

## TERMS OF REFERENCE FOR INDEPENDENT REVIEW PANEL

On 16 June 2017 the Board of CPA Australia announced an independent panel to conduct a review of claims raised by members and other stakeholders.

These include concerns relating to:

- Governance, including election of directors, term limits, independence of the Representative Council and compliance
- Remuneration, including disclosures, compliance with laws and accounting standards and benchmarking processes
- Marketing strategy and expenditure, including consistency with Board approved strategy and appropriateness of expenditure
- Other matters the reviewers consider appropriate.

The Board believes it is in the best interests of members, staff and the profession that this review is undertaken and that governance structures are considered.

The independent panel will receive all the resources it needs to do its work and will be able to appoint expert consultants as necessary. It will operate independently of the Board and the executive, but will receive their full cooperation.

## OBJECTIVE

CPA Australia is one of the world's largest accounting bodies, with a global membership of more than 160,000 members working in 118 countries.

CPA Australia exists to benefit members. As an accreditation body, working within a trusted profession, matters of governance go to the heart of our operations.

The objective of this Independent Review is to ensure claims that impact the reputation of the organisation, the value of the accreditation, and the confidence of members are properly reviewed and addressed.

## SCOPE

The independent panel will consider the claims raised by members and stakeholders in relation to governance, remuneration and marketing strategy and expenditure. It will, among other things:

- Review claims raised by members and other stakeholders
- Assess Board and management compliance with the CPA Australia Constitution, By-Laws and policies
- Assess whether the current Constitution, By-Laws and policies align with best practice and member expectations
- Make recommendations for improvements

Recommendations that relate to governance arrangements, including the Constitution, will be brought to the 2018 Annual General Meeting for consideration by members.

## INDEPENDENT REVIEWERS

The review panel will be Chaired by Ian McPhee AO PSM, with panel members Su McCluskey and Maryjane Crabtree. Professor Bob Baxt AO will act as expert advisor on governance.

### **Ian McPhee AO PSM (Chair)**

Ian McPhee is a company director, audit committee member, honorary professor at the Australian National University, and has also undertaken governance reviews in the public and private sectors. He was the Auditor-General for Australia during the period 2005-15, and prior to that role was a Deputy Secretary in the Department of Finance.

### **Su McCluskey (Member)**

Su McCluskey is a Director of Australian Unity and the Foundation for Young Australians, Chairman of Energy Renaissance and a member of the Ministerial Advisory Council on Skilled Migration. Su is a member of the independent review of the NSW Regulatory Policy Framework and was a member of the Harper Review of Competition Policy and the Regional Telecommunications Independent Review Committee. She was previously the CEO of the Regional Australia Institute, Executive Director of the Australian Government Office of Best Practice Regulation, and has held senior roles with the Business Council of Australia, the National Farmers' Federation and the Australian Taxation Office. She is a Fellow of CPA Australia.

### **Maryjane Crabtree (Member)**

Maryjane Crabtree a director of the Law Institute of Victoria and chair of its Corporate Governance Committee. She has extensive experience on boards and Ethics Committees in the government and not for profit sectors. Maryjane is Deputy President of Epworth Healthcare.

### **Professor Bob Baxt AO (Expert Advisor)**

Bob Baxt is chairman of the Law Committee of the AICD, a member of the Executive of the Business Law Section of the Law Council of Australia, a professorial Fellow of the University of Melbourne, and a former Chairman of the Trade Practices Commission. A consultant (and former partner) at Herbert Smith Freehills lawyers, he is an expert practitioner and academic in trade practices, corporate law and taxation law.

## CONSULTATIONS

The independent panel will have full and ready access to any information it requires and will consult broadly with members as part of the review process. It will have the ability to engage with any member.

Submissions will be invited regarding matters covered within the Terms of Reference.

A consultative group of members will be formed, comprising Divisional Presidents, or their representatives, and other members as the independent panel deems appropriate.

## FINAL REPORT AND TIMING

A preliminary report will be delivered by **Friday, 15 September 2017**. Timing of the final report is subject to the independent panel.

The panel will release a report to members detailing findings and recommendations.