

PUBLIC PRACTICE ADVISORY COMMITTEE CHARTER

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 and meeting procedures of the Public Practice Advisory Committee (**Committee**).
- 1.2 The Committee is an advisory committee and provides the Board through management and the MECC with advice and a forum for consultation on issues relating to the public practice sector. It also advises on the development of strategies, regulations and support services so that the organisation can better manage and enhance the reputation of CPA Australia Members working in the public practice sector.
- 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 paragraph 2.3, the Committee must provide advice to management to assist it in developing recommendations in relation to:
- (a) the strategic oversight of the Public Practice sector, including its ongoing development and maintenance;
 - (b) current and anticipated trends in the Public Practice sector 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;
 - (c) initiatives pertinent to Members' needs with respect to any schemes assisting with limiting liability of public practitioners including, but not limited to, the Professional Standards Scheme;
 - (d) the ways in which organisational policy (for example, in the areas of Public Practice, By-Laws and acceptable operating structures) might affect CPA Australia's reputation particularly in respect of its ability to self-regulate;
 - (e) the incorporation into Public Practice of appropriate responses including during periods of disaster, disruption and also recovery;
 - (f) sustainable practices in the design and delivery of Public Practice initiatives to ensure efficiencies and the reduction of waste in the delivery of services and resources;
 - (g) professional indemnity insurance and limitation of liability of Members; and
 - (h) broader professional development issues raised directly by Members.

2.2 Subject to paragraph 2.3, the Committee will also:

- (a) where required, act as the Scheme Administration Committee pursuant to the respective Professional Standards Acts that apply throughout Australia for the time being and as may be amended including Professional Standards Act 1994 (NSW), Professional Standards Act 1997 (WA), Civil Law (Wrongs) Act 2002 (ACT), Professional Standards Act 2003 (VIC), Professional Standards Act 2004 (SA), Professional Standards Act 2004 (QLD), Professional Standards Act 2004 (NT) and Professional Standards Act 2005 (TAS);
- (b) monitor the development of any proposed changes in strategic direction recommended by the person delegated by the Executive General Manager, Public Practice and Professional Standards (or equivalent); and
- (c) provide advice in relation to effective and co-operative communications and interaction between the Committee and Divisional sector committees, advisory panels and CPA Australia management.

2.3 The Committee has no power or authority to:

- (a) bind, instruct or direct the Board or the MECC 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 operational or implementation actions carried out by management (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 nor, other than as may be specifically set out in this Charter, to incur any costs or commit the organisation to any payment, other than as approved by management.

2.4 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 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 or other parties 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 to, and Composition of, the Committee

4.1 Size

The Committee must consist of eight to 10 Members of CPA Australia appointed by the MECC on the recommendation of management.

4.2 Expertise

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

- (a) two or more Members who live and work in public practice outside Australia;
- (b) a Member who has completed the CPA Program, is a Member of good standing and is an employee in a public practice firm;
- (c) three to four Australian Members who hold a CPA Australia Public Practice Certificate, with two or three Members being principals in firms that trade as CPA practices; and
- (d) Members who specialise in audit, insolvency, or financial advisory services, or who have substantial experience in risk management or insurance or such other areas of specialisation as identified by the Committee Chair as being relevant to the Committee.

4.3 A member of the Committee may fall into more than one of the categories referred to in paragraph 4.2 above.

4.4 Management, or the Committee Chair in consultation with management, may provide recommendations to the MECC on the proposed appointments to the Committee for approval. MECC approval is not required where a secondment is proposed under paragraph 4.6 below.

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 identified at paragraph 4.2, who need not be Members of CPA Australia, to assist the Committee to achieve its objectives.

- (b) The Committee Chair must first discuss any proposed secondment with the Executive General Manager, Public Practice and Professional Standards (or equivalent).
- (c) Seconded persons may attend up to two meetings of the Committee in any given year but the secondment may be extended to more than two meetings if merited subject to the approval of the Executive General Manager, Public Practice and Professional Standards.

5. Committee Chair

- 5.1 The MECC, on the recommendation of management, shall appoint an appropriate individual as Committee Chair who should preferably be a well-credentialed and prominent Member of CPA Australia who holds a CPA Australia Public Practice Certificate and has significant experience in governance committees (such as a Divisional Public Practice Committee).
- 5.2 The Committee Chair will bring to the attention of the person delegated by the Executive General Manager, Public Practice and Professional Standards (or equivalent) any material issues affecting public practitioners as soon as practicable.

6. Tenure

- 6.1 Subject to paragraph 6.2 below, members of the Committee (including the Committee Chair) will be appointed for an initial term of two years subject to annual confirmation by the MECC. Members of the Committee may be eligible to renominate for appointment for two further terms of two years each, but may not serve on the Committee for more than six years.
- 6.2 In accepting membership of the Committee, its members acknowledge that the skills and experience required may change as the organisation's public practice strategy evolves. Therefore, reappointment cannot be automatically assumed and will always be in the discretion of the MECC and also subject to the changing needs of the organisation from time to time.

7. Review of Committee Performance

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

8. Committee Secretary

- (a) The Committee Secretary will be the person delegated by the Executive General Manager, Public Practice and Professional Standards (or equivalent). Administrative support for the Committee will be provided by the organisation's public practice team (or equivalent).
- (b) The Company Secretariat will liaise with the public practice team in relation to reporting to the MECC.

9. 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.

10. Meetings

10.1 Holding of Meetings

- (a) The Committee may meet up to four scheduled times a year, subject to the requirement for additional face-to-face 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 Chair's absence, the remaining Committee members must elect from one of their number, a chair for that meeting.

10.2 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.

10.3 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.

10.4 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).

10.5 Committee Papers

The Committee Secretary must distribute in advance of a meeting an agenda and any related papers to:

- (a) each member of the Committee;
- (b) on request, the CEO or any member of the Board or MECC; and
- (c) any other person to whom the Committee Chair directs the Committee Secretary to send papers.

10.6 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 MECC.

11. 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 for approval.

12. 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.

13. 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 travel policy 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 the 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.

14. 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.

15. 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 annual activities and 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 public practice strategy; 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.

16. Consistency with Constitution

- (a) 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.
- (b) To the extent that there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.

Approved by the Board: June 2008

Amended: 30 August 2012

Amended: 9 December 2019

Amended: 14 December 2020. Effective Date: 1 January 2021

Attachment One –

CPA Australia Volunteer Code of Conduct

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: _____