

# Board Charter

FEBRUARY 2010

## 1. Introduction

- 1.1 This Charter outlines the main corporate governance principles that apply to the Board collectively and Directors individually.
- 1.2 The conduct of the Board is also governed by the Constitution. To the extent that the terms of the Constitution are inconsistent with this Charter, the Constitution prevails.
- 1.3 The Board will review its Charter annually to ensure it remains consistent with the Board's objectives, responsibilities and relevant standards of corporate governance.

## 2. Role of the Board

- 2.1 The primary responsibility of the Board is to direct the affairs of APESB on behalf of its members. The specific responsibilities of the Board encompass the primary objects specified in the Constitution and more generally:
  - Setting the strategic direction of APESB and monitoring the implementation of that strategy including approving strategic and business plans;
  - Developing and approving the issue of new or amended professional and ethical pronouncements;
  - Ensuring the company is adequately resourced to effectively deliver on the strategies developed and the day to day operations of the company;
  - Appointing such working parties of the Board as may be appropriate to assist in the discharge of its responsibilities;
  - Monitoring financial performance and the integrity of reporting, including approving annual budgets and annual reports to members;
  - Recommending the appointment of the external auditor and, if appropriate appointing an internal auditor;
  - Ensuring that effective audit, risk management and other systems are in place to ensure legal and regulatory compliance and to safeguard the Company's assets and business; and
  - Ensuring effective and timely reporting to the Joint Accounting Bodies.

### **3. Delegation of Authority**

#### **3.1 *Matters reserved for the Board***

The matters specifically reserved for the Board are articulated in the Delegation Authority Policy.

#### **3.2 *Delegation to management***

All matters not specifically reserved for the Board and necessary for the day-to-day management of APESB are delegated to management. Management can sub-delegate authority, but not responsibility, in accordance with the Delegation Authority Policy.

#### **3.3 *Reporting to the Board***

Management is required to regularly report to the Board concerning the authority exercised and matters which come, or may come, within the scope of matters reserved for the Board.

#### **3.4 *Working parties***

The Board may, from time-to-time, as set out in the Constitution, establish working parties to assist in carrying out its functions and responsibilities, and shall adopt terms of reference setting out matters relevant to the authority, functions, membership, operations and responsibilities of such working parties, and other matters that the Board may consider appropriate.

### **4. Meetings and Proceedings**

4.1 The Board meets at least four times per annum and whenever necessary to address business which might arise between scheduled meetings.

4.2 All discussions at these meetings pertaining to the development and review of professional and ethical pronouncements are open to the public. Members of the public are required to register their attendance and are recorded in the minutes as observers.

4.3 Agendas and papers for Board meetings are circulated, whenever practical, at least ten days before the relevant meeting.

4.4 Draft minutes of Board meetings are circulated to Directors within ten days following each meeting.

- 4.5 Similar procedures to those in 4.3 and 4.4 apply to working parties of the Board.
- 4.6 A quorum of the Board is three directors, one of whom must be a Director appointed either by CPA Australia or the Institute of Chartered Accountants in Australia.
- 4.7 Questions arising at a meeting of the Board are to be decided by a majority of votes of Directors present and voting. In the case of an equality of votes, the chairperson of the meeting shall not have a casting vote in addition to his or her deliberative vote.
- 5. Declaration of Interests**
- 5.1 The Board places great importance on Directors making clear any existing interests or potential conflicts of interest.
- 5.2 At the beginning of each calendar year, all Directors shall complete a standing notice of interests.
- 5.3 The first item on the agenda of Board meetings shall be a standing question as to whether any Director has a potential or actual conflict of interest in any matter that is to be considered at the meeting or generally in respect of the operations of APESB.
- 5.4 Where a Director's conflict of interest is identified and/or registered, and the Board has determined that it is material in regard to that Director or of material significance to the company, the Director concerned does not vote on any resolution relating to that conflict or issue.
- 5.5 The Director only remains in the room during any related discussion with approval of the Board.
- 5.6 The Board determines what records and other documentation relating to the matter are available to the Director.
- 5.7 Directors aware of an actual or potential conflict of interest of another Director have a responsibility to bring this to the notice of the Board.

## **6. Independent Professional Advice**

- 6.1 The Board collectively, and each Director individually, may (subject to the following provision) take, at the company's expense, such independent professional advice as is considered necessary to fulfill their relevant duties and responsibilities.
- 6.2 Individual Directors seeking independent professional advice must obtain the approval of the Chairperson (which may not be unreasonably withheld) and the advice received will be made available to all Directors as appropriate.

## **7. Indemnities and Insurance**

### *7.1 Directors and Officers Indemnity*

The company indemnifies each officer of the company under the Constitution - to the maximum extent permitted by law against liability incurred in or arising out of the conduct of the company, or in or arising out of the discharge of the duties of the officer of the company.

### *7.2 Directors Indemnity and Access Deed*

The company has executed deeds of indemnity and access in favour of each Director of the company.

### *7.3 Directors and Officers Insurance*

The company maintains Director and officer liability insurance whilst the Director is a Director of the company and for seven (7) years from the date on which the Director ceases to act.

## **8. Media Protocols**

- 8.1 The Board requires all Directors to comply with media protocols.
- 8.2 The Board delegates responsibility to the Chairperson to provide comment to the media.

## **9. Board Review**

- 9.1 The Board reviews its performance annually and considers changes to improve the effectiveness of the Board.