

# Charter

NZICA Regulatory Board

Approved 23 February 2023

## 1.0 Purpose of Charter

This Charter sets out the role, functions, policies and procedures applicable to the NZICA Regulatory Board. The NZICA 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 NZICA Regulatory Board.

## 3.0 Role and Functions

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.

NZICA was granted accreditation under the Insolvency Practitioners Regulation Act 2019 (IPRA) on 18 August 2020 and is required to comply with its duties as an accredited body under the IPRA.

NZICA's accreditation under the IPRA is subject to conditions imposed under Section 35 of that Act.

The NZICA 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 NZICA 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 NZICA 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 NZICA Act, any other enactment, the NZICA Rules or the CA ANZ By-Laws.

The NZICA 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 NZICA Regulatory Board will comprise up to 6 members (excluding any ex officio member), and may include up to 3 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 NZICA Regulatory Board, with full speaking and voting rights.

The quorum shall be 1 half of the number of full members of the committee (rounded up to the next whole number) provided that 1 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 2 members.

Every member of CA ANZ who resides in New Zealand shall be eligible for appointment to the NZICA Regulatory Board. However, members of the NZICA 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 NZICA 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 NZICA Regulatory Board.

### **Appointment process**

The NZICA 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**

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

Any NZICA Regulatory Board director (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 NZICA Regulatory Board director shall become vacant if the NZICA Regulatory Board director dies or resigns his or her office or the NZICA Regulatory Board director is removed.

A NZICA Regulatory Board director 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 CA ANZ; or
- b) the expiration of the period, if any, specified in the notice.

### **Chair**

The CA ANZ Board will appoint the NZICA Regulatory Board Chair, in consultation with the NZICA Regulatory Board directors, for a period up to 3 years.

If at any meeting the chair is not present within 5 minutes after the time appointed for holding the meeting, the NZICA Regulatory Board directors present may choose 1 of their number to be chair of the meeting.

### **Remuneration**

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

### **Induction**

New members appointed to the NZICA 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 NZICA Regulatory Board and current issues.

## 6.0 Operation

### Meeting frequency and location

The NZICA Regulatory Board shall meet between 4 and 6 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. Videoconference technology will be utilised where possible.

### Secretariat Support

The NZICA Regulatory Board is supported by the CA ANZ New Zealand Governance Leader.

### Papers and agendas

The Secretariat will distribute meeting papers and agendas electronically 7 days prior to a NZICA Regulatory Board meeting. The Chair will prepare the agenda in consultation with the Secretariat.

### Minutes

The Secretariat will prepare the minutes of NZICA 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 NZICA Regulatory Board meeting, with any suggested amendments previously circulated for discussion amongst the NZICA Regulatory Board agreed by members at that meeting.

### Reporting

Minutes from NZICA Regulatory Board meetings will be provided to the CA ANZ Board. The Vice President will provide periodic updates on NZICA 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. NZICA Regulatory Board directors must inform the Chair and the Secretariat if they are not available to attend any given meeting.

### Policy

The NZICA 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 NZICA Regulatory Board, is appropriately funded and otherwise resourced.