



Charter

New Zealand Regulatory Board

1.0 Purpose of Charter

This Charter sets out the role, functions, policies and procedures applicable to the NZICA Regulatory Board. The Regulatory Board will operate in accordance with this Charter and NZICA's Act and Rules.

2.0 Constitution

In accordance with section 6(1)(e) of the New Zealand Institute of Chartered Accountants Act 1996 (the "Act"), NZICA must have rules that provide for it to have an Executive Board.

Rule 7.1 states that NZICA must have an Executive Board which is to be known as the Regulatory Board.

3.0 Role and Function

The performance of NZICA's functions, other than its regulatory function, has been delegated to CA ANZ through a formal delegation dated 6 April 2016.

NZICA's regulatory function is prescribed by the Act to include:

- (a) maintaining, complying with, monitoring compliance with, and enforcing the Rules referred to in section 6(1)(f) to (ja) of the Act (which relate to the investigation and hearing of complaints and other matters, appeals, and disciplinary matters); and
- (b) maintaining, monitoring members' compliance with, and enforcing:
 - (i) professional and ethical standards, including the Code of Ethics; and
 - (ii) the NZICA Rules; and
- (c) monitoring members' compliance with the Auditor Regulation Act and other enactments that relate to the practice of accountancy; and
- (d) monitoring compliance with, and enforcing section 14 of the Act (which relates to improper use of terms implying membership of NZICA); and
- (e) complying with NZICA's duties:
 - (i) as an accredited body under the Auditor Regulation Act; and
 - (ii) that are imposed on NZICA (by name) under any other enactment.

NZICA must not delegate the duty to control and regulate (in whole or in part) to any person (section 5B(1)).

NZICA's accreditation under the Auditor Regulation Act 2011 is subject to conditions imposed by the Financial Markets Authority under section 49 of that Act.

The Regulatory Board may also be required to consider and approve aspects of CA ANZ administration in relation to the delegated statutory functions affecting members in New Zealand.

4.0 Authority under the Rules

The Regulatory Board shall:

- (a) prescribe the Code of Ethics provided that the Code of Ethics prescribed by the Council that is in force immediately prior to the Effective Date shall continue in force until amended, revoked or replaced by the Regulatory Board;
- (b) appoint, authorise delegations for, oversee and direct the permanent bodies specified in Appendix I; and
- (c) carry out any other functions or responsibilities that are conferred by the Act, any other enactment, the NZICA Rules or the CA ANZ By-Laws.

The Regulatory Board shall have all the powers necessary or desirable for performing its functions in accordance with the Rules and/or delegations from CA ANZ.

5.0 Membership

Composition

The Regulatory Board will comprise up to six members (excluding any ex officio member), and may include up to two independent (non-CA ANZ Board or non-CA ANZ) members. The New Zealand Vice President of CA ANZ shall be an ex-officio member of the Regulatory Board, with speaking rights and no voting rights.

The quorum shall be one half of the number of full members of the committee (rounded up to the next whole number) provided that one of the members present must be an independent (non-CA ANZ Board or non-CA ANZ) member (if there is one appointed) and there must be a minimum of two members.

Every member of CA ANZ who resides in New Zealand shall be eligible for appointment to the Regulatory Board. However, members of the Regulatory Board must have the required skills and knowledge and be fit and proper. No member may be a member of both the CA ANZ Council and the Regulatory Board at the same time, except for the person who is the New Zealand Vice President of CA ANZ. A member may be a member of both the CA ANZ Board and the Regulatory Board.

Appointment process

The Regulatory Board shall be appointed by the CA ANZ Board by a notice in writing signed by the Chair of the CA ANZ Board delivered to the New Zealand Vice President of CA ANZ at the New Zealand office of CA ANZ.

Term

Regulatory Board members shall serve at the discretion of the CA ANZ Board.

Any Regulatory Board member (excluding an ex-officio member) may be removed from office by a notice in writing signed by the Chair of the CA ANZ Board delivered to CA ANZ at the New Zealand office of CA ANZ. The office of a Regulatory Board member shall become vacant if the Regulatory Board member dies or resigns his or her office or the Regulatory Board member is removed.

A Regulatory Board member may retire from office by giving notice in writing to CA ANZ of that member's intention to retire. A notice of resignation takes effect at the time which is the later of:

- (a) the time of giving the notice to the CA ANZ; or
- (b) the expiration of the period, if any, specified in the notice.

Chair

The CA ANZ Board will appoint the Regulatory Board Chair, in consultation with the Regulatory Board members, for a period up to three years.

If at any meeting the chair is not present within five minutes after the time appointed for holding the meeting, the Regulatory Board members present may choose one of their number to be chair of the meeting.

Remuneration

The remuneration of the Regulatory Board members shall be determined by the CA ANZ Board and the Regulatory Board may pay out of the funds of CA ANZ any remuneration and the expenses incurred by Regulatory Board members or other persons (whether or not members of CA ANZ) in attending meetings of the Regulatory Board or of any committee or sub-committee thereof. The Regulatory Board may also pay out of the funds of CA ANZ the expenses reasonably and properly incurred by any other Regulatory Board member when acting in his or her official capacity for and on behalf of CA ANZ.

Induction

New members appointed to the Regulatory Board will be inducted through; provision of this Charter; provision of past agenda papers/minutes; meeting with the Secretariat prior to new members' first meeting; where possible, liaison with the Chair and/or existing members to familiarise new members with the operation of the Regulatory Board and current issues.

6.0 Operation

Meeting frequency and location

The Regulatory Board shall meet between four and six times a year, but may meet more or less times where required.

Meetings will generally be in Wellington, but may be held elsewhere when necessary. Video conference technology will be utilised where possible.

Secretariat Support

The Regulatory Board is supported by New Zealand Governance.

Papers and agendas

The Secretariat will distribute meeting papers and agendas electronically seven days prior to a Regulatory Board meeting. The Chair will prepare the agenda in consultation with the Secretariat.

Minutes

The Secretariat will prepare the minutes of Regulatory Board meetings. The draft minutes will be submitted to the Chair for approval and distributed within 14 days of the meeting they relate to. Any suggested amendments on the minutes should be circulated for review within 14 days of receiving the draft minutes. Minutes of prior meetings will be confirmed at the next Regulatory Board meeting, with any suggested amendments previously circulated for discussion amongst the Regulatory Board agreed by members at that meeting.

Reporting

Minutes from Regulatory Board meetings will be provided to the CA ANZ Board. The Vice President will provide periodic updates on Regulatory Board activity to the CA ANZ Board. Performance reports will be prepared as required.

Attendance at meetings

Meetings may be attended in person or by telephone or video conference link. Regulatory Board Members must inform the Chair and the Secretariat if they are not available to attend any given meeting.

Policy

The Regulatory Board must operate in accordance with applicable CA ANZ policies.

Communication

Communication activities must be carried out consistent with the CA ANZ Media or Communications Policy.

Budget

There is a formal agreement within CA ANZ to ensure that the New Zealand regulatory function, which includes the Regulatory Board, is appropriately funded and otherwise resourced.