

QUALITY REVIEW ADVISORY COMMITTEE

CPA Australia Ltd
ACN 008 392 452

1 Introduction

- 1.1 This Charter has been approved by the Member Engagement Committee (**MEC**) and outlines the role, responsibilities, composition, membership and meeting procedures of the Quality Review Advisory Committee (**Committee**).
- 1.2 The Committee is an advisory committee and provides management and the MEC with advice and a forum for consultation on issues relating to the Quality Review Program of CPA Australia members in public practice.
- 1.3 The Committee is not a committee created under Article 54 of the Constitution of CPA Australia (**Constitution**) and has no power delegated by the Board.
- 1.4 Nothing in this Charter limits any powers or responsibilities of the Board.

2 Role and Objectives of the Committee

- 2.1 Subject to paragraphs 2.2 and 2.3, the Committee will:
- (a) provide advice to management to assist it in developing recommendations in relation to:
 - (i) the strategic oversight of the Quality Review Program for public practitioners including its ongoing development and maintenance in accordance with the policies of the organisation;
 - (ii) current and anticipated trends in the Quality Review Program both within Australia and internationally that may have an impact on CPA Australia's reputation, its ability to attract new members, its standing amongst employers or its relationship with governments, regulators or other stakeholders;
 - (iii) the ways in which the organisation's policy might affect CPA Australia's reputation particularly in respect of the co-regulated environment in which it operates;
 - (iv) any proposed changes in the strategic direction of the Quality Review Program; and
 - (v) the performance of the Quality Review Program, including reviewer performance, accreditation and training needs.
 - (b) through its Chair liaising with the Executive General Manager, Public Practice and Professional Standards (or equivalent) or delegate, endeavour to achieve effective, functional, productive and co-operative communication and interaction with CPA's Australia's Public Practice Advisory Committee and advisory panels. This contemplates the attendance by either of the Committee Chairs at meetings of the other Committee, or the convening of separate meetings of the Committee Chairs, management or other relevant stakeholders as required.
- 2.2 The Committee has no power or authority to:

- (a) bind, instruct or direct the Board, the MEC or management on any matter (including the setting of strategy, member issues or any issue considered by the Committee under this Charter); or
- (b) direct, approve or monitor implementation actions carried out by management or operational outcomes (although management must keep the Committee informed about the progress of recommendations that the Committee has made and the progress of initiatives that have been agreed as part of the Committee's annual program); or
- (c) set or approve budgets or, other than as may be specifically set out in this Charter, incur any costs or commit the organisation to any payment, other than as may be approved by management.

2.3 Other than the Board, the MEC and management, the Committee is not obliged to take direction from, or to provide advice, or answer any questions from, any division, branch or other governance group. However, it may consider, and where applicable and appropriate, make recommendations through management in relation to issues raised by divisions or other business units or stakeholders.

3 Conflicts of Interest

3.1 If any Committee member has a material personal interest in or an interest by way of a personal or other relationship to any matter being considered by the Committee, then that Committee member must give the Chair of the Committee and the Executive General Manager, Public Practice and Professional Standards (or equivalent) written notice of that interest as soon as that member becomes aware of the interest.

3.2 A notice required under paragraph 3.1 above must:

- (a) give details of the nature and extent of the interest; and
- (b) the relevance of the interest to the affairs of the organisation.

3.3 A Committee member who has a material interest in a matter that is being considered at a Committee meeting must otherwise act in accordance with APES 110 (Code of Ethics for Professional Accountants) to the extent relevant to the exercise of their powers.

4 Appointment and Composition of the Committee

4.1 Size

The Committee will consist of at least four members of CPA Australia approved by the MEC on the recommendation of management, or the Committee Chair in consultation with management.

4.2 Expertise

In appointing members to the Committee, the MEC should endeavour, but is not obliged, to appoint at least:

- (a) three members who hold a CPA Australia Public Practice Certificate of which two are principals in firms that trade as CPA practices; and
- (b) two members who are current reviewers, one of whom holds a CPA Australia Public Practice Certificate.

4.3 A member of the Committee may fall into more than one of the above categories.

4.4 The approval of the MEC is not required where a secondment is proposed under paragraph 4.6.

4.5 It is expected that membership of the Committee will be renewed as members retire. Management will assist the MEC to undertake a review of the composition of the Committee every two years to ensure that members have sufficient expertise and knowledge of the issues being addressed by the Committee.

4.6 **Secondments**

- (a) The Committee may decide to second other suitably qualified persons (in addition to the Committee composition referred to above), to assist the Committee to achieve its objectives. Seconded persons need not be members of CPA Australia.
- (b) Such persons may attend up to four meetings of the Committee per year as may be required.
- (c) The Committee Chair must first discuss any proposed secondment with the Executive General Manager, Public Practice and Professional Standards (or equivalent).

4.7 **Committee Chair**

- (a) The MEC, on the recommendation of management, will appoint a suitably credentialed, independent, non-member Chair.
- (b) The Committee Chair will bring to the attention of the Executive General Manager, Public Practice and Professional Standards (or equivalent) or delegate, any material issues affecting the Quality Review Program for public practitioners as soon as practicable.

5 Tenure

- 5.1**
- (a) The terms of the Committee members (including the Committee Chair) will be two years or such earlier period as the MEC may determine from time to time. Committee members may be nominated for two further terms of two years each, but may not serve on the Committee for more than six years.
 - (b) In accepting membership of the Committee, its members acknowledge that the skills and experience required may change as the organisation's Quality Review Program strategy changes.

5.2 **Committee Secretary**

- (a) The Committee Secretary will be appointed by the Executive General Manager, Public Practice and Professional Standards (or equivalent) or delegate. Administrative support will be provided by the public practice team (or equivalent) of CPA Australia.
- (b) The Company Secretary will liaise with the public practice team in relation to reporting to the MEC.

6 **Internal Governance**

The Committee will exercise its functions as an advisory Committee in accordance with this Charter and such powers as may be approved by the MEC from time to time.

7 **Meetings**

7.1 **Holding of Meetings**

- (a) The Committee may meet up to four scheduled times a year, subject to the requirement for additional unscheduled meetings to be approved as set out in this Charter.
- (b) Meetings may be face-to-face, via teleconference or videoconference as considered appropriate by the Committee Chair.
- (c) The Committee Chair should consider calling an unscheduled meeting if requested to do so by not less than three members of the Committee. Where an unscheduled meeting is to be held face-to-face, the Committee Chair should first obtain the approval of the Executive General Manager, Public Practice and Professional Standards (or equivalent) prior to scheduling the meeting.
- (d) In the Committee Chair's absence, the remaining Committee members must elect from one of their number, a chair for that meeting.

7.2 **Quorum**

A quorum shall consist of no less than a majority of Committee members. The quorum must be present at all times during the meeting.

8 **Voting**

Decisions at any meeting of the Committee shall be decided by a majority of votes recorded. In the case of an equality of votes, the Committee Chair shall have a casting vote.

8.1 **Attendance at Meetings**

- (a) Any member of the MEC, the CEO or delegate may attend any meeting of the Committee.
- (b) Any employee or member of CPA Australia, or any other person, including non-members may attend meetings of the Committee subject to the agreement of the Committee Chair and the Executive General Manager, Public Practice and Professional Standards (or equivalent).

8.2 Committee Papers

- (a) The Committee Secretary must distribute in advance of a meeting an agenda and any related papers to:
- (b) each member of the Committee;
- (c) on request, the CEO or any member of the MEC; and
- (d) any other person to whom the Committee Chair directs the Committee Secretary to send papers.

8.3 Minutes of Committee Meetings

- (a) The Committee Secretary must prepare minutes of meetings and forward them to the Committee Chair for approval within ten working days of the meeting.
- (b) Minutes of meetings must be confirmed at the next meeting of the Committee and signed by the Committee Chair as soon as practicable following approval.
- (c) On request, minutes of Committee meetings must be made available to the CEO, Company Secretary or any member of the MEC.

9 Review of Charters

The Committee will at least once each year review this Charter to ensure it remains consistent with the Committee's objectives and responsibilities, applicable law, the Constitution and relevant standards of corporate governance and recommend any changes to the MEC.

10 Confidentiality

Committee members are required to keep Committee discussions, Committee papers and deliberations confidential. This also extends to invitees and secondees to meetings under this Charter.

11 Expenses

- (a) Members of the Committee attending any meeting of the Committee will be entitled to such reasonable travel, accommodation and other expenses in accordance with the organisation's policies approved by the Board and any further travel and expense reimbursement guidelines as may be provided to Committee members by the public practice team.
- (b) If any member of the Committee requires clarification as to whether or not their expenses will be reimbursed by the organisation, they should address their enquiry to the delegate for the Executive General Manager, Public Practice and Professional Standards (or equivalent) in the first instance.
- (c) Committee members must seek reimbursement as soon as practicable after incurring the expense.

12 Code of Conduct

Each Committee member has an obligation to comply with the spirit, as well as the letter of the law, the Constitution, and to also abide by CPA Australia's *Volunteer Code of Conduct* annexed to this Charter as Attachment One.

13 Reporting to the MEC

- (a) The Chair of the Committee, through management or at the invitation of the Chair of the MEC, must present a face-to-face report to the MEC upon request concerning:
 - (i) the work undertaken by the Committee;
 - (ii) matters requiring approval or endorsement from the MEC;
 - (iii) matters about which the Committee believes the MEC ought to be informed in respect of Quality Review; and
 - (iv) any other matter relevant to the Committee's role and responsibilities.
- (b) If there are fundamentally opposing views between the Committee and management on matters being considered by the Committee, the Committee Chair and/or the Executive General Manager, Public Practice and Professional Standards (or equivalent) must ensure that these matters are brought to the attention of the MEC and that the Chair of the MEC is made aware of each of the opposing views. The MEC, in consultation with the Board, may make any determination on these matters that it thinks fit.

14 Consistency with Constitution

- (a) This Charter may be amended by the MEC from time to time subject to the requirements of the Constitution and the law. Whilst this Charter does not form part of the Constitution, this Charter (as in force from time to time) is nevertheless binding on the Committee and each of the Committee members.
- (b) To the extent there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.

First approved by the Board: 4 July 2008

Amended: 30 August 2012

Amended: 9 December 2019

Attachment One

CPA Australia Volunteer Code of Conduct

For Advisory and Compliance Committees and Centres of Excellence

CPA Australia values the contribution of volunteers. Volunteering is an essential component of CPA Australia's culture and forms an integral and vital part of the organisation.

Volunteers commit time and skill, without remuneration, to the benefit of CPA Australia and its members, the accounting profession and the wider community.

Volunteers serve on advisory committees, centres of excellence and task forces, on Divisional and Branch Councils and committees, as convenors of Discussion Groups, and as office bearers in Divisional Councils and Branches.

The Board and Councils have responsibility for overseeing the operation of their respective member groups and the conduct of their volunteer members.

This Code of Conduct clarifies CPA Australia's expectations of its volunteers.

Standards of Practice and Conduct

Volunteers must be mindful of their obligation to adhere to the fundamental principles of APES 110 Code of Ethics for Professional Accountants:

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour

CPA Australia expects that volunteers will comply with all laws, regulations, standards and policies governing their activities, and the terms of any charters relevant to their duties. Further, members must comply with the requirements of CPA Australia's Constitution, By-Laws and Board Pronouncements.

In their personal interactions, volunteers are expected to:

- Treat everyone with dignity and courtesy
- Be fair, considerate and honest in all dealings with others
- Refrain from any behaviour which may bring CPA Australia into disrepute

- Display control, respect and professionalism in all volunteer activities
- Observe proper meeting conduct and protocols

Conflicts of Interest

In exercising their obligation to act with objectivity, volunteers should not accept any gifts or entertainment, which may expose that member or their member group to a potential conflict of interest. As a guide, a member should report any gift or entertainment with a value greater than \$AUS75 offered to them by a third party when undertaking a role or task on behalf of CPA Australia.

Privacy and Confidential Information

Volunteers must comply with CPA Australia's Privacy Policy and Statement which is available to view on CPA Australia's website.

In fulfilling their role, volunteers may have or require access to information about CPA Australia and may hold information about some members (provided e.g. for various functions). Such information is strictly confidential and is to be used solely for the purpose for which it was made available to the volunteer.

Volunteers must not disclose any such information to third parties without proper and specific authority from CPA Australia, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the Member or third parties.

External Media

Volunteers may speak to the media in an individual capacity but must not claim to be representing CPA Australia. If a volunteer is requested by external parties to speak on behalf of CPA Australia in their capacity as a volunteer, they must gain prior approval. In this instance, they should contact their General Manager or Country Head who will facilitate gaining the relevant approval.

In any interactions with the media, volunteers should recognise their obligations to apply the fundamental principles of the Code of Ethics.

Social Media

Social media is an open forum and conversation is encouraged. When communicating through social media, volunteers should recognise their obligations to apply the fundamental principles of the Code of Ethics.

Resignation or Termination

Volunteers may resign from their role at any time. They should inform the Chair of their member group in writing, who will seek a replacement and arrange a handover of responsibilities.

Queries

Any questions should be referred, in the first instance, to the Chair of the relevant member group.

STATEMENT OF ACKNOWLEDGEMENT

I, _____
(Insert Full Name)

of _____
(Insert Address)

hereby confirm, that as a Volunteer I have read and fully understand the contents of the Code of Conduct and agree at all times to comply with the requirements as amended from time to time.

Signed: _____

Dated: _____