

BEST PRACTICE ADVISORY COMMITTEE

CPA Australia Ltd
ACN 008 392 452

1 Introduction

- 1.1 This Charter has been approved by the Member Engagement & Culture Committee (**MECC**) and outlines the role, responsibilities, composition, membership and meeting procedures of the Best Practice Advisory Committee (**Committee**).
- 1.2 The Committee is an advisory committee and provides management and the MECC with advice and a forum for consultation on issues relating to the CPA Australia Best Practice Program of 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 CPA Australia Best Practice Program for public practitioners including its ongoing development and maintenance in accordance with the policies of the organisation;
 - (ii) the incorporation into the CPA Australia Best Practice Program of appropriate responses during periods of disaster, disruption and also recovery;
 - (iii) current and anticipated issues and trends 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;
 - (iv) sustainable practices in the design and delivery of the CPA Australia Best Practice Program to ensure efficiencies and the reduction of waste in the delivery of services and resources;
 - (v) 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;
 - (vi) any proposed changes in the strategic direction of the CPA Australia Best Practice Program; and
 - (vii) the performance of the CPA Australia Best Practice Program, including assessor 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 MECC 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 MECC 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) 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 (also having regard to any obligations of confidentiality to another party if applicable); 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 (including Independence Standards) (**Code**) to the extent relevant to the requirements ('Requirements') of the Code.

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 MECC on the recommendation of management, or the Committee Chair in consultation with management.

4.2 Appointments

In appointing members to the Committee, the MECC on the recommendation of management should endeavour, but is not obliged, to appoint:

- (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) one member who is either a current External Assessor or Peer Assessor.
- (c) members who specialise in audit, insolvency, or financial advisory services, or such other areas of specialisation as identified by the Committee Chair as being relevant to the committee.
- (d) members who are strongly committed to protecting the public interest and supporting public practice members to achieve best practice through continuous business improvement.

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

4.4 The approval of the MECC 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 MECC 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 and will attend meetings in an ex-officio capacity with no voting rights. The term may not be expected

to exceed 12 months, however, an extension may be granted with approval from the Executive General Manager, Public Practice and Professional Standards (or equivalent).

- (b) The Committee Chair must first discuss any proposed secondment with the person delegated by the Executive General Manager, Public Practice and Professional Standards (or equivalent). The seconded person may attend all meetings determined by the Chair.

4.7 Committee Chair

- (a) The MECC, on the recommendation of management, will appoint a suitably credentialled, 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 CPA Australia Best Practice Program for public practitioners as soon as practicable.

5 Tenure

- (a) Subject to clause 5.1(b) below, the terms of the Committee members (including the Committee Chair) will be two years or such earlier period as the MECC 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 CPA Australia Best Practice Program strategy changes. Therefore, reappointment cannot automatically be assumed and will always be in the discretion of the MECC and also subject to the changing needs of the organisation.

6 Review of Committee Performance

The Committee will assess and review its performance and that of the Chair at least annually.

7 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 Best Practice Team (or equivalent) of CPA Australia.
- (b) The Company Secretary will liaise with the Best Practice Team in relation to reporting to the MECC.

8 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 MECC from time to time.

9 Meetings

9.1 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.

9.2 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.

9.3 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.

9.4 Attendance at Meetings

- (a) Any member of the MECC, 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).

9.5 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, any member of the MECC or the CEO; and
- (d) any other person to whom the Committee Chair directs the Committee Secretary to send papers.

9.6 Minutes of Committee Meetings

- (a) The Committee Secretary must prepare minutes of meetings and forward them to the Committee Chair for approval within 10 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 any member of the MECC, the CEO or Company Secretary.

10 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, the By-Laws and relevant standards of corporate governance and recommend any changes to the MECC.

11 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.

12 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 Best 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.

13 Code of Conduct

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

14 Reporting to the MECC

- (a) The Chair of the Committee, through management or at the invitation of the Chair of the MECC, must present a report to the MECC upon request concerning:
 - (i) the work undertaken by the Committee;
 - (ii) matters requiring approval or endorsement from the MECC;
 - (iii) matters about which the Committee believes the MECC ought to be informed in respect of best practice; 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 MECC and that the Chair of the MECC is made aware of each of the opposing views. The MECC, in consultation with the Board, may make any determination on these matters that it thinks fit.

15 Consistency with Constitution

- 15.1 This Charter may be amended by the MECC 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.
- 15.2 To the extent that there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.

Approved by the Board: 14 December 2020. Effective Date: 1 January 2021

Attachment One –

CPA Australia Volunteer Code of Conduct