – may shift towards the latter (Everett and Green, 2007). Thirdly, CPAA continued to voluntarily disclose information, which allowed us to analyse CPAA's disclosures before, during and after the scandal. We aimed to determine how the disclosures affected the balance of power during CPAA's corporate governance scandal.

4.1 Data sources

CPAA has a considerable tradition of reporting. From 2008 to 2010, CPAA published three sustainability reports alongside just as many annual reports. This choice reflects a willingness of CPAA to respond to the beliefs of its members that sustainability concerns are strategic to the organisation and its members. In 2011, CPAA stopped issuing a separate sustainability report and combined its "existing corporate and sustainability reports – with aspirations for the mid-term to produce a report that recognises the wider range of issues and how they connect and interact to create value" (AR2011, p. 2). From 2013, CPAA began to issue integrated reports aimed at "provid[ing] readers with a comprehensive picture of how CPAA has created value through its business model" and "play[ing] a pivotal role in ensuring that integrated thinking on the capitals [...] feeds into business management and reporting" (IR2013, p. 1). CPAA has continued to issue integrated reports ever since, with the latest publicly available report being issued in 2022.

In addition to the IIRC's (2021) IR framework, CPAA follows four additional frameworks for reporting (CPAA, 2021c): the Australian Accounting Standards Board's accounting standards, the Australian Stock Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations, the Workplace Gender Equality Act 2012's (WGEA, 2021) gender equality report and the Global Reporting Initiative (GRI) standards for sustainability reporting. It is worth highlighting that CPAA goes beyond compulsory disclosure because the Corporate Governance Principles and Recommendations, the GRI standards and the IR framework are frameworks that CPAA adopts without being obliged to do so. Lastly, not only does CPAA adopt the IIRC's (2021) IR framework to produce its integrated report, but it is also a member of the IIRC's business network. This network brings together worldwide organisations committed to integrated thinking, strategy and reporting. Therefore, CPAA's membership signals its commitment to embracing integrated thinking and demonstrates that it is at the fore of contemporary corporate reporting practice (CPAA, 2021c).

Our research builds mainly on CPAA's integrated reports because these integrated reports bring together information from the other frameworks. The overall integrated reports contain CPAA's financial report, a section dedicated to corporate governance, information on workforce diversity and a GRI index. We first collected CPAA's corporate reports to analyse the narrative conveyed by the CPAA establishment. These annual, sustainability and integrated reports were our primary data sources. Secondly, we used CPAA's website, press releases and the annual general meetings (AGM) minutes to corroborate relevant information (see [Appendix 1](#)). Lastly, we analysed the IRP's final report on the scandal. The IRP was instituted by the Board and acted on CPAA's issued terms of reference. Nonetheless, its members' independence and professional experience differentiate the IRP report from the CPAA data issued before the scandal. This diversity allowed us to see the CPAA story from a different angle.

In discussing these primary data sources, we acknowledge that scholars risk concentrating on a subset of narratives that privilege the view of top management by focusing only on corporate material ([Corazza et al., 2020](#)). In turn, this downplays the ability of alternative narratives to enforce pluralism and mobilise change ([Vaara et al., 2016](#)). To offset this risk, we broadened our data collection beyond CPAA, collecting news articles to understand the point of view of other relevant figurations ([Perkiss et al., 2020](#)).

We relied on the Dow Jones' global news monitoring search engine, which is a Factiva database, to retrieve articles about CPAA from 1 Jan 2008 to 31 Dec 2019. Nothing from 2020 onwards was included in the sample since the COVID-19 pandemic captured most of the attention during this time, and including these disclosures would have shifted the scope of our research. Our research focuses mainly on the governance scandal that exploded in 2017. Therefore, we restricted the search to the keywords "CPA Australia" and "governance", obtaining 464 hits, which captured most of the themes in the media surge surrounding CPAA's governance and the scandal. After eliminating duplicates and 10 articles that were simply CPAA's media releases already included in the corporate material, the candidate dataset comprised 246 useable articles. These articles were then analysed to understand whether they were relevant to our research aim. 110 articles did not refer to the governance scandal, so the final dataset was filtered down to 135 case articles (see [Supplementary File](#)). When using news articles as a data source, we acknowledge the risk of big organisations capturing the news and influencing the press's agenda ([Herman and Chomsky, 2002](#); [Perkiss et al., 2020](#)). However, this risk was mitigated because, in our case, the press acted as a figuration opposing the CPAA establishment and did not spare criticism towards CPAA's Board and top management.

From the news articles, we were able to reconstruct the communication and coordination channels used by the concerned members: emails, social media and websites. Unfortunately, we were not able to directly access these channels, with a few notable exceptions, such as www.jendalitz.com/cpaboardspill/ (accessed 09/08/2021). Nevertheless, the press gave considerable coverage of the emails, social media and websites allowing us to have a fair understanding of their content. Moreover, the press conveyed the opinions of the concerned members directly through interviews and releases. This allowed us to reconstruct the positions and demands of concerned members.

4.2 Content analysis

We followed a three-step procedure to infer relevant meaning from the text ([Steenkamp and Northcott, 2007](#)). Firstly, we manually read all 135 articles to construct a timeline of events. We triangulated relevant events found in each article – directors' appointments and resignations, emails sent, investigations underway, issue of reports and so forth – with information from other articles, corporate reports, IRP reports and the CPAA website. For

constructing the timeline, we considered as relevant and valid events only those reported at least by two sources. This step gave us a clear overview of the CPAA scandal's timeline, and based on this analysis, we divided the crisis into three timeframes: before the scandal (2006–2016), during the scandal (early 2017) and after the scandal (late 2017–2019).

Further, we manually coded CPAA corporate reports to understand how CPAA voluntary reporting developed (Table 1). CPAA reports were read in their entirety to uncover thematic changes across the years. We flagged the changes in the reports' main chapters, whether present or only partially present, starting from the 2008 annual and sustainability reports.

In the second step, we used NVivo12's word count functionality to identify changes in relevant themes over the years and corroborate the insights gleaned from the manual coding (Woolf and Silver, 2018). We uploaded a PDF or an MS Word file for each data source. NVivo returns the most frequent words appearing in the file – or a group of files as an objective form of content analysis (Smith and Taffler, 2000; Steenkamp and Northcott, 2007). We ran the analysis, extracting the top 30 words used in the different data sources and examined the lists to spot any relevant differences. As an example of the differences, we found, in IR 2016, words such as *engage*, *director*, *review* and *governance* did not appear in the top 30, but they did in 2017, while the term *strategy* did not appear until 2018. These first two steps led us to identify four main themes and the changes within them over time: strategy, remuneration, governance and engagement.

The third methodological step was to analyse the case study data following the four themes identified in the previous steps. Again, we used manual coding and NVivo – specifically, its word tree functionality. Word trees “display the searched-for word as a tree, with branches representing the contexts within which the word occurs. The font size of the words in the branches indicates the frequency with which those words appear in close proximity to the searched-for word” (Woolf and Silver, 2018, p. 105). Therefore, word trees helped us determine whether a certain theme needed to be split into sub-themes. Once complete, the word tree analysis led us to divide the theme “strategy” into two sub-themes: “marketing strategy” and “CPAA Advice strategy”. This step is coherent with subjective meaning-oriented content analysis to infer the text's underlying meaning (Smith and Taffler, 2000; Steenkamp and Northcott, 2007).

5. CPAA before, during and after the scandal

This section draws on the empirical material of the various data sources to reconstruct the main events happening before, during and after the CPAA scandal. Moreover, we introduce and discuss the role of the five communicative figurations participating in the different phases of the power game (Table 2).

The CPAA's old Board of Directors (hereafter the Board) was the main communicative figuration before the scandal. This figuration comprises 12 board members plus a few elements of the C-suite, such as the CEO and the COO. This group of individuals comprises a unique figuration: they show strong ties, communicate through the same channels (e.g. corporate reports) and were responsible for setting and executing CPAA's strategy (IRP2017).

The press and the concerned members became the most vocal and powerful figuration during the scandal. Even though both were opposing the Board, we have treated the press and concerned members as different figurations for two reasons. Firstly, they used different communication channels to construct their interdependencies (Coudry and Hepp, 2017). At first, concerned members mainly coordinated through emails, websites and social networks. Then, they made their voices heard through news articles. Secondly, concerned members have a different interdependency with the Board, compared to the interdependency between the Board and the press. In fact, concerned members are part of CPAA, while the press is not.

Item	AR2008	SR2008	AR2009	SR2009	AR2010	SR2010	AR2011	AR2012	IR2013	IR2014	IR2015	IR2016	IR2017	IR2018	IR2019	
N° pages	60	24	60	28	112	72	100	99	112	112	112	112	124	148	152	
N° members (thousands)	123		129		132		139	144	150	150	155	160	164	165	166	
N° CPAA programs (thousands)	52		58		58		62		54		59	55	51	46	44	
Vision, mission, goals	•	•	•	•	○	•	•	•	•	•	•	•	•	•	•	•
Corporate plan and strategy	•	•	•	○	•	•	•	•	•	•	•	•	○	•	•	•
New members	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Member retention	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Average salary of admin staff	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Average salary of specialists	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Average salary of managers	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Average salary of executives	•	•	•	•	•	•	•	•	•	○	•	•	•	•	•	•
CSR/sustainability	•	•	•	•	•	•	•	•	•	•	○	•	•	•	•	•
GRI table	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Executive organisational chart	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Governance principles	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Executive/board compensation	•	○	•	•	•	•	•	•	•	•	•	•	•	•	•	○
Business model	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Risks and opportunities	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Outlook	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	○
CPAA advice	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Independent review	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

Note(s): This table is an abridged version of the actual content analysis results. Only the items that changed over time and are relevant to the research have been reported. • = item present; ○ = item partially present
Source(s): Author's own creation

Table 1.
Content analysis of
CPAA's reports

Phase of the power game	Figuration controlling the power game	Agenda	Communication channels
Before the scandal	Old Board and CEO (before the scandal)	Grow the membership base	Corporate reports COO letter to members In Conversation with Alex Malley The Naked CEO InTheBlack Press releases CPAA's website
During the scandal	Concerned members	Seek transparency Change the Board Spill the Board and the CEO Change CPAA's strategy	Emails Websites Social networks Articles in the press
	The press	Act as a sounding board Identify the villain Draw the audience's attention Scrutinise CPAA	Articles in the press
After the scandal	Independent review panel	Reviewing CPAA figuration Understand the causes of the scandal Give recommendations	IRP final report IRP's website
	New Board (after the scandal)	Repair legitimacy Restore power Implement (some of) the recommendations	Integrated reports Update reports on the IRP's recommendations CPAA's website

Source(s): Author's own creation

Table 2.
Summary of the case
study findings

As the scandal unfolded, however, the concerned members and the press formed a sort of “meta-figuration” since both their demands and their communication channels became entwined.

The IRP and the new Board are the other two relevant figurations. These groups gained relevance after the scandal. The IRP was established by the old Board and communicated mainly through the IRP reports and website. The new Board resorted to update reports on the IRP's recommendations, CPAA's website and integrated reports to communicate the changes undertaken following the IRP's suggestions to members.

In the following sections, we substantiate and discuss the evolving role of these five communicative figurations before, during and after the scandal.

5.1 CPAA before the scandal 2006–2016

In 2016, the year before the scandal, CPAA's Board had 12 members (IR2016). As shown in [Appendix 2](#), the directors had different tenures spanning from 10 years for Petty and Wade to less than one year for Lang and Hourigan (IR2016). In 2009, the Board appointed Alex Malley as CEO, previously President of the Board, from 2007 to 2009 (IR2016). The Representative Council appointed the directors and a body representing the Divisional Councils and other “groups, bodies or committees established or recognised by the Board” (IRP2017, p. 22). That Board had “overall control and management of CPA Australia”, delegating some of its power to committees and management (IRP2017, p. 20).

Over the years, CPAA has used different communication channels to reach its stakeholders and promote its activities. For example, alongside traditional corporate

reports, CPAA also produces a magazine – *InTheBlack* (<https://www.intheblack.com/>). From 2010, CPAA began following a marketing strategy centred on its CEO's persona to build brand awareness and stakeholder engagement (IRP2017). For example, in 2010, Malley hosted evoTV's 12-episode TV series, *The Bottom Line* (Fenton-Jones, 2010). In 2014, he published an autobiography titled *The Naked CEO*, promoted on billboards and signage in Times Square (New York City) and at Australian airports (IRP2017). In 2016, he hosted a talk show on the Nine Network called *In Conversation with Alex Malley* (<https://www.imdb.com/title/tt6140980/>), where he interviewed guests such as the former Mayor of New York City Rudy Giuliani, the violinist and conductor André Rieu, the actor and *Happy Days*' star Henry Winkler and the NASA astronaut Andy Thomas. It follows that while the corporate reports still aimed "to provide readers with a comprehensive picture of how CPA Australia has created value" (IR2016, p. 1), the other channels ended up exposing CPAA to financial and reputational risks by over-relying on the CEO's persona (IRP2017).

CPAA's communication strategy aligned with the Board's agenda to "maximise the share of people who want a career built on professional accounting skills" (IR2016, p. 3). CPAA pursued this goal through significant marketing activity – between 16% and 20% of its total turnover – centred on the CEO's persona to reach and secure future talents (COO2017; IRP2017). In a letter to members, the Chief Operating Officer further explained the CEO's role and the Board's decision to rely on his persona (COO2017):

With a view to sustaining market recognition and brand relevance, the Board made a conscious, strategic decision to focus on building the youth market and securing future talent. The chief executive was selected not just for his leadership skills but also for his ability to communicate to this vital audience and in the media more broadly. His ability to engage with the youth market through teaching and mentoring resulted in the development of *The Naked CEO* book and website (both of which are products of CPA Australia). [. . .] *The Naked CEO* book and website and *In Conversation* support our strategy to attract new members, primarily in the youth market.

Therefore, the Board considered the marketing expenditures appropriate to achieving the strategic objectives of CPAA and increasing its brand awareness and recognition (IRP2017).

On 5 June 2015, CPAA announced its financial consulting arm – CPAA Advice – to provide "an independent licensing solution for CPAA members in public practice" (IR2016, p. 40). This choice was justified by the need to respond to failures in financial planning with "fit-for-purpose, independent and transparent advice to the Australian consumer" (IR2016, p. 22). Over the long term, the goal for CPAA Advice was to become a strategic business providing a "robust platform for [CPAA's] future growth", and CPAA made "extensive work on the development of [CPAA Advice's] business structure, [. . .] team, product offer and compliance regime" (IR2016, p. 40). CPAA Advice became fully operational on 1 July 2016 after receiving the green light from the Australian Securities and Investment Commission.

On 3 February 2016, scant criticism on the choice to establish CPAA Advice emerged. For example, King *et al.* (2016) reported that:

Members who spoke to the Financial Review on condition of anonymity raised questions about whether the spin-off was the best way to use members' money. However, some supported it. [. . .] One of the key risks worrying members is reputational damage, like that suffered by Macquarie, ANZ, NAB and CBA, who fronted a Senate committee over financial planning scandals. [CPAA] declined to respond in detail to questions about how it would deal with non-compliance issues, reputation risk, its ratio of compliance managers to advisers, or the number of members who have expressed an interest in taking up the offer.

Moreover, The Australian Financial Review's journalists Aston and Glasgow (2016) openly criticised CPAA's marketing expenditures for promoting Malley's book. Therefore, latent crisis triggers were already there in 2016.

5.2 Scandal and capitulation of the board in early 2017

Overt criticism directed at CPAA's marketing expenditures, remuneration scheme, and strategy erupted in February 2017 with CPAA's member Brett Stevenson sending an email complaining about CPAA governance to another 1,000 members (Tadros, 2017d; Aston, 2018). This criticism was mainly sparked by two parties: a group of concerned CPAA members – called “rebels” by the press; and Fairfax Media's newspaper, *The Australian Financial Review* (The Sydney Morning Herald, 2018).

The [CPAA] push for transparency is effectively led by member Brett Stevenson, an accountant who has now set up an independent website in response to issues such as alleged censorship of an official [CPAA] forum on business networking site LinkedIn. “We have established a website – cpamembers.org – for members to freely discuss and communicate on some major concerns within our organisation,” Mr Stevenson said. (Tadros, 2017a)

The number of hits by keyword retrieved from the Factiva database indicates the rising outrage and the increased media coverage. In 2017, the keyword “CPAA” alone appeared in 453 articles, 198 of which also contained the keyword “governance”, a surge of 107% and 313% from 2016, respectively. Moreover, the concerned members built up consensus around their demands for more transparency on CPAA's marketing expenditures and executive compensations through emails to other members (Tadros, 2017d), social media and websites such as www.jendalitz.com/cpaboardspill/ (accessed 09/08/2021) and www.cpmembers.org (Aston and Corbett, 2017b). These two figurations – the press and the concerned members – were able to turn the spotlight onto a series of criticalities hitting the CPAA establishment (IRP2017).

Both figurations started their campaign by asking for more transparency from CPAA because information on remuneration schemes and marketing expenses was incomplete or absent (Tadros, 2017a). However, as time passed, the two figurations pushed for profound change at CPAA that should have started with spilling the Board and firing the CEO (The Australian Financial Review, 2017). Calls for the Board's renewal came from the press, especially The Australian Financial Review, and organised members calling themselves *The Spillers* (<https://jendalitz.com/cpaboardspill/> accessed 09/08/2021). Therefore, these two figurations expanded their requests to cover five themes: CPAA's marketing strategy, executive remuneration scheme, governance mechanisms, member engagement strategy and CPAA Advice.

At the beginning of 2017, we observe an increasing number of press articles citing concerned members, their opinions and their actions for reaching out to other members. In fact, the press often acted as a sounding board for concerned members. For example, Brett Stevenson's name was cited 128 times in 39 articles, and the press often identified him as leading the campaign for more transparency and accountability at CPAA (Patrick and Tadros, 2017). As the scandal mounted, these two separate figurations – the concerned members and the press – formed a sort of coalition of communicative figurations by coalescing around the same communication channel: news articles (Coudry and Hepp, 2017). Through content analysis, we found that, in such articles, the concerned members and the press made similar requests. Therefore, we will present the findings relating to these two figurations together.

5.2.1 Scandal's roots. The criticisms raised by the press and the concerned members comprise five broad issues. Firstly, the two figurations questioned CPAA's marketing expenditures since they disapproved of the CEO-centred marketing strategy, especially promoting *The Naked CEO* and the *In Conversation with Alex Malley* TV series (Tadros, 2017b). Moreover, the members also saw a misdirection of CPAA resources in CPAA's sponsorship of the Australian Open and the National Basketball League (IRP2017).

CPA Australia has spent an estimated \$17 million on advertising in the past three years compared with \$2.3 million spent by rival body Chartered Accountants. That spending includes CPA Australia shelling out an estimated \$8 million on television advertising alone while Chartered Accountants spent nothing on TV ads between 2014 and 2016. The revelation comes as CPA Australia, which boasts a 160,000-strong membership, continues to be under fire from a group of members over the outfit's corporate governance, including the level of pay and disclosure about the remuneration of senior executives including CEO Alex Malley and the Board, and the way the body's marketing budget is spent. (Tadros, 2017b)

The market research firm Nielsen estimated such figures since CPAA did not provide a breakdown of marketing expenses (Tadros, 2017b).

Secondly, the concerned members and the press focused on CPAA's remuneration of top executives and directors (Tadros and Magliarachi, 2017). The case articles portray the words *million* and *pay* 237 and 217 times, respectively. By running a word tree analysis on these two words, we found that the media's attention and outrage were primarily directed at the CEO's 2016 pay packet of \$1.79 M and a contract termination payment of \$4.9 M (IR2017). It is worth noting that just a residual of the remuneration theme targeted the directors' remuneration even though disclosing President Tyrone Carlin's salary was the first domino in the Board's demise (Schwab, 2017). Moreover, in 2016, CPAA paid a total of \$1.87 M in Board fees, and some considered the amount paid a breach of the CPAA Constitution's rule not to exceed a \$100,000 fee per director (Tadros, 2017c; Tadros and Durkin, 2017). However, the press identified the CEO as the main person against whom the audience's attention was directed.

Notably, remuneration as a theme also changed over time in CPAA's reports. In 2008, the first sustainability report contained data about the average gross salary of different employee categories and executives (SR2008). The same information was included in the 2009 sustainability report, even though "the CEO's salary has been excluded so as not to skew the average salary at the two highest levels of employment" (SR2009, p. 16). From 2010 to 2016, the information quantifying annual remuneration disappeared.

Thirdly, the press gave broad coverage of CPAA's governance. In the top 30 terms on the press' word list, *governance* appears 356 times. Moreover, in the word tree analysis of the term *governance*, a significant cluster binds together governance and issues. This cluster shows that the press was vigilant in covering the governance issues at CPAA. The media linked such matters to the Board and the former CEO, whose name appears in six branches of the word tree.

Fourth were objections to the member engagement strategy (IRP2017). For example, they disapproved of the Board's decision to hold the 2017 AGM in Singapore (27 April 2017) and suspected that choosing a location outside Australia was a move to avoid open confrontation.

Jaws hit the floor late on Wednesday when [CPAA] President Tyrone Carlin announced, in an all-member email, that the professional standards body was finally holding its AGM on 27 April . . . in Singapore! Yep, CPAs unable to fly 10 hours to the gathering (that would be 99.5 per cent of them) will just have to dumbly watch (as opposed to actively participate in) proceedings via a streamed video feed online. (Aston and Corbett, 2017a)

Fifthly, the concerned members and the press were perplexed about CPAA's choice to establish CPAA Advice. CPAA Advice was announced on 5 June 2015 (PR2015) and established on 18 April 2016 (PR2016). The arm immediately attracted criticism from members demanding more clarity on its activities and financial viability (King *et al.*, 2016). Some members were worried about the potential conflict of interest generated by establishing a consulting body:

Under the law that created the Financial Adviser Standard and Ethics Authority, financial planning businesses aren't allowed to monitor their own compliance with an industry code of conduct. [. . .] This means [CPAA] Advice appears to be in breach of the rules, which come into effect in 2020. The

Coalition government is concerned that, unless something changes, the organisation will be violating the law [. . .]. “If you want to stand in the marketplace as a [financial services] licence-holder then the principle stands: the professional and ethical standards of the advice should be monitored by an independent body not by the employer, who is the licence-holder,” said David Fawcett, a Liberal Party senator who helped write a parliamentary report that led to the law. (Patrick and Bailey, 2017)

There were also questions over the ability of CPAA members to maintain their liability-cap scheme. Such questions were particularly salient because, in the Australian system, certified accountants under the scheme are liable only up to a certain amount in case of a civil claim. With the scheme gone, CPAA accountants would have been liable in full. Eventually, CPAA’s conflict of interest between CPAA’s dual functions of licensing its financial planners and being legally responsible for monitoring the behaviour of its members became untenable. The New South Wales Crown Solicitor, ASIC, and the Senate Economics Committee publicly expressed their concerns about CPAA’s situation giving the already wobbly Board a deadly blow (Aston, 2018).

5.2.2 Capitulation of the old board. The Board’s capitulation in mid-2017 unfolded quite rapidly. Two months after President Tyrone Carlin’s resignation on 30 May 2017 (Schwab, 2017), CPAA announced that all remaining directors would resign by the year’s end (Hobday, 2017b). However, as Appendix 2 describes, the breakdown occurred in skirmishes over a few months (Crickey, 2017). At first, the CPAA establishment tried to fend off criticisms by sending legal threats (Accountancy News, 2017), interrupting a member gathering on 5 March 2017 (Aston, 2017), and impeding concerned members from accessing other members’ emails on 13 March 2017 (Aston, 2017).

Alex Malley and immediate past President Graeme Wade (now chairman of the National Basketball League, of which, entirely coincidentally, [CPAA] is a major sponsor) turned up unannounced at a regular members’ gathering to upbraid them for circulating correspondence critical of the organisation’s governance and expenditure (feeling the pressure, much?), the much-availed “Find a CPA” function on the [CPAA] website has been disabled. Self-evidently, the tool (that’s “Find a CPA”, not the CEO) allowed the public to find an accredited member in their area, thus driving client leads for Malley’s long-suffering lemmings. But perhaps that benefit is secondary to its dangerous power: allowing [CPAA members] to contact each other. (Aston, 2017)

In an attempt to respond to the concerned members’ criticisms, the COO sent a letter to its members on 16 March 2017 (COO2017). In the letter, the COO defended the conduct of CPAA’s upper echelon and cast doubts on the professionalism, integrity and ulterior motives of Australian Financial Review journalist Joe Aston:

Recently a number of inaccuracies about CPA Australia have been circulating across multiple mediums including social media platforms, member email correspondence and in the media. It is important for these inaccuracies to be addressed. [. . .] This columnist [Joe Aston] never mentioned CPA Australia in a negative context during the two-year run of his CPA Australia-supported television program. In fact, during the period his show was on-air, he approached our chief executive for work at CPA Australia. [. . .] Even at the most basic level, a journalist should endeavour to check their facts and remain objective. Full details of CPA Australia’s governance arrangements, including changes to director terms in the constitution that have been voted on by the membership, and CPA Australia’s business operations more broadly, are publicly available and transparently reported in our Notices of Annual General Meeting and annual reports. That the columnist seems not to have sought this publicly available information would suggest he is not operating in an objective manner. (COO2017)

By issuing a media release on 16 June 2017, CPAA’s President Jim Dickson depicts a clear picture of the deteriorating environment and mounting pressure on the Board, while defending the work of the CEO:

There is no doubt that the actions of a media outlet repeatedly and aggressively contacting some directors, their employers and families have created unreasonable pressure on those individuals . . . This systematic campaign of targeting our directors has taken a toll. Watching these media tactics play out, I called our directors together for a Board meeting this week. My clear message to our directors was that they needed to prioritise their families and careers, and that it would be perfectly understandable if they needed to resign. [. . .] CPA Australia is enjoying unprecedented success. In so many ways this is due to the leadership and vision of our chief executive. . . . He is delivering at the highest possible level and he is doing it under considerable duress. . . . It is critical that we continue to run our membership organisation successfully and Alex has full support to continue leading our team. (PR2017a)

Eventually, the actions of the concerned members and the media coverage caught the attention of other actors. For example, in May, ASIC launched an investigation into CPAA's governance and the duties of its officers (Butler, 2017a). On 15 June 2017, Sen. Nick Xenophon proposed a bill to make communication among members easier (Butler, 2017b), and on 29 June 2017, the Professional Standards Council refused to renew the liability-cap scheme for CPAA members because of CPAA Advice's conflict of interests (Aston, 2018). Eventually, these events and the killing blow caused by CPAA Advice led to the resignation of 7 out of 12 directors within a fortnight, the termination of the CEO's contract on 23 June 2017, and the announcement of the entire renewal of the board by the year's end on 4 August 2017 (Hobday, 2017a).

5.3 Late 2017–2019: restoring CPAA

5.3.1 *The IRP.* On 16 June 2017, the Board's remaining members announced an IRP to investigate CPAA's issues and, on 3 July 2017, they released the IRP's terms of reference for inquiring into CPAA's governance, remuneration and marketing strategy/expenditures (PR2017b; PR2017c).

Board Chair and President Jim Dickson announced the Independent Review Panel had been expanded and the Terms of Reference broadened to include a comprehensive assessment of the governance of CPA Australia. The Board is seizing the opportunity to undertake a fresh look at CPA Australia's governance regime, empowering the expert panel to engage with the membership to create a model to take CPA Australia into the next decade and beyond. [. . .] "We cannot allow questions of governance to go unanswered. Members, staff and the Board all deserve a robust independent analysis of the questions and assertions that have been raised in recent times and CPA Australia eagerly awaits those findings," Mr Dickson said. [. . .] "We have listened to members, and we invite everyone who cares about the future of the organisation and the profession to engage in this process to build a better CPA Australia." (PR2017c)

On 30 November 2017, the IRP issued its final report, structured around five main categories – governance, remuneration, marketing strategy and expenditure, member services and engagement and CPAA Advice (IRP2017). The IRP provided several recommendations to the new Board to prevent recurring scandals. By listening to CPAA's members' complaints, the IRP recommended aligning the remuneration scheme with similar organisations, centring CPAA's marketing strategy on member engagement and modifying its corporate governance structure.

The word tree analysis returned four clusters related to the term remuneration: Board remuneration, CEO remuneration, executive remuneration and director remuneration. The IRP focused on remuneration beyond just that of the CEO. These clusters reflected the IRP's concerns about "remuneration, including disclosures, compliance with laws and accounting standards and benchmarking processes" (IRP2017, p. 16). In its preliminary findings, the IRP states that "Board remuneration is above the expectations of many members and those of benchmarked member-based organisations; the former CEO's remuneration and separation

payment were well above benchmarks; [and] traditional disclosure of key management, and directors' remuneration was not transparent" (IRP2017, pp. 49–50). Moreover, "the former CEO's annual salary grew at a rate several times higher than growth in memberships or revenue", which are proxies for organisational growth (IRP2017, p. 52). The IRP, therefore, recommended CPAA increase transparency around its remuneration scheme and adopt more reasonable and benchmarked amounts.

Three out of the six lines of enquiry set in the IRP's terms of reference involved CPAA strategy. These were: "marketing strategy and expenditure, including consistency with Board, approved strategy and appropriateness of expenditure; strategy and performance of member services and engagement; strategy and performance of CPA Australia Advice" (IR2017, p. 7). For example, even though the IRP found the marketing strategy and expenditures comparable to similar organisations, it criticised the strategic focus on the former CEO's self-image, touting instead that marketing activities should concentrate on the CPAA brand (IRP2017). They recommended "centre future brand building activities on CPA Australia and its members rather than individual employees" (IRP2017, p. 69). CPAA members felt disempowered; they lacked communication and engagement and did not perceive their membership to be value for money (IRP2017). Therefore, the IRP recommended CPAA implement a more strategic, structured and practical approach to member engagement and communication.

A sensible corporate governance concern consisted of the mechanisms that allowed the Board to significantly influence the Representative Council and the Divisional Councils (Table 3). In 2017, CPAA's governing bodies were its Board, which controls CPAA management; the Representative Council, which appoints the Board; and the Divisional Councils, which serve and represent CPAA members. However, the Board influenced both the Representative and the Divisional Councils. Along with the potential influence the Board may exert on the Councils, members expressed concerns about the potential Board influence on the directors' nomination and appointment process and the lack of transparency on strategic direction and activity (IRP2017). Such concerns led the IRP to propose 11 recommendations spanning from a "review [of the] executive structure" to "change the Representative Council's [...] composition to reduce potential [Board] influence" and from giving the Representative Council greater oversight to "review [the Board's] approach to issues management" (IRP2017, pp. 29–30). The IRP's recommendations to improve CPAA's governance required amendments to the CPAA Constitution and practices to achieve better transparency, independence and oversight (IRP2017).

5.3.2 New Board. On 1 October 2017, the new Board took service and began communicating with members and interested parties (PR2017 d). Shortly after the IRP issued its final report, the new Board responded to the IRP's recommendations and provided members with a timeline for addressing them (BOD2017). Additionally, in April 2018, the new Board released CPAA's 2017 Integrated Report. The report begins with a statement from the President recognising that "2017 has perhaps been the most challenging and disruptive year in CPA Australia's history". It defines how the new Board has been working to implement the IRP's recommendations (IR2017, p. 2). Moreover, the report details the directors' and top executives' remuneration schemes (both old and new). This followed a commitment "to communicating honestly and openly with all members" (IR2017, p. 2). Indeed, the 2017 integrated report shows the number of executives falling into specific wage bands. In addition, the report gives a detailed account of the 2016 directors' and executives' remuneration, and their severance pays, and the updated pay scheme for 2017 (IR2017, pp. 93–95, 114–117).

In the 2017 integrated report, CPAA put its goal, vision and mission on hold and only partially disclosed its strategy (Table 2). This choice followed the decision to undertake a review of the strategy "as part of [CPAA] strategic renewal and through consultation with

Governing body	The Board's influence in each governing body	Relationship with other governing bodies
Divisional councils	The Board determines the number of Divisional Councillors The Board may make, vary, amend, revoke and repeal the by-laws that govern elections for the Divisional Councillors The Board may determine that any number of Divisional Councillors must be elected from a particular place or region	Serves and represents CPAA members
Representative council	The Board sets how the Representative Council appoints the Board Up to 49% of Representative Councillors may be drawn from groups, bodies or committees established or recognised by the Board There is no limit to how many Directors may also be Representative Councillors	A minimum of 51% of the Representative Council is made up of Divisional Councillors
The board	The President is Chair of the Board and Representative Council	The Representative Council appoints the Board's Directors

Source(s): Adapted from IRP (2017, p. 22)

Table 3.
Areas in which the board influences the representative and divisional councils

members” (IR2017, p. 9). Consequently, in the 2018 integrated report, there is a strategy section, and the word strategy even enters the top-30-word list. The comeback of the strategy theme reflects the “strategic renewal” approved by the new Board in August 2018 and communicated throughout the 2018 integrated report (IR2018, p. 14).

The disclosure about CPAA’s governance changed of relevance in 2017. From 2011 to 2016, the section of CPAA’s reports explaining the organisation’s governance usually appeared in the middle of the reports – around page 50. In 2017, the section was on page 7 (IR2017). In addition, in the 2017 top 30, the word governance appears 72 times, while in the 2016 top 30, the term is not present. Oddly enough, the word integrity is present in the 2016 and 2018 top 30 but absent from 2017. Following the 2017 scandal, CPAA increased the amount of disclosure in its reports and changed the position of the Governance section by bringing it forward.

On 22 May 2018, the 2018 AGM took place in Melbourne, where members voted on the changes in the CPAA Constitution in line with the IRP’s recommendations (AGM2018c). It is worth mentioning that, during the AGM, the assembly accepted all the amendments proposed by the new Board. However, none of the proposals advanced by concerned members – Brett Stevenson, Jen Dalitz, Glen Hasselman, David Dahm and Ben Cohen – were accepted (AGM2018b). The proposed amendments included removing the President Peter Wilson as director, limiting the number and tenure of directors and reducing the minimum number of members necessary to convene a meeting of members to 200. According to the press, the members’ proposals were stopped by CPAA through proxy-voting harvesting – a reconstruction of events denied by CPAA’s spokesperson (Tadros, 2018).

6. Discussion

The CPAA story is the case of a crisis that becomes a scandal, thanks to a mix of moral violations, member pressure, media attention and disclosure strategies (Coombs and Tachkova, 2019; Tachkova, 2023). This section discusses two main ways communication affected power balances among the old Board, concerned members, the press, the IRP and the

new Board during the scandal. Firstly, we highlight the role played by voluntary, involuntary and absent disclosures in triggering, managing and ending the CPAA scandal. Secondly, we discuss the constitutive role disclosure and communication media had in making coalitions of figurations that challenged and restored the powerful status quo (Elias, 1978).

6.1 *Voluntary, involuntary and absent disclosure in crises*

Before, during and after the scandal, the role of disclosure changed in type and relevance (Bundy *et al.*, 2017; Coombs and Holladay, 2023; Corazza *et al.*, 2020). In the pre-crisis stage, CPAA managed and maintained control over the narrative by voluntarily disclosing enough information to satisfy its members. It portrayed a behind-the-scenes reality of an organisation looking to go beyond simply reporting mandated disclosures to one that leads by example in the voluntary reporting landscape (Merkl-Davies and Brennan, 2017). As such, the old Board used sustainability reports, annual reports and eventually integrated reports to communicate its strategy for gaining new members and to highlight the organisation's achievements to its members. For example, two prominent achievements were a growing member base and increased brand recognition. Even though the disclosure content changed over the years, up to 2016, the overall voluntary disclosure strategy went almost unchallenged as the press acted mainly as CPAA's sounding board (Herman and Chomsky, 2002; Perkiss *et al.*, 2020). However, in 2016, the establishment of CPAA Advice and the promotion of *The Naked CEO* and the In Conversation with Alex Malley TV series started to raise the eyebrows of a few vocal concerned members who began to put the actions of CPAA board under scrutiny.

We expand Firoozi and Ku's (2023), p. 28) argument that "lack of response may create a vacuum that lets the stakeholders frame the crisis as they wish" because the absence of disclosure can also be found in the pre-crisis stage and can become the trigger, not just the frame, of crises and scandals. Eventually, the spark that set the CPAA scandal afire was the absence of disclosure. It was the absence of information about remuneration schemes and obscure or partial data on marketing expenditures that attracted the attention of concerned members. The old Board disclosed remuneration schemes up to 2009, but these disappeared from the reports after Mr Malley became CEO. Therefore, the absence of disclosure can not only be a crisis management strategy to repair broken legitimacy (Belluci *et al.*, 2021; Corazza *et al.*, 2020), but in this case, it was also a trigger setting the scandal in motion.

As the scandal mounted in 2017, concerned members and the press produced involuntary disclosures to frame the scandal, assign responsibility and oppose the status quo. Specifically, CPAA did not willingly disclose information on remuneration and marketing expenditures, but stakeholders still uncovered this information (Andrew and Baker, 2020; Dumay and Guthrie, 2017). These were *involuntary* disclosures, pushed by opposing figurations that took the form of counternarratives and accounts (Dumay and Guthrie, 2017; Perkiss *et al.*, 2020). The counter-narratives and accounts opposed the reports and numbers provided by the Board and mobilised the members in support of change (Vaara *et al.*, 2016). For example, the two figurations relied on their information sources to fill the absence of disclosure with their interpretations, such as benchmarking with CPAA's competitors and the market research firm's estimates (Firoozi and Ku, 2023). Moreover, the two figurations soon assigned to the CEO – and to the President to a lesser extent – the major responsibilities of the scandal even though CPAA was publicly defending the CEO and undermining members' concerns in interviews, media releases and through the letter from the COO to members. In the crisis phase, we can conclude that the press and the concerned members took control of the narrative from CPAA and imposed their own narrative through involuntary disclosures forcing CPAA to answer to their questions, engage with external actors (e.g. the Senate Committee) and act.

After the scandal, CPAA partially retook control of the narrative and centred the attention of the public on the remedies and actions taken to end the scandal. CPAA partially retook control by relying on the IRP and its requested disclosures. The IRP helped the new Board foster organisational legitimacy, show commitment to resolving problems and put an end to the scandal (Andon and Free, 2012; Belluci *et al.*, 2021). The IRP reports fall into the involuntary disclosure strategy because of the IRP's independence and professional experience. From CPAA's perspective, it was not possible to control the information contained in the IRP's final report. However, it would be not entirely correct to view the IRP report as merely an involuntary disclosure since the IRP was still set up by the Board and still operated under CPAA's terms of reference. For this reason, we refer to the IRP's disclosure as *requested*. Therefore, we propose *requested* disclosure as a type of disclosure that is neither entirely involuntary nor entirely under the control of an organisation since it is influenced by that control. Requested disclosure adds a more nuanced view to voluntary and involuntary disclosures in a crisis (Coombs and Holladay, 2023; Dumay and Guthrie, 2017).

6.2 Communication, media channels and power games

The five figurations playing the CPAA power game resorted to different communication channels and different forms of media to coordinate, gain support, persuade and ultimately influence the power balance (Couldry and Hepp, 2017). On the one hand, the old Board mainly chose silence to fend off criticisms and remained indifferent to the concerned members' requests for information until this strategy became untenable (Belluci *et al.*, 2021). Inside the CPAA figuration, the CEO secured a favourable power balance and eventually exerted his power *in actu* by negotiating an uncompetitive remuneration scheme and a marketing strategy that revolved around his personal branding (Latour, 1986). By influencing the Divisional Councils and obstructing the organising of concerned members (e.g. holding the AGM in Singapore and interrupting a member gathering), the Board delayed opposing figurations with enough collective power for confronting the Board. In the first phase of the game – the pre-crisis stage – no figuration surfaced with sufficient functional interdependence to withhold power from the Board. So, the Board continued to control the game and pursue its agenda (Dopson, 2001; Elias, 1978). To this end, the communication strategy to its power *in potentia* relied on not including remuneration and marketing expenditure data disclosures in the corporate reports.

On the other hand, other communications media, such as emails and the press, became the source through which members could inform themselves of the evolving issues at CPAA. Communication was also the means through which they demanded change, broke the old Board's stranglehold on power, and established power *in fieri* (Couldry and Hepp, 2017; Hepp and Hasebrink, 2014). Eventually, the members' concerns gained support and were amplified by the press. The opposing narratives became dominant when the two different figurations – the concerned members and the press – formed a coalition of communication powerful enough to shift the power balance (Couldry and Hepp, 2017; Elias, 1978).

The collective dimension of power was crucial for the concerned members' ability to stir the power balance in their favour (Connolly and Dolan, 2012; Dopson, 2001). In 2016, the concerned members and *The Australian Financial Review* were dissatisfied with how the CPAA figuration behaved. However, it was only when the two figurations could enrol a critical mass of actors (e.g. more members, other journals, ASIC, the Senate Economics Committee, etc.) that the power balance shifted. The more the power game acquired new players and increased complexity, the less the CEO and the old Board could control the game and the disclosures. Eventually, the former dominant player, the old Board, experienced an unexpected outcome – its demise (Dopson, 2005; Elias, 1978).

In the third phase of the power game – the post-crisis phase – the collective dimension of power explains why the CPAA figuration regained a favourable power balance. By establishing a novel and independent figuration, the IRP, CPAA modified the power game from a one-vs-many to a multi-level, multi-person power game and, in the end, undermined the ability of concerned members to control the game's outcome (Elias, 1978). Being independent yet subject to CPAA's terms of reference, the IRP communicated with the concerned members, collected their feedback, sifted through it and ultimately recommended to the new Board ways to regain its legitimacy and, eventually, its power (Andon and Free, 2012; Couldry and Hepp, 2017). The IRP's creation, therefore, added another layer to the power game. With this manoeuvre, the new Board could detach itself from the game, leaving the IRP to play the Board's role in its stead (Elias, 1978). Consequently, all that was left for the new Board was to use the integrated annual report and the three updated reports on the IRP's recommendations to inform members of the changes it chose to implement.

However, these corporate reports were also part of the new Board's strategy to restore power (Elias, 1978; Latour, 1986). In the front of the report, the President and CEO's Letters acknowledged that CPAA underwent hard times, but they fell short of apologising, expressing regret or identifying the guilty parties (Koehn, 2013). In this way, they distanced themselves from the scandal (Andon and Free, 2012; Edgar *et al.*, 2022). Moreover, a new thorny issue – the loss of the Professional Standards Council's liability-cap scheme – was only briefly reported on page 35 of the 2017 report (IR2017). Also, during the 2018 AGM, only those amendments backed by the new Board were approved by the assembly, thus returning a clear picture of the restored power *in actu*.

Elias' (1978) figurational approach provides an innovative theoretical framework for understanding power's collective and dynamic characteristics, of which the CPAA scandal is an interesting example – even if it was only single individuals who “commit[ed] the moral violation” (Coombes and Tachkova, 2019, p. 73). Soon the whole organisation, its governance mechanisms and its power structures came under fire. Such structures, in the end, were recognised as flawed and empowered managers to commit moral violations (Elias, 1978; Latour, 1986). Moreover, the *in actu* – *in potentia* dichotomy returns a snapshot of the actor–network relationships empowering a certain actor (Latour, 1986). Power *in fieri* emphasises the shifting dependencies among communicative actors and figurations, which formed coalitions and opposing parties, and explains the changing power balance occurring from a certain *in actu/in potentia* configuration to another one (Connolly and Dolan, 2012; Dopson, 2001). Therefore, the augmentation of actor–network theory with the figurational approach better explains the power collective and dynamism at the heart of organisational and societal change (Connolly and Dolan, 2012; Elias, 1978).

7. Conclusion

Our research contributes to the accounting and organisational literature in both theory and practice by examining why and how voluntary, involuntary and absent disclosure affect power balances during a corporate governance scandal. We focused on CPAA, an Australian not-for-profit professional accounting body that, in 2017, underwent a significant corporate governance scandal resulting in the resignation of the Board of Directors and the CEO. The scandal saw the involvement of different networks of actors – we call them *figurations* (Elias, 1978) – including concerned members, the press, the old Board, the IRP and the new Board, who each formed coalitions and battled for power. These figurations used several communication and disclosure channels to gain power, maintain it and challenge the status quo (Couldry and Hepp, 2017). The old Board mainly used traditional voluntary reporting and a COO letter to members. The concerned members organised themselves through emails, social media and websites. The press acted as a sounding board through

news articles, the IRP issued reports and the new Board communicated through corporate reporting. We showed that communication and disclosures mobilised all these actors. They enabled coordination, contributed to pursuing shared goals and shifted the balance of power – several times (Couldry and Hepp, 2017; Latour, 1986).

In addition, we explore the role of different forms of disclosure before, during and after a crisis (Coombs and Holladay, 2023). In addition to influencing the power game among the five figurations, disclosure was also at the heart of the scandal. The fact that CPAA did not disclose the old Board's remuneration scheme and marketing expenses set the crisis into motion (Firoozi and Ku, 2023). Then, the *involuntary* disclosure of this information uncovered by concerned members and the press fuelled the moral outrage that turned the crisis into a scandal (Coombs and Tachkova, 2019; Dumay and Guthrie, 2017). Lastly, a mix of *voluntary* and *requested* disclosure allowed the new Board and the IRP to end the crisis and restore CPAA's legitimacy and power (Belluci *et al.*, 2021). Therefore, different forms of disclosure play different roles and become more relevant than others depending on whether the crisis is in the pre-crisis prevention, crisis management or post-crisis stage (Bundy *et al.*, 2017; Coombs and Laufer, 2018). We argue that this finding can not only help companies to understand which disclosure strategy is best to manage a crisis (Bundy *et al.*, 2017; Ulmer *et al.*, 2019) but also help stakeholders willing to expose unethical corporate behaviour through counter accounts and other communication strategies (Andon and Free, 2014; Perkiss *et al.*, 2020; Tregidga, 2017).

Additionally, we contribute to accounting and organisational theory by augmenting actor–network theory with the collective and *in fieri* dimensions of power from figurational theory (Elias, 1978). While Latour (1986) introduces the dichotomy of individuals securing power *in potentia* and exerting said power *in actu*, Elias (1978) emphasises that power can be secured by figurations composed by a multitude of individuals. As we showed that, in the CPAA case, power games are not necessarily played in a two-person or one-vs-many setting. Rather, power games are much more complex and involve coalitions playing against other coalitions (Connolly and Dolan, 2012; Dopson, 2001). Such a collective dimension of power is strictly intertwined with power being *in fieri* – in constant flux. Power games are seldom stable as actors and figurations form and dismantle coalitions and play trials of strength with their opponents. A figuration securing power *in potentia* and exerting said power *in actu* can be challenged at any time by a single actor or a figuration provided that said actor or figuration becomes powerful enough to challenge the precarious status quo (Dopson, 2001). Therefore, we believe that framing power as a collective and *in fieri* process provides an innovative theoretical lens to frame organisational (and societal) change as ongoing co-operations and conflicts between figurations within and beyond organisational boundaries (Connolly and Dolan, 2012; Dopson, 2001).

Communication is important in power games since it is a constitutive element of figurations (Couldry and Hepp, 2017). Through emails, Mr Stevenson enrolled other members in his crusade against the old Board. Through the news articles, the concerned members highlighted the interests of other important actors, such as ASIC. These examples show that communication devices are used to support and persuade, strengthen bonds in a network and reinforce power ties (Callon, 1986; Couldry and Hepp, 2017; Latour, 1986). Therefore, strategically using communication to begin a crisis, as the concerned members did in the CPAA case, can be an effective way for activists to change political decisions and counter mainstream, hegemonic narratives (Hepp and Hasebrink, 2014; Perkiss *et al.*, 2020; Vinnari and Laine, 2017).

Lastly, our research has practical implications. Professional accounting bodies fulfil the important task of ensuring people's trust in the accounting profession (Everett and Green, 2007). Therefore, scandals risk undermining such trust and could even lead to the whole sector being questioned. For example, while the CPAA scandal peaked, the press also

enquired into the Institute of Public Accountants and the Chartered Accountants Australia and New Zealand's remuneration schemes (Tadros and Magliarachi, 2017). Therefore, to be above suspicion, professional accounting bodies should have all those governance, management and disclosure mechanisms in place to ensure integrity and morality (Everett and Green, 2007; Paisey and Paisey, 2020). If greed and self-promotion prevail, members, the press and eventually the public will come to question whether accounting bodies are pursuing their own self-interest instead of the public interest (Everett and Green, 2007). Based on our research, we highlight three main areas for improvement that have practical and policy implications for professional accounting bodies and not-for-profit organisations to prevent placing self-interest before the public.

Firstly, disclosing information whose absence can trigger a scandal should be mandated, such as the details of remuneration schemes and marketing expenditures. Especially in member-based organisations – as professional accounting bodies are – it should be made easier for members to access information on how their money is spent and monitor whether individuals or figurations behave unjustly, unethically or greedily (Coombs and Tachkova, 2019; Tachkova, 2023). For example, the remuneration committee should not only disclose the remuneration schemes of executives and directors, but also provide benchmarks to similar professional associations operating in the market and to the salaries paid to other employees.

Secondly, the governance of not-for-profit organisations could benefit from a stronger separation between managing and monitoring bodies. Therefore, the Board should ensure the independence of remuneration committees, and the organisation's statute should reduce to the minimum the ability of the Board and managers to influence those electing the directors. For example, part of the Board could be composed of directors elected directly from members while leaving to the Board the task to define the minimum criteria necessary for a member to be eligible for office.

Thirdly, members should be given proper channels to interact among themselves and with the organisation. If properly implemented, voluntary reporting such as IR could be one such channel (IIRC, 2021). For example, when defining material issues for the organisation, proper stakeholder engagement would require the organisation to hear from and substantially involve members in identifying the relevant topics. Moreover, organisations should set up clear procedures for members wanting to file complaints and suggestions, steps undertaken to manage such complaints and suggestions and publicly disclose the actions taken to answer them. Member-based organisations need to address these three areas for improvement comprehensively. Otherwise, the next scandal will be around the corner. It will only be a matter of time before members – who, in the end, own the organisation – become disengaged, frustrated and alienated.

7.1 Limitations

Our research does not come without limitations. Firstly, we relied only on secondary data, and we acknowledge that complementing our dataset with primary data, such as interviews with concerned members and the CPAA establishment, could have returned an even more enriched and nuanced narration. However, we tried to mitigate this by using data sources that could proxy the main characters' voices, such as news articles quoting the concerned members, the President's and CEO's letters in the reports, media releases and communications to members, to compile a fair representation of the CPAA story.

Secondly, the content analysis methodology is subjective since it implies reading, understanding and manually coding the data. We reduced such subjectivity to the minimum by complementing it with objective procedures such as word count and word tree analyses. Still, we believe that a certain degree of subjectivity endures (Smith and Taffler, 2000; Steenkamp and Northcott, 2007).

Lastly, we did not deepen the discussion of the whole body of work on figuration theory, its limits and its intertwining with cultural and social processes (Connolly and Dolan, 2012). Instead, we focused only on the figurational conceptualisation of power, power games and figurations. Therefore, we acknowledge to have just started to scratch the surface of figuration theory applied to accounting, and we call for further research on such a promising yet little-known approach.

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Appendix 1

Appendix 1 summarizes the corporate document codes used throughout the article.

Data	Code*	Source
5 Annual reports (financial statements excluded)	AR2008; AR2009; AR2010; AR2011; AR2012	CPAA website, www.cpaaustralia.com.au accessed 15 Jan 2021
3 Sustainability reports	SR2008; SR2009; SR2010	
7 Integrated reports	IR2013; IR2014; IR2015; IR2016; IR2017; IR2018; IR2019	
10 Press releases	PR2015 (05 Jun 15); PR2016 (16 Apr 16); PR2017a (03 Jul 17); PR2017b (05 Jul 17); PR2017c (04 Aug 17); PR2017d (28 Sep 17); PR2018a (09 Feb 18); PR2018b (23 Mar 18); PR2018c (24 Aug 18); PR2019 (06 Sep 18)	
4 Annual general meeting communications	AGM2018a (22 May 18); AGM2018b (22 May 18); AGM2018c (22 May 18); AGM2019 (14 May 19)	
COO letter to members	COO2017 (16 Mar 17)	
Board of directors response to IRP	BOD2017 (15 Dec 17)	
3 Board of directors' update reports on the independent review panel's recommendations	BOD2018a (18 Feb 18); BOD2018b (13 Dec 18); BOD2019 (October 2019)	
1 Independent review panel's final report	IRP2017 (30 Nov 17)	IRP website www.cpaaustraliareview.com/final-report accessed 09 Feb 2022

Note(s): *The code is formed by the document and the corresponding year. For example, CPAA's 2008 sustainability report becomes SR2008

Table A1.
Corporate
document codes

Appendix 2

Appendix 2 lists the main events before, during and after the 2017 scandal that are linked to the scandal. The events have been reconstructed from the empirical material (see Appendix 1 and Section 4).

Year	Date*	Event
2006	xx	Richard Petty and Graeme Wade are appointed directors
2007	xx	Alex Malley is elected president of CPAA. Kerry Ryan is appointed director
2009	12 Oct 09	Alex Malley is nominated CEO of CPAA
2010	03 Sep 10	CPAA teams up with evoTV to launch a 12-episode TV program <i>The Bottom Line</i> . Malley is the host of the program
	01 Oct 10	James Dickson is appointed director
2011	01 Oct 11	Tyrone Carlin is appointed director
2013	1 Oct 13	Deborah Ong is appointed director
2014	01 Oct 14	Richard Alston, David Spong and Michele Dolin are elected member directors
	31 Oct 14	<i>The Naked CEO</i> is published
2015	05 Jun 15	Malley and ASIC chairman Greg Medcraft announce the establishment of CPAA Advice
	01 Oct 15	Sharon Portelli is appointed director
2016	03 Feb 16	Criticism over CPAA's marketing expenditures to promote <i>The Naked CEO</i>
	07 Feb 16	First episode of <i>In Conversation with Alex Malley</i> airs on Nine Network
	xx Mar 16	Establishment of CPAA Advice. Little criticism of possible financial and reputational costs from the press
	18 Apr 16	CPAA Advice obtains the licence from ASIC
	01 Oct 16	Jennifer Lang and Martin Hourigan are appointed directors. Tyrone Carlin is elected President
2017	xx Feb 17	Member Brett Stevenson sends an email complaining about CPAA governance to other 1,000 members
	23 Feb 17	The CPAA website's 'Find a CPA' tool is disabled preventing members from finding one another (and organising)
	05 Mar 17	Malley and Wade interrupt a gathering of members to complain against the circulation of criticising emails
	15 Mar 17	CPAA announces its AGM in Singapore
	16 Mar 17	CPAA COO Jeff Hughes sends a letter to members responding to criticisms over several issues (e.g. AGM, governance, and sponsorship of NBL)
	23 Mar 17	Brett Stevenson sends the 15th email to criticise CPAA governance
	27 Apr 17	The AGM is held in Singapore
	28 Apr 17	Brett Stevenson obtains from CPAA the list of CPAA members (without emails). The disclosure followed the appeal to a clause of the Corporations Act
	02 May 17	The first mention of a website created by Stevenson to reach other members: cpamembers.org
	xx May 17	ASIC investigates CPAA governance and duties of its officers
	30 May 17	Tyrone Carlin resigns after his salary as CPAA president was made public
	01 Jun 17	CPAA discloses Malley's salary
	07 Jun 17	Independent directors Richard Alston and Kerry Ryan resign after the Board did not consider their proposal to call an independent review
	09 Jun 17	Director David Song resigns
	15 Jun 17	Directors Deborah Ong, Jennifer Lang, and Martin Hourigan resign

Table A2.
List of the main events before, during and after the 2017 scandal

(continued)

Year	Date*	Event
	15 Jun 17	Senator Xenophon presents an amendment to force organisations to disclose members' email addresses to other members
	16 Jun 17	CPAA announces an IRP composed by Ian McPhee and Sir Angus Houston
	16 Jun 17	Tim Youngberry is appointed director to restore the Board's quorum
	22 Jun 17	The CPAA NSW Divisional Council sends a letter to CPA BoD asking for a complete renewal of the BoD and CEO
	23 Jun 17	CPA's BoD terminates Malley's contract, corresponding to an exit bonus of AUD 4.9 million for him
	26 Jun 17	Sir Angus Houston resigns from the chairmanship of the IRP
	27–29 Jun 2017	The Professional Standards Council does not approve the renewal of scheme accreditation that ensures CPAA members the liability cap scheme
	03 Jul 17	CPAA releases the Terms of Reference for the IRP
	25 Jul 17	The IRP launches its website
	02 Aug 17	CPAA representatives appear in a public hearing of the Senate economic committee
	04 Aug 17	CPAA announces its remaining directors will quit by the year's end
	14 Sep 17	IRP preliminary report is released
	28 Sep 17	CPAA announces the new Board
	30 Nov 17	IRP releases its final report
	15 Dec 17	The new Board responds to the IRP report with the actions to be taken
2018	18 Feb 18	The new Board issues a state-of-play report on the implementation of IRP's recommendations
	22 May 18	CPA AGM is held in Melbourne
	13 Dec 18	The new Board issues an update report on the implementation of IRP's recommendations
2019	xx Oct 19	The new Board issues an update report on the implementation of IRP's recommendations

Source(s): Author's own creation

Table A2.

Supplementary file

- (1) AAP MediaNet Press Releases (25 July 2017). Independent review panel launches website, *Australian Associated Press*.
- (2) Accountancy News (12 October 2017). CPA Australia board meeting outlines priorities to rebuild reputation, *Accountancy News powered by Timetric*.
- (3) Accountancy News (3 August 2017). Australia battles with audit quality and governance issues, *Accountancy News powered by Timetric*.
- (4) Accountancy News (4 July 2017). CPA Australia expands independent review panel to assess governance, *Accountancy News powered by Timetric*.
- (5) Accountancy News (4 September 2017). Australia country survey: scandals and struggles, *Accountancy News powered by Timetric*.
- (6) Accountancy News (7 July 2017). Pay me if you can, *Accountancy News powered by Timetric*.
- (7) Aston J. (10 April 2017). Rear window – Eight days a week, *The Australian Financial Review*.
- (8) Aston J. (13 March 2017). Rear window, *The Australian Financial Review*.
- (9) Aston J. (16 June 2017). Rear window, *The Australian Financial Review*.
- (10) Aston J. (25 January 2018). CPA's annus horribilis, *The Australian Financial Review*.
- (11) Aston J. (26 June 2017). Rear window, *The Australian Financial Review*.
- (12) Aston J. (27 March 2017). Malley's confidential Macquarie Uni exit, *The Australian Financial Review*.
- (13) Aston J. (5 June 2017). Rear Window, *The Australian Financial Review*.
- (14) Aston J. (5 October 2017). Rear window, *The Australian Financial Review*.

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- (16) Aston J. and Corbett B. (18 May 2017). Rear window – Is CPA fudging its growth, membership numbers?, *The Australian Financial Review*.
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- (20) Aston J. and Corbett B. (28 April 2017). Rear window – CPA rebels get membership list, board remuneration next, *The Australian Financial Review*.
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- (22) Aston J. and Glasgow W. (3 February 2016). CPA boss hypocrite on “shareholders first”, *The Australian Financial Review*.
- (23) Aston J. and Robin M. (1 May 2018). Rear window, *The Australian Financial Review*.
- (24) Aston J. and Robin M. (11 December 2017). Rear window, *The Australian Financial Review*.
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- (26) Aston J. and Robin M. (20 September 2017). Rear window, *The Australian Financial Review*.
- (27) Aston J. and Robin M. (21 November 2018). Rear window, *The Australian Financial Review*.
- (28) Aston J., Durkin P., Patrick A., Tadros E. and Coorey P. (8 June 2017). CPA exodus continues as Alston quits riven board, *The Australian Financial Review*.
- (29) Aston J., Patrick A. and Tadros E. (9 June 2017). NSW threat to deregister errant CPA, *The Australian Financial Review*.
- (30) Aston J., Patrick E. and Tadros E. (16 June 2017). More CPA directors quit as Malley stays, *The Australian Financial Review*.
- (31) Bailey M. (20 May 2017). CPA Advice slashes licensee fees, *The Australian Financial Review*.
- (32) Butler B. (13 June 2017). CPA in turmoil over chief’s pay, *The Australian*.
- (33) Butler B. (14 July 2017). CPA rebuffs board spill call, *The Australian*.
- (34) Butler B. (15 June 2017). ASIC turns sights on CPA board, *The Australian*.
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- (47) Crikey (5 June 2017). A brief history of the unravelling Alex Malley CPA fiasco, *Crikey*.
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- (106) Tadros E. and Aston J. (16 June 2017). Why change will be so hard at the CPA, *The Australian Financial Review*.
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