

CPA AUSTRALIA ISSUES PAPER

IMPLEMENTING 2017 INDEPENDENT REVIEW
RECOMMENDATIONS

FEBRUARY 2018

BE HEARD.
BE RECOGNISED.



INTRODUCTION

In July 2017, CPA Australia announced the terms of reference for an [Independent Review](#) into a range of issues of concern that have tarnished the reputation of CPA Australia.

The purpose of the Independent Review was to enable CPA Australia to adopt a more contemporary and balanced set of governance arrangements.

Accordingly, many of the Independent Review Panel's recommendations require a reduction of the Board's powers and those directly exercised by the chief executive, in favour of powers exercised by Divisional Councils directly elected by members.

These recommendations are broadly supported by the new Board of CPA Australia.

The new Board is now calling for member input on how best to implement those changes. This is a genuine opportunity to reset our governance structures.

The Board's primary objective in taking changes forward to the AGM is to achieve outcomes that are in the best interests of all CPA Australia members.

INDEPENDENT REVIEW

The Independent Review Panel was chaired by the former Auditor-General for Australia, Ian McPhee AO PSM and comprised eminent corporate governance experts Su McCluskey and Maryjane Crabtree as panel members, and Bob Baxt AO as expert advisor.

The Review ran over five months and spanned [six lines of enquiry](#):

- Governance
- Remuneration
- Marketing strategy and expenditure
- Strategy and performance of member services and engagement
- Strategy and performance of CPA Australia Advice; and
- Other matters reviewers consider appropriate.

The Review Panel received more than 1760 submissions in the first phase of consultation and more than 100 submissions and survey responses in the second phase of consultation.

The Independent Review Panel handed down a [preliminary report](#) on 14 September and its final report on [30 November 2017](#). The final report contains 29 recommendations. Full details of the Review can be found at www.cpaaustraliareview.com.

CPA Australia's Board considered the final report and provided a [detailed response](#) on 15 December. Included in that response was a commitment to provide members with an issues paper providing more detail on the implications of implementing the recommendations.

SEEKING MEMBER FEEDBACK

This issues paper sets out the recommendations from the final report with specific reference to potential changes to the Company's constituent documents, and where appropriate, the options available in how they are executed.

The Board welcomes member views on any recommendation and is seeking specific member feedback in relation to 12 recommendations that the Board specifically identified as needing further consideration and discussion with members. These are set out on pages 5 – 11 for member consideration. A complete list of all recommendations and CPA Australia's suggested response are set out from page 12 onwards.

Members can share their views through the following avenues:

- Divisional and Branch Councils
- Member Consultation Forums
- CPA Australia Website

Divisional and Branch Councils

Members are encouraged to contact their representatives on Divisional and Branch Council to share their views on the issues paper. Details of the members of Divisional and Branch Councils are listed on [CPA Australia's website](#).

Representatives from CPA Australia's Board will attend Council meetings over the next few months to hear directly from Councillors.

Member Consultation Forums

Member Consultation Forums have been scheduled throughout March and all members are invited to attend. Representatives from CPA Australia's Board, along with representatives from Divisional or Branch Council will be in attendance.

[Dates and locations](#) for the Member Consultation Forums are available.

The Forums are an opportunity for all members to ask questions and put forward their views on the issues paper in a face-to-face setting.

CPA Australia Website

Members are also able to use the [CPA Australia website](#) to provide comment on the issues paper.

CHANGES TO CPA AUSTRALIA CONSTITUTION

In many cases implementing the Independent Review's recommendations will require changes to CPA Australia's Constitution. This can only be done by a vote of the members. Resolutions relating to a change in the Constitution require at least 75 per cent of the votes cast by members entitled to vote on the resolution to be in favour in order for the resolution to be passed.

Resolutions will be included in the Notice of Meeting that will be sent to all members ahead of the 2018 AGM which will be held in Melbourne on 22 May 2018.

Feedback from Divisional and Branch Councils, Member Consultation Forums and through the website is important and will be used by the Board to shape the final resolutions that will be put to members for determination at the AGM.

Any language used in relation to the proposed Constitutional amendments in this paper is for the purpose of generating discussion. The final proposed amendments that will be outlined in the Notice of Meeting and put to members for a vote at the AGM will be carefully drafted after taking into account member feedback and appropriate advice.

The key dates in the lead up to the AGM are available on the [CPA Australia website](#).

FOCUS AREAS FOR DISCUSSION

Discussion is welcome on all aspects of the issues paper but the Board is seeking specific member feedback on the following 12 recommendations:

RECOMMENDATION		DISCUSSION
1.2	The maximum number of Directors to be reduced from 12 to nine	<p>Do members support this change being made in the Constitution?</p> <p>The Independent Review recommended changing the current Board composition and appointment model to strengthen a skills-based approach ensuring the Board would have the right skills and experience to support best practice governance. Specifically, the Review recommended the Constitution be changed to require a minimum of two Directors to be non-member Directors (recommendation 1.1) and that the maximum number of directors be reduced from 12 to nine (recommendation 1.2).</p> <p>The Board supports both recommendations and is seeking member feedback on how recommendation 1.2 should be implemented.</p> <p>Under the current Constitution the Board can determine the number of directors up to 12 (min of six). The Board is currently operating with nine directors.</p> <p>Members may seek to keep the maximum size of the Board at up to 12 persons in the Constitution to provide flexibility. For example, this could accommodate growth of the global footprint of CPA Australia and the number of international Directors. The actual size of the Board could be managed by annual variation to the By-Laws, or otherwise as appropriate.</p> <p>However, if members want to see the requirement for nine directors enshrined in the Constitution, Article 44 would be amended so that instead of “12 Directors” it would be “9 Directors”, and Article 44 (a) (i) would be amended so that instead of “up to 10 persons” it would be “up to 7 persons”.</p> <p>The change to the Constitution may be preferable for a number of reasons. Ancillary provisions can be more easily amended against the maximum numbers if the Constitution is changed. For example, there will be flow on effects to other sections of the Constitution ie the number of Directors who may act notwithstanding a vacancy as referred to in Article 60 for Valid proceedings (currently 6 but should perhaps be 5); Article 57(b)(iii) should perhaps move from 4 to 3; and the number of Directors required for a quorum for a Board meeting under Article 57(j) should perhaps move from 6 to 5.</p>

RECOMMENDATION		DISCUSSION
		The transition provisions currently in Article 44 (h) will need to be deleted with a new 44 (h). The new provisions e.g. will not allow a Director's continuation in office beyond a maximum of the appointment determined by the members whether it is nine or six years.
2.3	Expansion of Appointments Councillors (formerly Representative Councillors) to include one representative from each geographical location that has a Division or Branch Council	<p>Do members support this change being made in the Constitution?</p> <p>Recommendations 2.3 and 2.4 are related so discussed jointly.</p> <p>The Independent Review recommends establishing an Appointments Council to replace the existing Representative Council. The role of the Appointments Council is to give all members a role in determining the members of its governance body. While geography should be reflected, there is no threshold reason for any geographical area to have a greater voice than any other. The members of the Appointments Council would be Division or Branch Councillors (elected by members) appointed by their Division or Branch.</p>
2.4	Removal of additional representatives from larger Divisions on the basis that the proposed Appointments Council exists to create a connection between members from different geographies and the mechanism to appoint the Board, rather than a body that reflects the membership's composition	<p>The Board supports this recommendation in principle.</p> <p>If this were to be accepted it would result in a 13 member Appointments Council based on the current number of Division and Branch Councils. These are: South Australia, Queensland, Canberra, Northern Territory, Tasmania, Victoria, Western Australia, New South Wales, Europe, Greater China, Malaysia, New Zealand and Singapore.</p> <p>Over time, the number of locations with a Division or Branch Council may expand, in accordance with the then Constitution and By-Laws, leading to a larger Appointments Council.</p> <p>To give effect to these changes, the Constitution would be changed. References to Representative Council and Councillors would need to be amended. Article 62(a)(ii) would be deleted.</p> <p>A new Article 62(a)(ii) would be inserted to provide for one Divisional/Branch Councillor from each Division/Branch appointed by the respective Division/Branch Council.</p> <p>Article 62(a)(iv) would need to be amended by deleting the words "62(a)(iii) and inserting instead "Article 62 (a)(ii)".</p> <p>If supported, provisions will be needed to phase out the existing additional Councillors.</p> <p>The Constitution and By-Laws have processes for filling casual vacancies. These would need to be amended to ensure any necessary changes were captured with respect to the Appointments Council.</p>

RECOMMENDATION		DISCUSSION
2.6	Appointment by the proposed Appointments Council of a Deputy Chair of its own number to assist the Chair	<p>Do members support this change being made in the Constitution or the By-Laws?</p> <p>The Independent Review recommends the removal of Board appointees from the Appointments Council (current Representative Council), with the exception of the Chair of the CPA Australia Board who would chair the Appointments Council but have no vote. (recommendation 2.5).</p> <p>Recommendation 2.6 seeks for one of the other members of the Appointments Council to be appointed as Deputy Chair.</p> <p>The Board supports this recommendation and seeks member feedback on the most appropriate mechanism to be used to enable a member of the Appointments Council to be appointed as Deputy Chair.</p> <p>These provisions could be set out in the By-Laws along similar lines to By-Law 8.9 which govern the election of Divisional Presidents and Deputies. This could be achieved by Board resolution.</p> <p>If members prefer changes to be enshrined in the Constitution, the Constitution would need to be changed to enable the election of a Deputy President, provision for the term they hold in office, the maximum consecutive terms they can hold as well as provisions for casual vacancies similar to Article 67 (which cover the Board President and Deputy President election).</p> <p>Article 63 (a) would need to be amended to say in the President’s absence, the Deputy President of the Appointments Council and in the absence of both the President and the Deputy President of the Appointments Council..</p> <p>Recommended that there be a cap on terms included e.g. one further term and cannot have more than 2 consecutive terms.</p>
2.8	Limitations on Appointments Councillors simultaneously acting as Appointments Councillors and Divisional or Branch Presidents	<p>Do members support allowing some overlap in simultaneously acting as Appointments Councillors and Divisional or Branch Presidents (maximum 1 month) or should the Constitution be amended so that the terms align?</p> <p>This recommendation seeks to limit an individual simultaneously being able to have a role on both the Appointments Council and as a President of a Divisional or Branch Council.</p> <p>The Board is supportive of the principle of removing or limiting any overlap between these roles and seeks member views on the nature of the limitations.</p>

RECOMMENDATION		DISCUSSION
		<p>If recommendations are accepted by members, the role of the Appointments Council will be focused on the appointment of directors only. To ensure the input and experience of the Divisional/Branch Presidents are captured, there will separately be a Council of Presidents (recommendation 23.1) that will have focus on providing advice to the Board. Constitutional amendments setting out the Council of President's powers will be required to achieve this.</p> <p>Currently the terms for Divisional or Branch Presidents is for 1 year which is from 1 Jan to 31 Dec and the term for Representative Councillors (proposed Appointments Councillors) is 2 years and runs from 1 Feb to 31 Jan.</p> <p>If a Divisional President was nearing the end of their term and was appointed to the Appointments Council would they need to step down immediately from their role as President on appointment to the Appointments Council or see out their current term (there may be up to 1 month to see out) with no reappointment to the President's role.</p> <p>Alternatively, an alignment of the terms could be provided for so there is no overlap. Amendments to both the Constitution and By-Laws will be required in this case.</p>
		<p><i>Note: The Board acknowledges and supports the Independent Review's findings that member direct elections are not in the best interests of the company. By way of reference, the Review Panel is of the view that the proposed models for direct elections suffer from a number of deficiencies (see page 31 of the Final Report).</i></p> <p><i>To this end, the Board believes that sufficient safeguards will be in place with respect to the election of directors by the Appointments Council, provided that the changes detailed under recommendation 2 (2.1-2.11) are adopted. These can all be viewed from page 14-18 of the issues paper.</i></p>
3.2	The Board Nomination Committee to act as a joint committee of the Board and the Appointments Council	<p>Do members support this change being made in the Constitution?</p> <p>Recommendations 3.2 and 3.3 are related so are discussed jointly. The Board seeks member feedback on the most appropriate mechanism to be used to achieve these outcomes.</p> <p>The current terms of Article 54(a) of the Constitution may be broad enough to enable the Board to pass a resolution regarding the composition of the new Nomination Committee.</p> <p>The resolution for the delegation could include the composition, being a combination of at least 2 Directors, at least two persons from the Appointments Council and 2 persons who are neither a Member nor an employee of the Company. This would need to be reflected in the Board Charter.</p>
3.3	Composition of the Board Nomination Committee to include two Board Directors, two appointees from the Appointments Council and two non-members	

RECOMMENDATION		DISCUSSION
		<p>Alternately, the Constitution could be amended to specifically provide for committee membership.</p> <p>If Article 54(a) were amended, the existing Article could be marked (a)(i). It could be amended to include the words “and subject to Article 54(a)(ii),” before the words “(which may)”.</p> <p>A new Article 54(a)(ii) could say:</p> <p>Any Nomination Committee will consist of a combination of at least 2 Directors, at least 2 persons from the Appointments Council and at least 2 persons who are neither a Member nor an employee of the Company.</p> <p>Note Recommendation 4.6 relates to the requirement for a Board Nomination Committee quorum. This should be in a Board resolution and would be incorporated into the Charter.</p> <p>A further point to note is that under the Constitution, it is the Board that has the power to delegate to committees, not the Appointments Council.</p>
4.1	The Board Nomination Committee and Appointments Council encourage potential candidates of significant professional standing to apply for nomination	<p>Do members support this change being made in the By-Laws and/or Charter?</p> <p>The Board does not currently support this recommendation as it is concerned about the potential for conflicts of interest. However, the Board seeks member views on this recommendation.</p>
5	Retain current Directors’ terms, including number of reappointments.	<p>Do members support this change being made in the Constitution?</p> <p>The Independent Review recommends reappointment of Directors be a rigorous process. In particular, the Review recommends a third term should only be granted where the candidate has strongly performed and weight should be given to the overall composition of the Board with emphasis on balancing the need for continuity with the need for continual refreshment of talent and thinking.</p> <p>The Board is supportive of this recommendation.</p> <p>The possibility of reappointment for a third term and the process can be set out in the Board Charter.</p> <p>The transition provisions set out in Article 44 (h) of the Constitution should be deleted and replaced with simple provisions that prohibit any Director serving for more than 9 consecutive years.</p> <p>There should be no discount for part or full terms already served by Directors.</p>

RECOMMENDATION		DISCUSSION
6	Increase the President’s term from one to two years with potential for a third	<p>Do members support this change being made in the Constitution?</p> <p>The Independent Review recommends increasing the President’s term from one to two years in order to increase the President’s effectiveness. It also recommends the potential for an additional one-year term should exist in the Constitution. This is to provide the opportunity for an effective President to continue to provide service to CPA Australia.</p> <p>The Board supports this recommendation.</p> <p>If accepted, then Article 67 of the Constitution would be amended to allow a further 1 year term provided the further appointment as President would not result in the director serving for more than nine (9) years.</p>
13.2	Replace benchmark to the Auditor-General’s salary with either a more appropriate benchmark, an indexed maximum for director remuneration, or a series of principles approved by CPA members	<p>Do members support replacing the benchmark to the Auditor General’s salary with a pool approach?</p> <p>The Board supports removing benchmarking to Auditor-General’s salary in the Constitution as per recommendation 13.2. Member feedback is sought on what it should be replaced with.</p> <p>It is recommended the reference to the Auditor-General’s salary be replaced with a pool.</p> <p>It is recommended:</p> <ul style="list-style-type: none"> • the board would for the first year on adoption of the model, benchmark director remuneration against comparable member based organisations; and • set remuneration within an overall pool amount. <p>Total Director remuneration cannot exceed the overall pool amount.</p> <p>In terms of any increase to the overall pool there are at least two options. The pool amount can:</p> <ol style="list-style-type: none"> a. be indexed to CPI annually; and b. only otherwise increased by members passing an ordinary resolution at the AGM. <p>The initial pool amount would need to be determined by the Board and reflect benchmarking data against comparable membership based organisations and the number of Directors on the Board.</p> <p>Irrespective of which model is chosen, amendments will be required to Article 45 of the Constitution.</p>

RECOMMENDATION	DISCUSSION
<p>24.2 Support the Divisions, Branches and Divisional and Branch Councils to have more flexibility to engage with members through: increased consultation in the development of Divisional/Branch engagement plans and budgets; providing some more flexibility to General Managers to access resources to respond to member engagement opportunities that arise; and a protocol that defines how Divisional Councils (through and with General Managers) can communicate with members</p>	<p>How do members think this can best be implemented?</p> <p>The Board is supportive of this recommendation.</p> <p>The Divisional / Branch Councils are advisory bodies elected by members resident in the respective Divisions / Branches.</p> <p>Divisional / Branch Councils are responsible for serving and representing members by connecting with the broader divisional/branch membership base to develop informed viewpoints on matters impacting members and the profession.</p> <p>Further details on Divisional Councils' role is at: https://www.cpaaustralia.com.au/about-us/our-organisation/councils-and-committees/divisional-and-branch-councils</p> <p>The role of Division and Branch Councils is essential for members to have a positive connection with CPA Australia.</p> <p>The Board is seeking member feedback on how this recommendation should best be implemented to improve member engagement and experience.</p>

ACTIONS FROM FINAL REPORT RECOMMENDATIONS

Below are all the recommendations from the Independent Review’s Final Report and CPA Australia’s suggested response to the recommendations. The 12 recommendations that have been pulled out above as focus areas are included in the below for ease of reference and completeness.

1. GOVERNANCE

	REVIEW PANEL’S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
1.	<p>Change the current Board composition and appointment model to strengthen a skills-based approach</p>		
1.1	<ul style="list-style-type: none"> The Constitution to be changed to require a minimum of two Directors to be non-member Directors 	Yes	<p>Article 44 (a) (ii) would be amended to say “at least 2 persons” instead of “up to 2 persons”.</p>
1.2	<ul style="list-style-type: none"> The maximum number of Directors to be reduced from 12 to nine <p><i>(page 30 of report)</i></p>	For further consultation	<p>The Independent Review recommended changing the current Board composition and appointment model to strengthen a skills-based approach ensuring the Board would have the right skills and experience to support best practice governance. Specifically, the Review recommended the Constitution be changed to require a minimum of two Directors to be non-member Directors (recommendation 1.1) and that the maximum number of directors be reduced from 12 to nine (recommendation 1.2).</p> <p>The Board supports both recommendations and is seeking member feedback on how recommendation 1.2 should be implemented.</p> <p>Under the current Constitution the Board can determine the number of directors up to 12 (min of six). The Board is currently operating with nine directors.</p> <p>Members may seek to keep the maximum size of the Board at up to 12 persons in the Constitution to provide flexibility. For example, this could accommodate growth of the global footprint of</p>

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			<p>CPA Australia and the number of international Directors. The actual size of the Board could be managed by annual variation to the By-Laws, or otherwise as appropriate.</p> <p>However, if members want to see the requirement for nine directors enshrined in the Constitution, Article 44 would be amended so that instead of "12 Directors" it would be "9 Directors", and Article 44 (a) (i) would be amended so that instead of "up to 10 persons" it would be "up to 7 persons".</p> <p>The change to the Constitution may be preferable for a number of reasons. Ancillary provisions can be more easily amended against the maximum numbers if the Constitution is changed. For example, there will be flow on effects to other sections of the Constitution ie the number of Directors who may act notwithstanding a vacancy as referred to in Article 60 for Valid proceedings (currently 6 but should perhaps be 5); Article 57(b)(iii) should perhaps move from 4 to 3; and the number of Directors required for a quorum for a Board meeting under Article 57(j) should perhaps move from 6 to 5.</p> <p>The transition provisions currently in Article 44 (h) will need to be deleted with a new 44 (h). The new provisions e.g. will not allow a Director's continuation in office beyond a maximum of the appointment determined by the members whether it is nine or six years.</p>

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
2.	<p>Change the Representative Council's (proposed Appointments Council) composition to reduce potential Board influence</p>		
2.1	<ul style="list-style-type: none"> A change in the name of the Representative Council to Appointments Council 	Yes	<p>A global replacement of the term "Representative" with the term "Appointments" needs to be made in both the Constitution and the By-Laws.</p>
2.2	<ul style="list-style-type: none"> A change in the powers of the proposed Appointments Council to focus on the appointment of CPA Australia's Directors 	Yes	<p>Article 61 (a) (i) of the Constitution already provides for the Council to appoint the Board applying the election procedure. Articles 61 (a) (ii) and (iii) would need to be deleted so that the Appointments Council powers are solely focused on the appointment of CPA Australia's Directors.</p>
2.3	<ul style="list-style-type: none"> Expansion of Appointments Councillors (formerly Representative Councillors) to include one representative from each geographical location that has a Division or Branch Council 	Yes in principle	<p>Recommendations 2.3 and 2.4 are related so discussed jointly.</p> <p>The Independent Review recommends establishing an Appointments Council to replace the existing Representative Council. The role of the Appointments Council is to give all members a role in determining the members of its governance body. While geography should be reflected, there is no threshold reason for any geographical area to have a greater voice than any other. The members of the Appointments Council would be Division or Branch Councillors (elected by members) appointed by their Division or Branch.</p> <p>The Board supports this recommendation in principle.</p> <p>If this were to be accepted it would result in a 13 member Appointments Council based on the current number of Division and Branch Councils. These are: South Australia, Queensland, Canberra, Northern Territory, Tasmania, Victoria, Western Australia, New South Wales, Europe, Greater China, Malaysia, New Zealand and Singapore.</p>

REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
2.4	<ul style="list-style-type: none"> Removal of additional representatives from larger Divisions on the basis that the proposed Appointments Council exists to create a connection between members from different geographies and the mechanism to appoint the Board, rather than a body that reflects the membership's composition 	<p>Yes in principle.</p> <p>Over time, the number of locations with a Division or Branch Council may expand, in accordance with the then Constitution and By-Laws, leading to a larger Appointments Council.</p> <p>To give effect to these changes, the Constitution would be changed. References to Representative Council and Councillors would need to be amended. Article 62(a)(ii) would be deleted.</p> <p>A new Article 62(a)(ii) would be inserted to provide for one Divisional/Branch Councillor from each Division/Branch appointed by the respective Division/Branch Council.</p> <p>Article 62(a)(iv) would need to be amended by deleting the words "62(a)(iii) and inserting instead "Article 62 (a)(ii)".</p> <p>If supported, provisions will be needed to phase out the existing additional Councillors.</p> <p>The Constitution and By-Laws have processes for filling casual vacancies. These would need to be amended to ensure any necessary changes were captured with respect to the Appointments Council.</p>
2.5	<ul style="list-style-type: none"> Removal of Board appointees from the Appointments Council, with the exception of the Chair of the Board, who would be a non-voting member of the Appointments Council 	<p>Yes</p> <p>Article 62 (a)(iii) of the Constitution to be deleted. The last paragraph of Article 62 will also need to be deleted as well as Article 62(b).</p> <p>Renumber Article 63 (k) as Article 62(l) and insert a new Article 63(k) to the effect that The President shall have no right to vote at Appointments Council meetings.</p>
2.6	<ul style="list-style-type: none"> Appointment by the proposed Appointments Council of a Deputy Chair of its own number to assist the Chair 	<p>For further consultation on mechanism</p> <p>The Independent Review recommends the removal of Board appointees from the Appointments Council (current Representative Council), with the exception of the Chair of the CPA Australia Board who would chair the Appointments Council but have no vote. (recommendation 2.5).</p>

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
			<p>Recommendation 2.6 seeks for one of the other members of the Appointments Council to be appointed as Deputy Chair.</p> <p>The Board supports this recommendation and seeks member feedback on the most appropriate mechanism to be used to enable a member of the Appointments Council to be appointed as Deputy Chair.</p> <p>These provisions could be set out in the By-Laws along similar lines to By-Law 8.9 which govern the election of Divisional Presidents and Deputies. This could be achieved by Board resolution.</p> <p>If members prefer changes to be enshrined in the Constitution, the Constitution would need to be changed to enable the election of a Deputy President, provision for the term they hold in office, the maximum consecutive terms they can hold as well as provisions for casual vacancies similar to Article 67 (which cover the Board President and Deputy President election).</p> <p>Article 63 (a) would need to be amended to say in the President's absence, the Deputy President of the Appointments Council and in the absence of both the President and the Deputy President of the Appointments Council..</p> <p>Recommended that there be a cap on terms included e.g. one further term and cannot have more than 2 consecutive terms.</p>
2.7	<ul style="list-style-type: none"> The ability to convene an in-camera session without the Chair of the proposed Appointments Council 	Yes	<p>The renumbered Article 63 (l) of the Constitution could be amended to include after "Articles 63(a) to (k), words to the effect <i>"and the requirement for the Appointments Council to time in each meeting in camera without the President"</i>.</p>

REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
<p>2.8</p>	<ul style="list-style-type: none"> • Limitations on Appointments Councillors simultaneously acting as Appointments Councillors and Divisional or Branch Presidents 	<p>For further consultation</p> <p>This recommendation seeks to limit an individual simultaneously being able to have a role on both the Appointments Council and as a President of a Divisional or Branch Council.</p> <p>The Board is supportive of the principle of removing or limiting any overlap between these roles and seeks member views on the nature of the limitations.</p> <p>If recommendations are accepted by members, the role of the Appointments Council will be focused on the appointment of directors only. To ensure the input and experience of the Divisional/Branch Presidents are captured, there will separately be a Council of Presidents (recommendation 23.1) that will have focus on providing advice to the Board. Constitutional amendments setting out the Council of President's powers will be required to achieve this.</p> <p>Currently the terms for Divisional or Branch Presidents is for 1 year which is from 1 Jan to 31 Dec and the term for Representative Councillors (proposed Appointments Councillors) is 2 years and runs from 1 Feb to 31 Jan.</p> <p>If a Divisional President was nearing the end of their term and was appointed to the Appointments Council would they need to step down immediately from their role as President on appointment to the Appointments Council or see out their current term (there may be up to 1 month to see out) with no reappointment to the President's role.</p> <p>Alternatively, an alignment of the terms could be provided for so there is no overlap. Amendments to both the Constitution and By-Laws will be required in this case.</p>
<p>2.9</p>	<ul style="list-style-type: none"> • Appointments Councillors undertaking to observe the strictest standards of confidentiality with respect to nominee information 	<p>Yes</p> <p>Councillors are currently required to sign Confidentiality Deeds which provide for the requirement to maintain the strictest standards of confidentiality with respect to nominee information. This will continue.</p>

REVIEW PANEL'S FINAL RECOMMENDATION		BOARD SUPPORT	SUGGESTED ACTION
2.10	<ul style="list-style-type: none"> Appointments Councillors to be featured on the CPA Australia website 	Yes	This recommendation can be managed operationally. Additionally, a new clause could be inserted under (ii) as (iii) in By-Law 6.5 with words to the effect: " <i>The current Appointment Councillors from time to time will be listed upon that part of the website maintained by CPA Australia that is accessible by the general public.</i> "
2.11	<ul style="list-style-type: none"> Secretariat support offered to the proposed Appointments Council <i>(page 32 of report)</i> 	Yes	Secretariat support will be made available.
			<p><i>Note: The Board acknowledges and supports the Independent Review's findings that member direct elections are not in the best interests of the company. By way of reference, the Review Panel is of the view that the proposed models for direct elections suffer from a number of deficiencies (see page 31 of the Final Report).</i></p> <p><i>To this end, the Board believes that sufficient safeguards will be in place with respect to the election of directors by the Appointments Council, provided that the changes detailed under recommendation 2 (2.1-2.11) are adopted. These can all be viewed from page 14-18 of the issues paper.</i></p>
3.	Change the Nomination and Remuneration Committee's composition and function		
3.1	<ul style="list-style-type: none"> The Nomination and Remuneration Committee to be split into two distinct bodies, the Board Nomination Committee and the Remuneration Committee 	Yes	<p>The Remuneration Committee to become the People, Culture and Remuneration Committee.</p> <p>There will need to be a Board resolution with respect to the two committees.</p> <p>New Charters will be required for Board Nomination Committee and People, Culture and Remuneration Committee.</p>

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
3.2	<ul style="list-style-type: none"> The Board Nomination Committee to act as a joint committee of the Board and the Appointments Council 	For further consultation	Recommendations 3.2 and 3.3 are related so are discussed jointly. The Board seeks member feedback on the most appropriate mechanism to be used to achieve these outcomes.
3.3	<ul style="list-style-type: none"> Composition of the Board Nomination Committee to include two Board Directors, two appointees from the Appointments Council and two non-members 	For further consultation	<p>The current terms of Article 54(a) of the Constitution may be broad enough to enable the Board to pass a resolution regarding the composition of the new Nomination Committee.</p> <p>The resolution for the delegation could include the composition, being a combination of at least 2 Directors, at least two persons from the Appointments Council and 2 persons who are neither a Member nor an employee of the Company. This would need to be reflected in the Board Charter.</p> <p>Alternately, the Constitution could be amended to specifically provide for committee membership.</p> <p>If Article 54(a) were amended, the existing Article could be marked (a)(i). It could be amended to include the words "and subject to Article 54(a)(ii)," before the words "(which may)".</p> <p>A new Article 54(a)(ii) could say:</p> <p>Any Nomination Committee will consist of a combination of at least 2 Directors, at least 2 persons from the Appointments Council and at least 2 persons who are neither a Member nor an employee of the Company.</p> <p>Note Recommendation 4.6 relates to the requirement for a Board Nomination Committee quorum. This should be in a Board resolution and would be incorporated into the Charter.</p> <p>A further point to note is that under the Constitution, it is the Board that has the power to delegate to committees, not the Appointments Council.</p>

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
3.4	<ul style="list-style-type: none"> The Remuneration Committee to act as a Board committee <i>(page 36 of report)</i> 	Yes	Article 54 of the Constitution enables the Board to delegate power to Committees, which includes the Remuneration Committee.
4.1	<p>4. Modify nomination and appointment practices to give the Representative Council (proposed Appointments Council) greater oversight</p> <ul style="list-style-type: none"> The Board Nomination Committee and Appointments Council encourage potential candidates of significant professional standing to apply for nomination 	For further consultation	The Board does not currently support this recommendation as it is concerned about the potential for conflicts of interest. However, the Board seeks member views on this recommendation.
4.2	<ul style="list-style-type: none"> The Board Nomination Committee provides a framework for Board appointments to the Appointments Council for comment, prior to finalisation by the Board 	Yes	This process can be incorporated into the By-Laws but it may be more appropriate to have the Board resolve to this effect when settling the Nomination Committee Charter. This process can then be included in the Charter.
4.3	<ul style="list-style-type: none"> The Board Nomination Committee develops the Board skills matrix and skills gaps assessment and provides it to the Appointments Council for comment, prior to finalisation by the Board 	Yes	This process can be built into the By-Laws but it may be more appropriate to have the Board resolve to this effect when settling the Nomination Committee Charter. This step can be included in the Charter.
4.4	<ul style="list-style-type: none"> The Board Nomination Committee provides an update to the Appointments Council after the formation of the long and shortlist of candidates 	Yes	The immediately relevant provisions are those in By-Law 6.8(m) – (q). References to the Nomination and Remuneration Committee will be changed to the Nomination Committee. By-Law 6.8 (m)(iii) can be renumbered as (iv) with the immediately following provisions renumbered and a new By-Law 6.8 set out with words to the effect: “(iii) the report required to be prepared pursuant to By-Law 6.8 (f)(ii) above shall be delivered to the Appointments

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
			<p><i>Council no later than 10 Business Days prior to the election event and the Appointments Council may request the Nomination Committee to include any other relevant matter in the report</i>".</p>
4.5	<ul style="list-style-type: none"> All representatives from the Board Nomination Committee make themselves available to discuss shortlisted candidates with the Appointments Council prior to the Appointments Council's deliberation on the final candidates 	Yes	<p>A paragraph could be inserted after the first paragraph in By-Law 6.8 (n) with words to the effect:</p> <p><i>"On a day no later than the day of the meeting for election of the Board members, the members of the Nomination Committee will make themselves available to discuss with the Appointments Council the recommendation of candidates and the numeric order of appropriateness"</i>.</p>
4.6	<ul style="list-style-type: none"> A quorum of the Board Nomination Committee includes a Director, an appointee from the Appointments Council and a non-member committee member <p><i>(page 40 of report)</i></p>	For further consultation	<p>Relates to recommendation 3.2.</p> <p>The requirement for a quorum should be in the Board resolution and would be incorporated in the Charter.</p>
5.	<p>Retain current Directors' terms, including number of reappointments</p> <ul style="list-style-type: none"> Reappointment should be a rigorous process. In particular, a third term should only be granted where the candidate has strongly performed and weight should be given to the overall composition of the Board with emphasis on balancing the need for continuity with the need for continual refreshment of talent and thinking <p><i>(page 41 of report)</i></p>	Yes in principle	<p>The Independent Review recommends reappointment of Directors be a rigorous process. In particular, the Review recommends a third term should only be granted where the candidate has strongly performed and weight should be given to the overall composition of the Board with emphasis on balancing the need for continuity with the need for continual refreshment of talent and thinking.</p> <p>The Board is supportive of this recommendation.</p> <p>The possibility of reappointment for a third term and the process can be set out in the Board Charter.</p> <p>The transition provisions set out in Article 44 (h) of the Constitution should be deleted and replaced with simple provisions that prohibit any Director serving for more than 9 consecutive years.</p>

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
			There should be no discount for part or full terms already served by Directors.
6.	<p>Increase the President's term from one to two years with potential for a third <i>(page 42 of report)</i></p>	Yes in principle	<p>The Independent Review recommends increasing the President's term from one to two years in order to increase the President's effectiveness. It also recommends the potential for an additional one-year term should exist in the Constitution. This is to provide the opportunity for an effective President to continue to provide service to CPA Australia.</p> <p>The Board supports this recommendation.</p> <p>If accepted, then Article 67 of the Constitution would be amended to allow a further 1 year term provided the further appointment as President would not result in the director serving for more than nine (9) years.</p>
7.	<p>Continually review and improve the Board skills matrix and professional development</p>		
7.1	<ul style="list-style-type: none"> The Board Appointment Council should continually review CPA Australia's current skills matrix, performance assessment and continuing professional development requirements 	Yes	By-Law 6.8 (f) B could be changed by adding words to the effect, at the end of the existing By-Law, " <i>taking into account the current skills matrix, performance assessment and continuing professional development requirements.</i> "
7.2	<ul style="list-style-type: none"> The Board Nomination Committee develops the Board skills matrix and skills gaps assessment and provides to the Appointments Council for comment, prior to approval by the Board 	Yes	This could be built into the Charter rather than the By-Laws as the vehicle is the Committee.
7.3	<ul style="list-style-type: none"> The public call for applications should highlight the skills that are desired or are in short supply on the current Board, so that applicants are 	Yes	This can be achieved operationally.

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
	clear on what roles the CPA Australia's Board is seeking to fill		
7.4	<ul style="list-style-type: none"> A similar skills-based approach is developed for CPA Australia's subsidiaries <p><i>(page 43 of report)</i></p>	Yes	The Nomination Committee Charter would be updated to include setting the skill set for the Directors of all subsidiaries including CPA Australia Advice Pty Ltd.
8.	<p>Review the current executive structure</p> <p><i>(page 43 of report)</i></p>	Yes	An Executive Team has been established and is meeting regularly. A process to review the corporate strategy is underway and should be completed during the second quarter of 2018. This, together with finalising the appointment of a permanent CEO, will establish the platform for any further revision of the organisational structure as appropriate.
9.	<p>Review approach to issues management</p> <p><i>(page 44 of report)</i></p>	Yes	Process to review corporate strategy underway and will include review of CPA Australia's communications framework.
10.	<p>Establish a Review Implementation Committee</p> <p><i>(page 45 of report)</i></p>	Yes	<p>At the October 2017 Board meeting the Board resolved to establish an Independent Review Implementation Committee. This was communicated to members in the Board's communication of 10 October 2017. Membership of the Committee was communicated to members in the Board's communication of 15 December 2017.</p> <p>The Committee consists of:</p> <ul style="list-style-type: none"> Peter Wilson AM FCPA, President and Chairman of the Board Merran Kelsall FCPA, Deputy President Chin Aik Wong FCPA, Deputy President Dale Pinto FCPA, President WA Division Shabnam Amirbeaggi FCPA, President NSW Division Ivan Au FCPA, Immediate Past President Greater China Division

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
11.	<p>Ensure in-camera sessions are built into the Board's agenda</p> <ul style="list-style-type: none"> Amendments to Board Charter to allow CPA Australia's Directors to consider issues without the CEO or executive management present <p><i>(page 45 of report)</i></p>	Yes	<p>The new Board has agreed this as a standard part of board agendas. In-camera sessions are also being held for all Board committees.</p> <p>Presently the Constitution provides for the CEO being entitled to attend Board meetings with no right to vote.</p> <p>Constitution to be changed so Article 48 (d) is replaced with words to the effect: <i>"The Chief Executive Officer of the Company attends Board meetings by standing invitation as Chief Executive Officer but may be asked to leave at any time. The Chief Executive Officer shall have no right to vote at Board meetings."</i></p>

2. REMUNERATION

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
12.	<p>Amend CPA Australia's Constitution to clarify the position as to remuneration for CPA Australia's subsidiaries</p> <p><i>(page 58 of report)</i></p>	Yes	<p>Recommend defining "Directors Fees" as all inclusive.</p> <p>Amend Article 45 of the Constitution where relevant so that the amount paid to a Director <i>for all duties including acting as a Director of any related body corporate as that term is defined in Section 50 of the Corporations Act 2001 and serving on a Board Committee.</i></p>
13.	<p>Make changes to Board remuneration to align with member expectations and peer organisations</p> <p>13.1</p> <ul style="list-style-type: none"> Remove benchmarks to the Auditor-General's salary from the CPA Australia Constitution <p>13.2</p> <ul style="list-style-type: none"> Replace benchmark to the Auditor-General's salary with either a more appropriate benchmark, an indexed maximum for director remuneration, or a series of principles approved by CPA members 	<p>Yes</p> <p>For further consultation</p>	<p>The references in Article 45 to "<i>must not exceed #% of the total annual salary package of the Auditor-General of Australia...</i>" needs to be removed.</p> <p>The Board supports removing benchmarking to Auditor-General's salary in the Constitution as per recommendation 13.2. Member feedback is sought on what it should be replaced with.</p> <p>It is recommended the reference to the Auditor-General's salary be replaced with a pool.</p> <p>It is recommended:</p> <ul style="list-style-type: none"> the board would for the first year on adoption of the model, benchmark director remuneration against comparable member based organisations; and set remuneration within an overall pool amount. <p>Total Director remuneration cannot exceed the overall pool amount.</p> <p>In terms of any increase to the overall pool there are at least two options. The pool amount can:</p> <p>c. be indexed to CPI annually; and</p>

REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
		<p>d. only otherwise increased by members passing an ordinary resolution at the AGM.</p> <p>The initial pool amount would need to be determined by the Board and reflect benchmarking data against comparable membership based organisations and the number of Directors on the Board.</p> <p>Irrespective of which model is chosen, amendments will be required to Article 45 of the Constitution.</p>
<p>13.3</p> <ul style="list-style-type: none"> Continue remuneration benchmarking, but include member-based organisations in the comparators <p><i>(page 59 of report)</i></p>	<p>Yes</p>	<p>In its 10 October 2017 communication to members, the Board stated it had approved independent benchmarking for Director remuneration. The Godfrey Remuneration Group undertook this work. The Board asked that appropriate member-based organisations form the comparator group. In its 9 February 2018 communication to members the Board advised the outcome of this work.</p>
<p>14.</p> <p>Set CEO remuneration to be competitive but comparable to similar organisations</p> <p>14.1</p> <ul style="list-style-type: none"> Benchmark CEO salary with comparable member-based organisations <p>14.2</p> <ul style="list-style-type: none"> Limit CEO notice periods to be conservative 	<p>Yes</p> <p>Yes</p>	<p>The Board has sought independent benchmarking for the CEO salary. Appropriate member-based organisations have been included in the comparators.</p> <p>The Board has the control over the appointment of the CEO and the settling of the terms of appointment including the notice period. See Article 48 (a) of the Constitution.</p> <p>In its December 2017 communication to members the Board stated it supports the Independent Review's recommendation that CEO notice periods should be conservative and remuneration should be independently benchmarked against similar member-based organisations. This will be reflected in contract negotiations with the new CEO.</p> <p>The Board is currently considering how it can ensure notice periods and termination payments for CEOs are conservative</p>

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
			<p>without fettering its responsibility to appoint the most appropriate candidate as CEO. The Board is cognisant of providing the appropriate assurances to members.</p> <p>A possibility is that the CEO must as part of their role provide services as a Director on one of the Company's subsidiaries (other than CPA Australia Advice), thereby invoking the provisions of s200B of Corporations Act.</p> <p>There will be no additional remuneration for any subsidiary directorship.</p>
14.3	<ul style="list-style-type: none"> Have a linkage between CEO salary and a balanced scorecard of organisational metrics <p><i>(page 59 of report)</i></p>	Yes	The Board supports this recommendation.
15.	<p>Balance attractiveness and comparability to set senior executive remuneration</p> <ul style="list-style-type: none"> Make the Nomination and Remuneration Committee (proposed People, Culture and Remuneration Committee¹) responsible for recommending KMP and senior executive salaries. Continue remuneration benchmarking, but include member-based organisations in the comparators <p><i>(page 60 of report)</i></p>	Yes	<p>In its October 2017 communication to members the Board advised it had changed practice of Nomination & Remuneration Committee. Remuneration levels for all senior exec positions at General Manager level and above are now approved by the Board. This will be informed by independent benchmarking.</p> <p>Appropriate member-based organisations will be included in the comparators.</p> <p>This changed practice will need to be reflected in the Charter for the proposed People, Culture and Remuneration Committee.</p>
16.	<p>Disclose individual KMP remuneration to improve transparency to members</p> <p><i>(page 61 of report)</i></p>	Yes	In its 10 October 2017 communication to members, the Board stated it had committed to ongoing transparency in remuneration reporting in its annual report each year.

¹ IRP recommends name changed to Remuneration Committee. CPA Australia Board will establish a People, Culture and Remuneration Committee. Refer 3.1.

3. MARKETING STRATEGY AND EXPENDITURE

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
<p>17.</p> <p>17.1</p> <p>17.2</p> <p>17.3</p> <p><i>(page 69 of report)</i></p>	<p>Align marketing investments with an appropriately set corporate strategy and execute accordingly</p> <ul style="list-style-type: none"> Develop a consolidated marketing strategy that fits within the corporate strategy so that marketing investments are directed towards achieving the overall organisation's goals Identify key performance metrics for all significant marketing investments and processes to track, measure and report on these over time Implement periodic reviews of brand equity to ensure long-term brand building investments are achieving target performance metrics and the pursuit of strategic objectives 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Process to review corporate strategy underway. There will be consultation with Divisional and Branch Councils and members through February to April after which a new corporate strategy will be announced. A coordinated marketing strategy will be related to that. Future marketing initiatives will have clear objectives and KPIs attached. This should be in place in mid 2018.</p> <p>Metrics and tracking processes to be developed as part of consolidated marketing strategy.</p> <p>Brand perception research is nearing completion. There will be a baseline data to allow tracking of future performance. A framework for regular review to be included as part of consolidated marketing strategy.</p>
<p>18.</p> <p><i>(page 70 of report)</i></p>	<p>Maintain marketing activities that differentiate CPA Australia, with proper oversight and caution</p> <ul style="list-style-type: none"> Strengthen the business case development process for large scale and prominent marketing activities to include a proper focus on risk identification and mitigation 	<p>Yes</p>	<p>Business case development process and performance objectives and reporting to be strengthened. Agreed framework to be developed.</p>

REVIEW PANEL'S FINAL RECOMMENDATION		BOARD SUPPORT	SUGGESTED ACTION
19.	Centre future brand building activities on CPA Australia and its members rather than individual employees		
19.1	<ul style="list-style-type: none"> Have CPA Australia as the master or primary brand for all marketing activities and assets 	Yes	In its 10 October 2017 communication to members, the Board stated the previous strategy of personalising the leadership through branding the CEO role is over. Going forward the CPA Australia brand will be the primary brand which will be promoted in the best interests of all members.
19.2	<ul style="list-style-type: none"> CPA Australia brand and brand building activities to reflect the diversity of the organisation and its membership 	Yes	Noted and agreed.
19.3	<ul style="list-style-type: none"> Personalisation of branding to generally be avoided <p><i>(page 70 of report)</i></p>	Yes	Noted and agreed.
20.	Develop and assess marketing activities based on an identified value proposition to all member segments		
	<ul style="list-style-type: none"> Assess marketing investments based on a distinct value proposition to each member segment, building on the journey mapping processes currently underway <p><i>(page 71 of report)</i></p>	Yes	Opportunities exist for robust member segmentation work to be undertaken. Customer Journey Mapping for Australian market has been completed and is being embedded into current activities.
21.	Utilise existing engagement mechanisms to ensure members better understand marketing strategies and activities		
21.1	<ul style="list-style-type: none"> Utilise existing engagement mechanisms to ensure members better understand the marketing activities, investments and their rationale, with a focus on innovative activities that depart from expected practice 	Yes	Ensure communications strategy developed to assist with better member understanding of key marketing activities and their strategic intent.

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
21.2	<ul style="list-style-type: none"> Continue to treat specific marketing activities as operational decisions for CPA Australia with appropriate commercial confidence and sensitivity <p><i>(page 71 of report)</i></p>	Yes	Noted and agreed.
22.	<p>Review the organisation structure of marketing related business units to improve effectiveness and oversight</p> <p><i>(page 71 of report)</i></p>	Yes	Revision of organisational structure, including marketing related business units, will be undertaken following the completion of the corporate strategy as per recommendation 17.1.

4. STRATEGY AND PERFORMANCE OF MEMBER SERVICES AND ENGAGEMENT

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
<p>23.</p> <p>23.1</p> <p>23.2</p> <p>23.3</p> <p>23.4</p> <p><i>(page 82 of report)</i></p>	<p>Establish a Council of Presidents to improve member ability to engage meaningfully with the Board on CPA Australia's strategy</p> <ul style="list-style-type: none"> • Establish a Council of Presidents (Divisional and Branch) to provide advice to the Board on strategic issues and opportunities in an ongoing way with an emphasis on sharing the views and preferences of the membership (not just for the development of the 3-year Corporate Plan) • Set the responsibility of the Council of Presidents to engage in two-way discussions with Divisional and Branch Councils and the CPA Australia Board • Set the composition of the Council of Presidents to include all Divisional and Branch Council Presidents • Set a mechanism for the Council of Presidents to self-select its Chair 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Constitution needs to be amended to include the relevant provisions setting up the Council of Presidents as well as setting out their power to provide advice to the Board on strategic issues and opportunities in an ongoing way with an emphasis on sharing the views and preferences of the membership, processes for appointment to the Council, meeting processes and procedures, election of office bearers, terms and termination of office. Articles 61 to 68 of the Constitution are a guide as to the mechanical provisions required. Ancillary changes will be required to the By-Laws.</p> <p>This would be included in the provision setting out the power of the Council of Presidents referred to above.</p> <p>This would be included in the provision for appointment to the Council of Presidents referred to above.</p> <p>This would be included in the provision for election of office bearers referred to above.</p>
<p>24.</p> <p>24.1</p>	<p>Enable Divisions and Divisional Councils to better engage with members</p> <ul style="list-style-type: none"> • Explore options to link members in all locations with an existing Branch or Division to ensure representation in currently unrepresented geographies. Such options should take into account the cost implications that can flow from the international locations of some members 	<p>Yes</p>	<p>Options to link members with existing Branch or Division to be explored.</p>

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
24.2	<ul style="list-style-type: none"> Support the Divisions, Branches and Divisional and Branch Councils to have more flexibility to engage with members through: increased consultation in the development of Divisional/Branch engagement plans and budgets; providing some more flexibility to General Managers to access resources to respond to member engagement opportunities that arise; and a protocol that defines how Divisional Councils (through and with General Managers) can communicate with members 	For further consultation	<p>The Board is supportive of this recommendation.</p> <p>The Divisional / Branch Councils are advisory bodies elected by members resident in the respective Divisions / Branches.</p> <p>Divisional / Branch Councils are responsible for serving and representing members by connecting with the broader divisional/branch membership base to develop informed viewpoints on matters impacting members and the profession.</p> <p>Further details on Divisional Councils' role is at: https://www.cpaaustralia.com.au/about-us/our-organisation/councils-and-committees/divisional-and-branch-councils</p> <p>The role of Division and Branch Councils is essential for members to have a positive connection with CPA Australia.</p> <p>The Board is seeking member feedback on how this recommendation should best be implemented to improve member engagement and experience.</p>
24.3	<ul style="list-style-type: none"> Create a digital presence (on the CPA Australia website or other channel) for members to follow activities and opportunities in their Divisions that they can engage with on an opt-in basis <p><i>(page 84 of report)</i></p>	Yes	<p>Opportunities to create digital presence reflecting activities on a Division by Division basis being explored.</p>
25.	<p>Make Annual General Meetings accessible to all members</p> <p><i>(page 84 of report)</i></p>	Yes	<p>The Board has requested technology options to make AGMs accessible to all members be explored.</p>

REVIEW PANEL'S FINAL RECOMMENDATION		BOARD SUPPORT	SUGGESTED ACTION
26.	Update CPA Australia's codes for appropriate behaviour by members and staff		
26.1	<ul style="list-style-type: none"> CPA Australia develops guidance that clearly states that the Professional Conduct provisions in the Constitution apply to conduct directed at staff and to one another 	Yes	Guidance document to be developed and Code of Conduct to be reviewed.
26.2	<ul style="list-style-type: none"> CPA Australia also clearly states in the guidance the types of member conduct towards staff and one another that are considered derogatory to members or CPA Australia, or are unethical 	Yes	Guidance document to be developed and Code of Conduct to be reviewed.
26.3	<ul style="list-style-type: none"> CPA Australia reviews its Volunteer Code of Conduct and staff codes of conduct for consistency, with a focus on members <i>(page 85 of report)</i> 	Yes	Codes of Conduct to be reviewed.
27.	Periodically review costs of member services and how membership value is communicated <i>(page 85 of report)</i>	Yes	Costs of member services and how membership value is communicated to be reviewed and informed by member feedback.

5. STRATEGY AND PERFORMANCE OF CPA ADVICE

	REVIEW PANEL'S FINAL RECOMMENDATION	BOARD SUPPORT	SUGGESTED ACTION
28.	<p>Carry out a comprehensive post-implementation evaluation of CPA Australia Advice</p> <p><i>(page 94 of report)</i></p>	Yes	<p>Enhanced governance arrangements and prudential financial management have been implemented for CPA Australia Advice.</p> <p>The Board has committed to carrying out a comprehensive post-implementation evaluation of CPA Australia Advice in 2018.</p> <p>A Tender process to select a reviewer is nearing completion. The review is expected to take until the middle of the year.</p> <p>If there are any material findings or recommended changes to the operations of CPA Australia Advice from the Review, CPA Australia is committed to advising members of such changes and to consult with them, as appropriate prior to any implementation.</p>
29.	<p>Develop a skills matrix for CPA Australia Advice's Board</p> <p><i>(page 95 of report)</i></p>	Yes	<p>The Nomination Committee Charter would be updated to include setting the skill set for the Directors of all subsidiaries including CPA Australia Advice Pty Ltd.</p>

