

# *ICAEW Board*

## **TERMS OF REFERENCE: APRIL 2018**

### **Accountability**

1. The Board is accountable to the ICAEW Council.

### **Composition**

2. The Board comprises ~~16~~7 members as follows:
  - President (Chair)
  - Deputy-President (Vice-Chair)
  - Vice-President
  - Three members elected by Council
  - Two Co-opted positions reserved for Independent Non-Chartered Accountants
  - Chairman, Learning and Professional Development Board
  - Chair, ICAEW Members and Commercial Board
  - Chair, Technical Strategy Board
  - Chief Executive
  - Executive Director, Members, Commercial and Shared Services
  - ~~Executive Director, Professional Standards~~
  - Executive Director, Learning & Professional Development
  - Executive Director, Technical Strategy
  - Chief Operating Officer

### **Quorum**

3. In addition to the standard quorum (three members), the quorum for meetings of the Board requires that there should be a majority of non-executive members present.

### **Powers and authorities**

4. The Board is responsible, on behalf of Council, for dealing with all matters relating to the development and implementation of ICAEW strategy, policy and operational plans, and all matters relating to ICAEW resources, reporting to Council with recommendations as required.
5. The Board has the following specific responsibilities:

### **Strategy**

6. Responsibility for all matters relating to the review and implementation of ICAEW Strategy (including, for the avoidance of doubt, all matters relating to the international and international regional aspects of the Strategy). This includes:
  - considering a draft Strategy, in the light of views expressed by Council members, the ICAEW Regulatory Board and other groupings of members including District Societies, and Faculties, for submission to Council for approval;
  - ensuring that the draft Strategy submitted for approval to Council is supported by appropriate operational plans and budgets;
  - reporting regularly to Council on progress in implementing the Strategy;
  - considering annually an update of the Strategy in order to provide a basis for a rolling programme of activity.

## **Risk**

7. Responsibility for the management of risk relating to ICAEW strategy and operations, this includes:
- setting and articulating ICAEW's risk appetites;
  - considering the resources devoted to risk management;
  - considering the appropriateness of the risk management process.

## **Policy**

8. Responsibility for all matters (other than those reserved for the ICAEW Regulatory Board) relating to policy in support of ICAEW Strategy, including:
- reviewing any policy proposals from the Departmental Boards in support of the Strategy to ensure consistency with the Strategy;
  - ensuring that the views of Council are reflected in any policy proposals from the Departmental Boards;
  - approving policy proposals, from the Departmental Boards after consideration of views expressed by Council;
  - reviewing and approving the human resources, information technology, property and facilities management, marketing, communications and public relations policies of ICAEW.

## **Resources**

9. Responsibility for oversight of the effective use of ICAEW resources, including:
- reviewing the overall ICAEW budget in support of ICAEW Strategy, for approval by Council;
  - reporting regularly to Council on performance against the ICAEW budget;
  - approving proposals for budgeted expenditure in accordance with the financial authority limits and proposals for unbudgeted expenditure;
  - approving the ICAEW Accounts;
  - approving ICAEW's staff salary and remuneration policies on the recommendation of the Remuneration Committee;
  - overseeing the effective management of the finances, property and assets of ICAEW to achieve the overall Strategy.
  - Liaising with the ICAEW Regulatory Board and approving the budget for the Professional Standards Department as recommended by the IRB, in line with the agreed budget principles outlined in Appendix A.

## **Monitoring**

10. Monitoring the implementation of ICAEW Strategy by means of monthly reports from the Chief Executive and Executive Directors on the achievement of their departmental operational plans and their international regional responsibilities.
11. Monitoring performance against the ICAEW budget by means of monthly reports from the Chief Operating Officer.

## **Council**

12. Reviewing the business to be transacted by Council in order to ensure the efficient conduct of its meetings.

## **Consultative Committee of Accountancy Bodies Ltd**

13. Dealing with all matters relating to the ICAEW's participation in the Consultative Committee of Accountancy Bodies Ltd..

## Delegations

14. The Council has delegated operational responsibility for the following activities to the Board:

### Annual and Special meetings

15. Responsibility for all matters relating to the ICAEW annual and special meetings, including:
- setting the date of the annual meeting (bye-law 10), the convening of a special meeting (bye-law 11(a)), arrangements for the holding of meetings in more than one place (bye-law 11(A)(a)), and the date, time and place of any adjourned meeting (bye-law 17);
  - all arrangements relating to summary financial statements (bye-laws 12(c) and (d));
  - all arrangements relating to the form and deposit of a proxy (bye-laws 23(a), 25 and 25A).

### Common Seal

16. Responsibility for all matters relating to the custody and affixing of the Common Seal (bye-laws 59 and 60).

### Delegations by the Board

17. The Board has delegated to the Remuneration Committee all matters relating to staff remuneration and volunteer expenses, the Committee to report to the Board with recommendations as required.
18. The Board has agreed the financial authority limits for ICAEW expenditure and consequential delegations.
19. The Board has agreed delegations in relation to the custody of the Common Seal of the ICAEW as follows:
- custody of the Seal – Chief Executive (or his nominee)
  - authority to seal – by order of the Council or a Committee or Sub-Committee or any person in accordance with the financial authority limits.
  - membership and fellowship certificates – Learning and Professional Development Board and Members Registrar.
20. In accordance with bye-law 60, two Council members and the Chief Executive must witness the sealing and signing of any document. In the absence of the Chief Executive, the Head of Executive Office may act on his behalf.

### Elections

21. The rules for election to the Board are set out in the 'Procedures for Election and Co-options'.

### Operation of the Board

22. The Board will carry out its responsibilities within the framework of general duties and procedural requirements for Committees in the Governance Handbook.
23. If any contentious issues arise between the ICAEW Board and the IRB which cannot be resolved through initial dialogue, the issue will be referred to the Liaison Group. Contentious issues would include matters relating to the budget principles outlined in Appendix A, proposals for bye-law amendments and changes in process. The Liaison Group consists of the ICAEW President and Chief Executive and the IRB Chair and the IRB Alternate Chair and Executive Director, Professional Standards ~~and the chair of the Investigation Committee~~. In the event that the Liaison Group cannot reach agreement on an issue, it will be referred to Council for decision after consultation with ICAEW Board.
24. The Board will take account of inclusion and diversity with respect to its activities.

## Appendix

### IRB Budget Principles

- 1 Regulatory activities of ICAEW are overseen by IRB, whose role is derived from Council. ICAEW acts as a unitary professional body.
- 2 As part of its role, IRB will recommend a budget for regulatory activities including the fees required to discharge its responsibilities. This budget will be subject to the agreement of the ICAEW Board, for integration within ICAEW's overall budget. Agreement should not be unreasonably withheld
- 3 The basis for recovering costs through regulatory fees should be confirmed from time to time between the ICAEW Board and IRB. Professional standards activities should normally be self-financing
- 4 The number and scope of regulated services may vary from time to time subject to approval of business cases by both the ICAEW Board in the first instance and IRB.
- 5 Regulatory and disciplinary costs to be met will include both direct costs of those activities and a reasonable and proportionate share of ICAEW's overhead costs derived on a consistent basis across ICAEW.
- 6 IRB will be provided with key details of the budgetary framework, constraints and assumptions in order to assist with understanding and approval.
- 7 Exceptional changes to costs or income encountered during a budget year should be discussed between PS and the Finance Director in order to make proposals to IRB and the ICAEW Board for managing the event
- 8 In the event of disagreement over budget proposals, the matter should be referred to the Liaison Group