

# BOARD CHARTER

## Introduction

This Charter sets out the roles, responsibilities, structure and processes applicable to the Board of CA ANZ (the “Board”). It details the manner in which the Board will operate under the Supplemental Charter and By-Laws.

The Charter will be reviewed bi-annually and will be updated if appropriate. Any substantive changes will be submitted to the CA ANZ Council for approval.

## Constitution and Authority

CA ANZ is a body politic and corporate created by Royal Charter and registered as a registrable Australian body under the Corporations Act 2001 (**Corporations Act**). CA ANZ is governed by its Supplemental Charter, By-Laws and Regulations and certain applicable provisions of the Corporations Act

The Board is appointed by CA ANZ Council under the Supplemental Charter, clause 13A(c) and By-Laws 108 – 137.

The powers of the Board are set out in By-Laws 133, 133A and 134.

## Objectives

The Board has primary oversight responsibility for the development and approval of long term strategy as well as monitoring of the implementation of CA ANZ’s strategy by management. The Board also monitors the performance of the organisation, including policy and operational issues.

The Board is accountable to the Members for the performance of the CA ANZ. In performing its role the Board aspires to excellence in governance standards.

The Board’s key objectives are to:

- ensure that strategic objectives are set and achieved;
- establish a policy framework within which the organisation must operate and strengthen the performance of CA ANZ;
- ensure the Board Committees discharge their functions appropriately in relation to meeting strategic plans and budgets;
- appoint and evaluate the performance of the CEO;
- ensure that CA ANZ maintains a robust process for identifying, prioritising, managing, monitoring and reporting critical risks through the Audit & Risk Committee (ARC); and
- ensure that CA ANZ adheres to high standards of ethics and corporate behavior.

## Composition

The CA ANZ Council appoints the Board based on recommendations from the Nominations and Governance Committee.

The Board will comprise a minimum of 10 and a maximum of 12 Directors as follows:

- in accordance with By-Law 108(a), each of the President and the 2 Vice Presidents shall automatically be appointed to the Board as Directors upon election to office and shall continue to serve on the Board for so long as they hold office in accordance with By-Law 106B;
- a minimum of 5 and a maximum of 7 other Member Directors, as appointed by the CA ANZ Council, on recommendation of the Nominations and Governance Committee; and

- 2 additional independent Directors who are not Members, as appointed by the CA ANZ Council, on recommendation of the Nominations and Governance Committee.

### **Board Membership**

There are a number of rules which guide the Board membership. These include:

- any full CA, ACA or AT Member of CA ANZ is eligible for appointment to the Board;
- no member of the CA ANZ Council is eligible for appointment to the Board while they hold the role as CA ANZ Councillor, with the exception of the President and 2 Vice Presidents; and
- the President and Vice Presidents will serve on the Board for 1 year terms only whilst they continue to hold their respective roles as President and Vice Presidents.

### **Appointment Processes**

The CA ANZ Council will fill casual Board vacancies as required based on recommendations from the Nominations and Governance Committee.]

### **Term of Directors**

The term of appointment for Directors will be 3 years and a Director is eligible for re-appointment for 2 additional terms of 3 years each. A Director must reapply for appointment for each eligible successive term at the end of the then current term.

The President and Vice Presidents will serve on the Board for his/her 1 year term.

### **Induction**

New Members commencing on the Board will be inducted prior to their first meeting. This will be facilitated by the Governance Manager.

### **Office Bearers**

#### **Chair**

The Chair of the Board shall be elected by the Directors of the Board. The President or Vice Presidents cannot be elected as Chair of the Board in accordance with By-Law 119C.

The term for the Chair is 3 years with the opportunity for a further term as agreed by Board. The Board may change the Chair during the Chair's term by a vote of the Board. The Board Chair is appointed as the best person for the job from among Board members, excluding the non-Member Directors on the Board.

The Chair is responsible for:

- leadership of the Board;
- overseeing the Board in the effective discharge of its supervisory role;
- facilitating the effective contribution of all Directors;
- promoting constructive and respectful relations between Board members and between the Board and management;
- committing the time necessary to discharge effectively his/her role as Chair;
- approving the agenda for Board meetings;
- scheduling regular and effective evaluations of the Board's performance through the Nominations and Governance Committee;
- ensuring effective communications and reporting between Board and CA ANZ Council;

- speaking on behalf of CA ANZ and/or the Board as required; and
- conducting an annual evaluation of the CEO through the Executive Remuneration Committee.

See position description for the Board Chair (Appendix 4E) for more information.

## **Duties and Responsibilities**

### **Strategy**

The Board leads CA ANZ to ensure that strategic objectives are set and achieved. This includes:

- developing major goals and strategies in conjunction with CA ANZ Council, the CEO and the senior management team;
- approving the CA ANZ's strategic plan, annual plan, budget and annual report; and
- monitoring management in the implementation of strategy and the running of the organisation.

### **Policy**

The Board establishes a policy framework and related policies within which the organisation must operate and to strengthen the performance of CA ANZ. Policies will include Membership matters (such as admission and conduct) and internal operational policies. CA ANZ will develop policies through due process and submit to the Board for approval.

### **Organisational performance monitoring**

The Board has oversight and review of CA ANZ's performance including:

- reviewing the progress in meeting strategic plans, annual plans, annual budgets and long-term budgets;
- reporting the outcome of such reviews to the Members on at least an annual basis; and
- ensuring that CA ANZ otherwise conducts itself in a proper, effective and efficient way.

The Board decides on whatever steps are necessary to protect CA ANZ's financial position and the ability to meet its debts and obligations when they fall due. The Board ensures that such steps are taken; and that CA ANZ's financial statements are true and fair and otherwise conform with the law and generally accepted accounting practice.

The CEO is responsible for overseeing the production of reports and other information necessary for the Board to fulfill its obligation of reviewing financial and strategic performance. Progress on the business plan will constitute part of the CEO's regular reporting to the Board. The Board's monitoring system is subject to continual review and refinement.

### **Oversight of other bodies and roles**

The Board has oversight of Board committees (Audit & Risk and Executive Remuneration), Regional Councils, Overseas Regional Councils, Sector Committees and Local committees in New Zealand. These bodies report to and are accountable to the Board. The Board is responsible for ensuring they discharge their functions appropriately and for evaluating their performance as appropriate.

The Board appoints members to its committees. Sector Committees and Local Committees in New Zealand. However, members of Regional Councils and Overseas Regional Councils are directly elected or appointed by Members or the respective Regional Council or Overseas Regional Councils.

The Board is also responsible for appointing and evaluating the performance of the CEO, setting the terms of the CEO's employment agreement and, where necessary, terminating the employment of the CEO. The Board oversees management and ensures senior management succession planning through the CEO.

The annual evaluation of the CEO will be undertaken by the Chair of the Board and the Executive Remuneration Committee.

It is recognised that a key directorial duty is providing a sounding board for the CEO's ideas and challenges. In recognition that the CEO – Board relationship is critical to effective corporate governance, Directors of CA ANZ's Board should provide frank and honest advice to the CEO. Similarly, all advice should be constructive in nature and provided in a positive manner. It is expected that the Chair will play a key part of this role and will maintain regular contact with the CEO.

This involves providing advice to and mentoring the CEO as well as consulting with the CEO on the appointment, terms and conditions and removal of significant staff reporting directly to the CEO.

### **Risk management**

The Board is responsible for:

- setting the tolerance to risk and risk culture of CA ANZ and ensuring that CA ANZ maintains a robust process for identifying, prioritising, managing, monitoring and reporting critical risks, which is improved continuously as the business environment changes;
- reviewing its strategic risk profile and risk appetite as part of its annual strategy and budget planning. In updating the strategic risk profile, the Board also takes into consideration significant operational risks; and
- delegating certain risk management responsibilities to the Audit & Risk Committee, which are detailed in the Audit & Risk Committee's Charter.

The CEO is charged with implementing appropriate risk management systems within CA ANZ. The Executive Team has responsibility for implementing Board-approved strategies and developing policies, while overseeing the controls and processes for managing the high level risks, the mitigation actions for the operational and project risks and the maintenance of Business Continuity and Disaster Recovery Plans.

### **Compliance**

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of CA ANZ's compliance systems. To carry out its compliance function, the Board commits to the following:

- the Audit & Risk Committee (ARC) is responsible for overseeing CA ANZ's compliance systems (including risk management) and reporting to the Board on those systems;
- CA ANZ's external auditor must be independent. The Board is also encouraged to develop an open, unimpeded and constructive relationship with the external auditor in line with the Board's responsibilities. The Board must also be satisfied that the scope of the audit is adequate and carried out thoroughly with the full cooperation of management;
- the Board ensures that systems, processes and procedures are adopted to provide the necessary data that it requires to make a reasoned judgement and so discharge duties of care and due diligence; and
- exception reporting on matters of non-compliance forms part of regular Board reporting.

The Board views compliance as an integral function and recognises that for the compliance system to succeed it must be championed by the Board along with senior management.

The Board must also ensure that CA ANZ adheres to high standards of ethics and corporate behaviour – that the business of CA ANZ is conducted in an open and ethical manner and has a culture of corporate and social responsibility.

See the Code of Conduct which applies to Directors and members of CA ANZ governance bodies for more information.

## **Networking**

Developing effective networks and working to promote the reputation of CA ANZ are important ways for Board members to add value. Board members are expected to act as advocates for CA ANZ and are expected to develop and maintain connections for its benefit.

## **Delegation of Authority**

In accordance with By-Law 133A, the Board is responsible for any delegations of their responsibilities with regard to CA ANZ's operations. The Board may delegate to specific Board members, Committees or management. In addition, the Board outlines what controls are in place to oversee the operation of these delegated powers.

The Board has delegated to the CEO responsibility for implementing the strategic and operational plans of CA ANZ. Details on Board Delegations are incorporated in a Delegations Register held by the Governance Manager which are reviewed by the Board on an annual basis.

## **Remuneration**

The remuneration of the Chair of any committee or subcommittee of the Board who is not also a Director shall be determined by the Board in its absolute discretion.

## **Meetings**

There will be approximately 8 Board meetings per year, or as the Board determines appropriate.

A Board meeting must also be called by the Board Chair on receipt of a request in writing addressed to the Board Chair from any 3 CA ANZ Council members (which may include the President and either or both of the Vice Presidents).

The President of the CA ANZ Council may also at any time call a joint meeting between the CA ANZ Council and the Board on receipt of a request in writing addressed to the President by any 3 members of the CA ANZ Council (which may include the President and either or both of the Vice Presidents).

Face to face meetings will usually be held, however videoconference and teleconference technology will be utilised where appropriate. Directors must inform the Chair and the Governance Manager, who will act as Secretary of the Board, if they are not available to attend any given meeting. The quorum of the Board will be 1 half of the total number of the Directors plus 1 (or if that number is a fraction, the next highest whole number).

The CEO is required to attend Board meetings as directed by the Chair, and shall have speaking rights but no voting rights.

Meeting dates will be approved around September to be set for the commencement of the next calendar year.

The Governance Manager shall be responsible, in conjunction with the Chair, for drawing up the agenda, (supported by explanatory documentation) and circulating it to Board members at least 7 days prior to each Board meeting.

The Secretary will also be responsible for keeping the minutes of Board meetings and circulating them to Directors for feedback within 14 days following a meeting having been approved by the Chair. These minutes will then be circulated to the Board at its next meeting.

In accordance with By-Law 128 written Resolution(s) approved by the Chair will be distributed to all Directors and will require at least three -fifths support from the Directors to be as valid and effectual as if it had duly been passed by those Directors at a duly convened Board meeting.

## **Work Plan**

The Board's Work Plan is developed annually by the Governance Manager in conjunction with the Chair and CEO, and is approved by the Board. The Board will use the Work Plan to evaluate its compliance with this Charter.

## **Committees**

The Board may from time to time establish Committees to assist it in carrying out its responsibilities and shall adopt Charters, which set out matters relevant to the composition, responsibilities and administration of those Committees.

Each committee has an obligation to report on its meetings to the Board and minutes of all committee meetings are made available to all Directors.

The Board shall as a minimum establish the following Committees:

- Executive Remuneration Committee (ERC); and
- Audit & Risk Committee (ARC).

The Board has oversight of Regional Councils, Overseas Regional Councils, CA ANZ Education Board, New Zealand Regulatory Board, Sector Committees and Local Committees in New Zealand. These bodies report to and are accountable to the Board.

## **Code of Conduct**

Each Director has an obligation to comply with the principles set out in the CA ANZ Code of Conduct which has been approved by the CA ANZ Council.

## **Board Independence**

Where a conflict of interest arises or may arise, a Director must disclose the conflict to the Chair. The Chair will ensure that measures are put in place to protect parties affected by a conflict of interest. Depending on the nature and extent of the conflict, the measures taken to protect against conflict of interest may include ensuring that the conflicted or potentially conflicted Director does not receive the particular Board paper or participate in the relevant decision at the Board meeting.

The Board shall also have the power to conduct or authorise investigations into, or consult independent experts on, any matters within the Board's scope of responsibility.

Board members may seek independent professional advice where they consider it necessary to carry out their duties and following discussion with the Board prior to expenditure being expended. Any costs incurred in doing so will be borne by CA ANZ.

## **Reporting**

Highlights are provided to the CA ANZ Council, Regional Councils, Overseas Regional Councils, management and other groups as appropriate.

## **Evaluation of Performance**

The Board undertakes an annual evaluation of its performance (including the Chair and individual Board members). The process will be facilitated by the Nominations and Governance Committee through the Governance Manager, on behalf of the CA ANZ Council. Board Committees will also be evaluated as part of this process.

The Nominations and Governance Committee will also monitor and evaluate governance processes between the CA ANZ Council, the Board, management, and the Nominations and Governance Committee through the Governance Manager as stated in By-Law 106W(b)(vi).

## **Remuneration, Reimbursement and Allowances**

The remuneration of the Directors, President and Vice Presidents is determined by the CA ANZ Council, based on recommendations from the Nominations and Governance Committee, in accordance with By-Law 136A.

The Board may pay the expenses incurred by Directors in attending meetings of the Board or of any committee or subcommittee. The Board may also pay the expenses reasonably and properly incurred by the President or Vice Presidents or any other Director when acting in his official capacity for and on behalf of CA ANZ. These reimbursements payments are in accordance with By-Law 137.

Either the Chair of the ARC or the Chair of the Board are responsible for signing off expenditure incurred by the President, and Vice Presidents (CA ANZ ). The Chair of the Board will also sign off the CEO's expenses. In the event the Board Chair is not available then the Chair of the ARC will sign off the CEOs expenses.

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