

COUNCIL'S STANDING ORDERS

Bye-law 33a requires Council to adopt standing orders to regulate its proceedings each year. These standing orders apply to Council and committee meetings and the activities our staff carry out for these meetings. All Council members and staff are responsible for complying with the standing orders, and standing orders 58 to 63 explain what happens if you fail to comply with them. However, you should also be aware that, by failing to comply with the standing orders, you would technically be breaching the bye-laws.

Bye-laws 28, 29 and 30 set out the powers Council has to appoint committees, and what powers those committees have to appoint sub committees. For the purposes of these standing orders, task forces, working parties, steering groups and so on are committees or sub committees.

INTRODUCTION: THE ROLE OF COUNCIL

The core mission of ACCA's Council, which underpins all of its activities, is to ensure that ACCA delivers the objectives stated in its Royal Charter. To achieve this, Council has a wide ranging remit, geared to providing strategic direction for ACCA. Council members examine issues of broader and longer-term importance to ACCA, and help establish ACCA's position on global developments in the profession as they arise.

Council members greatly add value to the work of ACCA, by applying their knowledge and experience to the issues under discussion.

Council works closely with ACCA's Executive Team to devise ACCA strategy, which is then approved by Council. Delivery of the strategy is the responsibility of the Executive Team, with governance of the process and performance tracking provided by Council.

Council members are volunteer custodians, elected by the membership of ACCA to provide overall stewardship as to ACCA's well being.

Individual Council members act in the interests of the membership as a whole, rather than on behalf of any particular constituency or group. In addition, it is expected that once Council has made a decision, or agreed a course of action, Council members will represent the collective view of Council to members or external audiences, rather than their personal views.

The basis on which Council operates is set out in full in these standing orders but, in summary form, Council's responsibilities are to:

- ensure that ACCA operates in the public interest and delivers the objectives stated in its Royal Charter
- set the overall direction of ACCA through the approval, periodically, of ACCA's strategy
- ensure that effective governance structures are in place which are aligned to the delivery of strategy and which provide appropriate challenge to, and oversight of, the Executive Team's plans for the implementation of strategy, including the achievement of targets for performance and outcomes
- elect a President, Deputy President and Vice-President to function as the leadership of the ACCA membership
- engage with ACCA members, to explain and promote ACCA's strategic direction
- provide assurance to members at large as to sound financial and general management through an Audit Committee (although the appointment of external auditors is reserved to the Annual General Meeting)
- appoint a Nominating Committee to ensure Council remains representative of the membership and that all members of Council are able to play a full part in Council affairs through, inter alia, other committees of Council
- appoint a Remuneration Committee to deal with the performance and remuneration of senior management which will report back to Council as appropriate
- appoint a series of further oversight committees across key areas of ACCA activity, which will again report back to Council as appropriate

- act as a sounding board for the Executive Team to explore new ideas or problem issues.

Individual Council members are actively encouraged to perform an ambassadorial role in explaining ACCA's strategic direction and policies to members. Council members are encouraged to attend forums organised by ACCA for this purpose.

Individual Council members undertake, on election, to be bound by the *Code of Practice for Council Members*. The Code forms part of Council's standing orders but, in essence, it requires Council members to observe the highest standards of personal and professional behaviour, including:

- maintaining and upholding the reputation of ACCA and its members
- taking all steps to avoid all conflicts of interest and duty

and

- ensuring that service on Council is not used to promote private interests and that ACCA's resources are not used for personal gain.

A. COUNCIL

1. Council provides for our members overall stewardship as to our organisation's well-being.

Council and the Executive Team work together to develop our strategy, which Council must then approve. The Executive Team is responsible for carrying out the strategy while Council oversees and manages the Executive Team's performance in doing this.

2. The first meeting of each Council year is the Council meeting which takes place immediately after the Annual General Meeting. This Annual Council Meeting deals with matters such as electing officers, appointing directors and agreeing a work plan for the coming year. At this meeting, Council also approves standing orders and terms of reference as the framework for Council's business for the following year.
3. The agenda for Council meetings is flexible and can involve formal business, task-force sessions, debates, small group discussions, oral presentations and presentations from other organisations. To clearly set out the targets for each Council meeting, each meeting begins with a summary from the President as Chairman of Council. This overview:
 - outlines significant developments since the last meeting and
 - sets out the purposes and aims of the meeting and the main issues to be discussed.
4. Council meets in line with a yearly timetable, which is included in the Council Handbook we provide to all Council members and published on the Council intranet.
5. a The business of every Council meeting (other than the Annual Council Meeting or any special meeting) includes:
 - the minutes of the previous meeting

- any business still left to discuss from that meeting
- the President's summary
- a report from the Chief Executive
- reports from committees and task forces
- papers on major strategic and policy issues
- any business Council must discuss under the Royal Charter or bye-laws
and
- resolutions of which notice has been given.

b The agenda is organised into three parts as follows.

- Part I: strategy matters to be decided if appropriate
- Part II: other matters to be decided
- Part III: matters for Council's information.

All items which are included on the agenda for meetings are confidential. With Council's permission the President can change the order of business on the agenda.

6. Once a month, a Council Report is sent out to all Council members. This report contains any material which the Secretary judges should be included. All Council members must read the Council report, and can raise questions on any of the material in it with the Secretary or the person who wrote the material. Council members can also ask for items to be transferred to the agenda for a Council meeting.
7. Council agrees a strategic plan for our organisation and then receives regular reports on our progress against the plan.
8. The minutes of every Council meeting are sent to each member of Council to read before the next meeting. At that meeting, all members will be considered to have read the minutes.
9. All Committees, except the Regulatory Board, provide high-level written reports on each of their meetings to the next available meeting of Council. Once a year, the Chairman of the Regulatory Board gives an oral report to Council on the Board's work during the preceding 12 months.
10. Council can ask for papers on major strategic and policy issues. The Secretary also includes on the Council agenda papers on major topics which Council needs to consider. Council may decide to consider these

matters itself or to pass them to special task forces.

11. a Council deals with all items of opposed business (see 11b below), and resolutions as defined in standing order 12, in line with the procedure set out in standing order 14.
 - b Opposed business, which is proposed and seconded (formally supported) before it is put to the vote, may include an amendment to:
 - leave out certain words
 - leave out words and insert or add others
 - insert or add words, as long as the amendment does not make the original motion irrelevant
 - refer a report or any numbered paragraphs of a report back to the committee or task force for reconsideration
 - refer a report or any numbered paragraphs of a report to another committee or task force for reconsideration
 - or
 - propose not to take action in line with a recommendation.
 - c In line with standing order 40, if the Chief Executive believes making an amendment would have a significant effect on our policies or finances, the amendment will be adjourned without further discussion until the next Council meeting. This makes sure that Council is fully aware of the effects of the amendment before it makes a decision.
12. a Every notice of business or resolution must be put forward in writing to the Secretary. It will then be included in the agenda for the meeting at which it is to be proposed for discussion.
 - b If the Secretary has not received notice of business or a resolution 20 full days before the Council meeting, it will not be included in the agenda for that meeting, unless the Officers agree that the matter is one which Council needs to discuss as an urgent priority.
 - c If business or a resolution included in the agenda is not proposed by the Council member who has given the notice, the business or resolution will be withdrawn (unless Council agrees to postpone it) and will not be discussed until it has been put forward again to the Secretary.
 - d In line with standing order 40, if the Chief Executive believes that any

business or resolution which is carried would have a significant effect on our policies or finances, the business or resolution will be adjourned without further discussion until the next Council meeting. This makes sure that Council is fully aware of the effects of the business or resolution before it makes a decision.

- e If notice of a resolution is given in line with this standing order - and the resolution proposes to amend or cancel an existing standing order, or introduce a new one – it will be adjourned until the next ordinary Council meeting. In the interim, it will be considered by the Nominating Committee, which will report on its implications to Council.
13. Members can propose the following resolutions without putting forward notice.
- a A resolution to appoint a Chairman for the meeting if the President, the Deputy President and the Vice President are absent.
 - b A resolution to amend any minutes which are not accurate.
 - c A resolution for a certain item of business in the agenda to take priority.
 - d A resolution to take action in line with any reports and recommendations of committees or task forces or contained in any papers Council has looked at, and any resolutions proposed as a result.
 - e A resolution for permission to withdraw a motion.
 - f A resolution for Council to move on to the next business.
 - g A resolution that the question being discussed should now be put to the vote.
 - h A resolution for the debate to be adjourned.
 - i A resolution for Council to adjourn.
 - j A resolution to suspend any one or more of the standing orders.
 - k A resolution for Council to give its permission if this is a requirement of these standing orders.

- 14 a The President encourages members to debate and to discuss matters in Council meetings, including when members are considering formal business. The President judges how often it is appropriate for him or her to ask an individual Council member to speak in each debate.
- b A Council member who speaks must address the President.
- c Where a reply to a question cannot be given orally, a written reply can be given to the Council member before the next Council meeting .
- d All Council members will be considered as having read any committee or task-force report by the time this business is discussed. The Chairman or any other committee or task force member who has signed the report (or, if they are absent another member of the committee or task force) - known as the 'proposer' - will invite comments on the report. At this point any Council member who wants to propose an amendment can do so.
- e Any resolution or amendment must be seconded before it is discussed or put to the vote. Any resolution or amendment which is not seconded will be rejected. A formal resolution proposed by the President or by a Chairman (or the proposer) to take action in line with a committee or task force report does not need to be seconded.
- f If an amendment is rejected, members can propose other amendments to the original resolution. However, Council can consider only one amendment at any one time.
- g If Council approves an amendment, the amended resolution or report will replace the original resolution or report.
- h A ruling from the Chairman on a point of order is not open to discussion, but a Council member can ask for the Nominating Committee to consider the ruling and report to Council at a later meeting.
- i Once a resolution or amendment has been approved, it cannot be withdrawn without Council's permission.
- j Once any amendments have been dealt with, the proposer can ask Council to approve the report. If Council approves the report, it will be considered as having chosen to take action in line with the report and

any recommendations included in it.

- k If Council does not approve the report, or the proposer decides - with Council's permission - not to ask Council to approve the report, the proposer can propose any necessary amendments to the report (or its recommendations). If Council approves these amendments it will be considered as having chosen to take action in line with the amended report or any of its recommendations.
15. Except as set out otherwise in the bye-laws, every question at a Council meeting is decided by a simple majority of the votes of Council members present (decided by a show of hands). Every Council member will have one vote each. If there is no majority, the President will have a second or casting vote.
16. Although they do not vote at Council meetings, members of the Executive Team (and any other member of staff so invited, as appropriate) take part in debates (if they consider it appropriate) to contribute their knowledge and expertise.

B. COMMITTEES AND TASK FORCES – MEMBERS AND PROCEDURES

17. a Council delegates some of its functions and powers to committees, and sets out the terms of reference for each committee (attached as an appendix to these standing orders, except for the Regulatory Board's Admissions and Licensing, Appeal and Disciplinary Committees, whose terms of reference are set out in the bye-laws or relevant regulations). Each committee acts on behalf of Council.
- b At its Annual Meeting, Council appoints the Nominating Committee. At or before its last meeting before the Annual Meeting, it also appoints Council members to sit on the International Assembly, the Regulatory Board (subject, in this case, to the provisions of bye-law 12) and the Audit, Governance Design, Market Oversight, Qualifications, Remuneration and Resource Oversight Committees.
- c Committees can include individuals who are not Council members but such individuals must agree to be bound by our Code Of Conduct for non-Council committee members.
18. Each Committee documents and maintains a clear rationale and skills

criteria for its independent members, in agreement with Nominating Committee.

19. Council and committees (other than Admissions and Licensing, Appeal and Disciplinary Committees) can appoint task forces to handle specific issues.

A task force can include individuals who are not members of Council or the committee that has appointed it. In line with standing order 40, the Chief Executive considers resources and, as part of the process of setting budgets, advises Council, committees and task forces on how their actions will affect our organisation's resources.

20. a Except where it says otherwise, the Nominating Committee shall make recommendations to Council on who it should appoint to the committees (other than Admissions and Licensing, Appeal and Disciplinary Committees). Council members are invited to say which committees they would prefer to act on, and the Nominating Committee will consider their preferences.
- b Nominating Committee is made up of:
- the President
 - the Deputy President
 - the Vice President
 - the immediate past President
 - three members elected by Council at its Annual Meeting or as soon as possible after that meeting.
- c Nominating Committee is responsible for making nominations to Council, including nominations for the Chairman and Vice Chairman, for the Audit Committee, Governance Design Committee, Market Oversight Committee, Qualifications Committee, Remuneration Committee and Resource Oversight Committee. It also nominates the pension scheme trustees and the members of the International Assembly and the Regulatory Board (subject, in this case, to the provisions of bye-law 12). It also endorses member (not executive) nominations to external organisations.
- d Because committees act on behalf of Council, Nominating Committee's main aim is to achieve an appropriate balance of skills and experience on each committee, and to identify the best possible Chairman and

Vice Chairman. This makes sure that each committee can best fulfil its terms of reference.

- e. Nominating Committee is also responsible for making recommendations to Council on co-option to Council in accordance with bye-law 23. Up to 4 co-optees, who must be ACCA members, can be appointed to Council at any one time, in addition to the elected membership. Nominating Committee is responsible for, and has flexibility in, determining the appropriate length of service of co-optees. All co-optees are bound by any Code of Practice for Council members which may be adopted by Council from time to time and these standing orders.
21. With the exception of the Regulatory Board, each committee must not have more than eight members (whether they are Council members or otherwise).
 22. Nominating Committee (after consulting the Chief Executive) will also nominate members of Council task forces.

C. COMMITTEES AND TASK FORCES – ORGANISING THEIR BUSINESS

23. The proceedings of Audit, Nominating, Remuneration and Resource Oversight Committee meetings are confidential to the members sitting on those committees and the meetings of the trustees of the staff pension scheme are confidential to the trustees.
24. Audit, Market Oversight, Qualifications and Resource Oversight Committees (together the oversight committees) meet on a minimum of two mandatory occasions per year, in designated 'meeting windows' which allow them to bring matters to the attention of the next following meeting of Council. Depending on the anticipated weight and flow of business, each oversight committee is also able to meet on two further occasions within further designated windows which again allow them to bring matters to the attention of the next following meeting of Council.
25. Wherever practical, the oversight committees meet over the same two-day blocks to facilitate joint lunches of the attending members of Council on each of the two days.
26. In the event that an oversight committee finds it necessary to meet on more

than four occasions per year, consideration is given to such business being conducted by telephone conference and/or WebEX and/or similar methods in order to minimise travel costs and the call on Council members' time.

27. As there is a close connection between some work of Governance Design Committee and Nominating Committee, the two committees should arrange to exchange views periodically.
28. With the exception of the meetings set out in standing order 23, copies of all agendas, minutes and proceedings of committees and task forces are available on request. Once the Council timetable is fixed in any given Council year, the meeting windows in that Council year shall be fixed so as to enable there to be adequate time for the consideration and preparation of reports prior to the next available meeting of Council.
29. Although they do not vote at meetings of committees and task forces, members of the Executive Team (and other staff members so invited as appropriate) are fully involved in the discussions of the committees and task forces.
30. Except for the Regulatory Board (whose membership and procedures are set out in the bye-laws and relevant regulations), the quorum (the number of members present at a meeting for the meeting to be valid) of committees and task forces is three. The quorum for meetings of boards of directors is two directors, depending on the requirements of the relevant articles of association.
31. If the Chairman or any three members of a Council committee feel it is necessary, the Secretary will call a special meeting of the committee. No business other than that set out in the notice calling the meeting can be discussed at the special meeting.

D. THE PRESIDENT AND OFFICERS

32. a As a professional organisation, we have different corporate aims from a business. We have a clear set of targets but they are not expressed in financial terms. We have a number of different values and aims – for example, meeting the responsibilities of the Royal Charter, developing accounting practices, and acting in the public interest. Above all, we act on behalf of our members and we have to be able to justify our actions and decisions to them. Our function as a professional

organisation and Council's position as a democratically elected and appointed group together define the role of our President and other officers. The President is the Chairman of Council. The President and other officers do not have executive power, and do not take part directly in managing our organisation. The President and other officers are expected to act within the framework and policies set by Council.

- b The role of the President is to:
- chair meetings of Council and Nominating Committee
 - make sure there are effective working relationships within Council, and between Council, the Chief Executive and the senior management team
 - present Council's views and policies to members and outside audiences
 - represent Council and ACCA in discussions with other organisations
 - represent Council and ACCA at outside events and work to improve our reputation;
 - and
 - take forward particular interests and priorities within the overall policy framework set by Council.
- c Wherever they are based, the President represents our organisation at international meetings and conferences, hosts important ACCA events and acts as a focal point for members and students around the world. The President's role in representing us works alongside that of the Chief Executive. The President uses his or her influence outside our organisation and can support the Chief Executive in holding negotiations and managing our relationships with other organisations.
- d Within our organisation, with targets as set out in standing order 32 above and the particular nature of Council as a group of up to 40 individuals, one point is particularly important. The President and the Chief Executive are responsible for making sure that Council's decisions are within its overall agreed strategy and are consistent with other policies.
33. a The travel the President undertakes on our behalf always has a clear purpose. Visits to ACCA centres and regional and national conferences are part of our overall strategic agenda and fit with Council's policy and priorities (for example, to put the final seal on an agreement or boost ACCA's profile at an appropriate time).

- b The activities the President carries out to represent our organisation are structured to reflect and make use of his or her particular interests and expertise. Much of this work is sensitive and 'political' and should be carried out in close consultation with the Chief Executive, who will be aware of ongoing issues and relationships. In particular, in many centres, the role of the local ACCA chairman is an important, high profile one. Within their local communities, local chairmen have the same function as our global President. Because of this, the President and the Chief Executive need to take care not to overshadow the chairmen of the ACCA centres in their countries. There is a need for some sensitivity in handling a situation where, for one year, our global President is based at one of our active centres.
34. The President (or, if they are absent, the Deputy President or the Vice President as appropriate) chairs Council and Nominating Committee. The Deputy President and Vice President carry out duties to support the President and Chief Executive in meeting their responsibilities under the standing orders.
35. The President acts on Council's behalf between meetings, within the policy agreed by Council and in consultation with the other officers, committee chairmen, other Council members and the Chief Executive. The President reports to Council at its next meeting on any action they have taken.
36. The President and the Chief Executive work closely together to make sure Council's policy is being developed and put in to practice. In line with standing order 44, if matters arise that are sensitive or significant, the Chief Executive will brief the President and other officers to make sure they are suitably aware of these matters.
37. Under bye-law 20, Council will choose the officers at its Annual Meeting following the AGM. Council will choose its preferred nominee for the post of Vice President only in line with the following:
- The timetable allows the nomination process to be carried out as quickly and efficiently as possible.
 - There is a call for nominations which includes an indication of the attributes that Nominating Committee believes will be the best fit with the strategic needs of ACCA at the time.

- There is a system of self-nomination.
- Nominating Committee reviews all nominations on a confidential basis to make sure that nominees are not currently being disciplined by the organisation or have acted in any other way likely to be inappropriate.
- Each candidate prepares a statement of no more than 500 words, which enables all candidates to describe how they feel they meet the attributes identified by Nominating Committee. Legal advice is available to candidates to review their statements before they are published. This will be the only form of written communication permitted between candidates and other members of Council.
- The self-nomination statements are sent out with voting papers to all Council members.
- All Council members are asked, separately, to acknowledge that they have received the ballot paper.
- Each candidate is given the opportunity to make an oral presentation to Council in support of his or her nomination. All Council members will be notified in advance of the date and time of each scheduled presentation, which will all take place at a special session immediately before a Council meeting. Any Council member who is unable to attend the presentations and Council meeting in question will be entitled to a postal vote, but all others will be required to vote in person.
- Voting takes place by way of secret ballot following the oral presentations. Both the ballot box and any sealed envelopes containing postal votes are opened by the Chief Executive in front of the candidates.
- If there are more than two candidates, the candidate who receives the most votes will be elected. If no candidate is in this position, the last placed candidate will be eliminated and his second preferences will be reallocated to the other candidates. This process will continue until there is one remaining candidate with the most votes. If there is a tie between two candidates, the one with the most first preferences will be elected.
- The result of the ballot is formally announced at the Council meeting following the oral presentations and also sent out in writing to all Council members.

- If there are only two candidates and each receive an equal number of votes, the tie will be reported to Council and there will be a new election between the two candidates.
- The name of the winner of the ballot will be put forward to be formally elected by Council at the Annual Meeting.

E. CHAIRMEN AND VICE CHAIRMEN OF COMMITTEES

38. The Chairman of a committee serves for a maximum of three years in a row, depending on whether they are re-elected each year.
39. a Committee chairmen, vice chairmen and senior staff work closely together to make sure that Council's policies are being developed and put into practice between meetings, and that committees have the information they need to develop effective policies.
- b Committee chairmen are not directly involved in matters relating to how ACCA operates - these are the responsibility of the Chief Executive.
- c Where appropriate and necessary, a committee chairman takes decisions between meetings of their committee after consulting (as necessary) the relevant Vice Chairman, Chief Executive and Executive Directors. These decisions must be within the policy previously agreed by Council and the committee, and reported to the next meeting of the relevant committee.
- d The Chairmen of all Committees should provide at least annual presentations on their Committee's work, both carried out and planned, to Council.

F. THE CHIEF EXECUTIVE

40. The Chief Executive is responsible for efficiently and effectively managing our organisation on Council's behalf and for putting Council's policy into practice. While the Executive Directors are responsible for day-to-day management and decision-making, the Chief Executive:
- leads the organisation, and has a duty to justify his or her actions and decisions to Council
 - implements strategy and develops policies and puts them into practice

- promotes and projects ACCA as a world wide organisation
- speaks for us within Council's overall strategy framework
- takes forward our position in the international accounting profession
- develops and maintains relations with other organisations, authorities and regulators in the countries we work in
- considers resources and, as part of the process of setting budgets, advises Council, committees and task forces on how their actions will affect our organisation's resources
- is responsible for making sure that Council, committees and task forces have the information they need to make effective decisions
- takes part in discussions and debates at Council, committee and task force meetings to contribute his or her knowledge and expertise to the decision-making process
- acts in an advisory role and helps the Chairman during Council meetings and
- makes a formal report to each Council meeting (see also standing order 5).

41. The Chief Executive has a responsibility:

- to Remuneration Committee to show how much progress has been made in achieving Council's aims
- to report to Council
and
- to deliver the operating surplus set by the Resource Oversight Committee and Council, and make sure that any changes in the budget which would significantly affect that operating surplus are agreed by Council.

42. The Chief Executive works with the senior management team appointed by the Remuneration Committee. This committee is responsible for reviewing the team's performance and remuneration packages.

43. The senior management team and other senior staff report, and are responsible, to the Chief Executive.

G. LIAISON WITH THE OFFICERS

44. a As well as the monthly Council report provided to all Council members in line with standing order 6, the Chief Executive will give the President and other officers full formal or informal briefings before all their arranged meetings with external people or media interviews.

If matters arise that are sensitive or significant, the Chief Executive will brief the President and other officers to make them suitably aware of the matters. However, in line with standing order 40, only the Chief Executive (or someone they nominate from within the Executive Team) shall comment on sensitive or significant matters to external parties.

In all cases, the Chief Executive should give their briefings (either spoken or in writing) as soon as possible but with enough time beforehand to allow the officers to understand the briefing and explore any further matters, if necessary.

- b The President is our public representative and the Chief Executive acts as our constant voice. If appropriate, the President and other officers will support the Chief Executive in raising the profile of and promoting our organisation.
- c For all matters relating to the schedules of the Chief Executive and officers we recognise that the different roles have different needs at meetings, conferences and events.

Officers take part in meetings:

- as the lead representatives for our members
and
- to support the Chief Executive, if this is considered appropriate or vital to our strategy and the profile we want.

The Chief Executive takes part in meetings:

- to put Council's agreed strategy into practice
- in a representative role which complements the officers' roles and which is within the profile we want as an organisation
- to help achieve specific market aims
and
- to discuss issues relating to how our organisation works.

- d If the Chief Executive and one or more of the officers have different opinions about their roles as set out in the standing orders, they should make every effort to deal with the matter informally. If they cannot deal with the matter in this way, the Chief Executive or one or more of the Officers should, as soon as possible, call a meeting to discuss the

matter. If the officers and the Chief Executive cannot come to an agreement at this meeting, the Chief Executive or one or more of the officers should refer the matter to a special panel.

The panel will be made up of the chairmen of Audit, Governance Design and Remuneration Committees. If any of the chairmen is also an officer, they should appoint another member of their committee to the panel in their place (this person must not be an officer). The panel will meet as soon as possible to consider the matter. The panel's decision will be final and communicated in writing to the Chief Executive and officers. The panel will also report the outcome to Remuneration Committee, Governance Design Committee and Council.

H. ROLES AND RESPONSIBILITIES OF COUNCIL MEMBERS

45. Council members act in line with Council's 'Statement of the Functions and Responsibilities of Council and its Members', which is attached as an appendix to these standing orders.
46. If a member of Council or a committee has a direct or indirect interest which conflicts or may conflict with our interests in relation to a matter which Council is considering, they must:
 - make the facts known to Council as soon as possible
 - discuss the facts with the President and Chief Executive; if they believe there is a conflict of interest or duty, they will inform the Council member of what action will be taken
and
 - not take part in the discussion, or vote on any question asked as part of the discussion.
47. To make sure Council keeps to its standing orders relating to conflicts of interest or duty, it keeps an accurate and up-to-date register of Council members' personal interests (including if they serve on the councils of other organisations). Council members are responsible for providing appropriate information to include on the register. The register is available for the public to inspect.
48. A Council member who is invited to serve on the council of another organisation must consult the President and Chief Executive before they accept the invitation. A Council member who serves on councils of other

organisations must not take part in any discussion or decision on matters which concern both organisations. Instead, the member must stand back from the discussion or decision and make it clear they are doing so by not receiving papers, and withdrawing from any debates.

49. A Council member who has been elected to a role in another part of our organisation (for example, the International Assembly or the panel of a local branch network) must at all times act in line with Council's 'Statement of the Functions and Responsibilities of Council Members' and the guidance notes for Council members in their position. The member's responsibility to Council takes priority over their responsibility to other parts of our organisation.
50. Conflicts of interest or duty range from actual and immediate conflicts to potential conflicts.
 - a If a conflict of interest clearly precludes any involvement in the decision making process, a Council member should not receive papers or be present in the meeting when the issue concerned is discussed and debated.
 - b If there is a conflict of interest or duty but it is of a type to allow a Council member to give information to colleagues or take part in a debate, the member should:
 - declare their interest or duty, make a statement and withdraw from the meeting
or
 - declare their interest or duty and listen to or take part in the debate but not vote on the matter.
 - c If there is a potential (but not immediate or actual) conflict of interest or duty a Council member should declare their interest or duty and stay in the meeting to speak and vote on the matter.
 - d If there is a slight possibility that there could be a conflict of interest or duty, a Council member may decide that they do not need to declare it.
51. The President and Chief Executive may identify potential conflicts of interest or duty and the President should tell the Council member concerned what action to take.

52. While Council delegates oversight of our regulatory and disciplinary schemes and procedures to the Regulatory Board in accordance with by-law 12, it retains overall responsibility for such schemes and procedures. These are vital to our existence and status as an organisation and it is therefore vital that members of Council protect and support us in performing our regulatory and disciplinary functions.
53. Council members must not aim to influence the outcome of any specific regulatory or disciplinary matter other than to act as a witness.
54. If a Council member is approached to provide evidence in relation to a regulatory or disciplinary matter, they must only agree to do so if their evidence is relevant and confirms a fact. It is not appropriate for a Council member to offer 'expert' evidence, either in relation to our procedures or on a point of practice or law. Expert evidence should be given by an independent person - a Council member is not independent of our organisation (which is prosecuting the case) and may not be independent from the defendant.
55. If a Council member gives evidence to confirm a fact, they must make sure that their evidence is accurate. Because of their senior position in our organisation, the member's conduct sets standards for members generally and must not be open to criticism.
56. Special considerations apply if a Council member is being investigated or prosecuted. It is vital that our disciplinary and regulatory processes are capable of taking effective action against any member, whatever their position, and it is important that we protect our reputation in these cases. As a result, the following steps should be taken.
 - a If a matter relating to a Council member is referred to a disciplinary or regulatory assessor, the member should stand down from the Nominating Committee if they are a member of it at that time.
 - b If we are told that a Council member is being investigated by another regulator (for example, the Financial Services Authority or the Institute of Chartered Accountants of England and Wales), the member should stand down from the Nominating Committee if they are a member of it.
 - c If an assessor refers a matter to the Regulatory Board's Disciplinary Committee, the Council member should not take part in any official ACCA activities and will be automatically suspended from duty.

- d When a disciplinary order made against a member comes into force, that person will no longer be a Council member in line with the bye-laws.
- e When an order made by the Admissions and Licensing Committee or the Appeal Committee to withdraw a certificate comes into force, the Council member will no longer be a member of the Nominating Committee if they are a member of it.
- f If a matter is investigated but not taken forward, the person's membership of the Nominating Committee or Council (or both) will be restored.

We recognise that these steps do not indicate that the member is guilty, but are in place to protect both us and the Council member concerned.

57. All disciplinary and regulatory matters are confidential. Until a hearing takes place before the Disciplinary Committee, Admissions and Licensing Committee or Appeal Committee, Council members must not discuss or comment on a confidential matter, publicly or privately. Similarly, even when the matter is no longer confidential, the Council member must not make any public statements in line with the principles set out above.

I BREACHES OF STANDING ORDERS

58. If it is considered that a Council member may have broken the standing orders or the Code of Practice (see the appendix to standing order 45), the matter will be referred to the Chairman of the Nominating Committee ('the committee') who will make sure that the matter is considered at the next available meeting of the committee. Other than in exceptional circumstances, the Chairman will make sure that, before the meeting takes place, the Council member concerned is told in writing that an issue has arisen and is given the date of the meeting at which the committee will consider the matter. At that meeting, the committee will consider the matter and decide to take one of the following steps.
- a If the committee believes that the member has not broken the standing orders and that it does not need to investigate the matter, or, after investigating the matter, it believes that the member has not broken the standing orders, it will give the Council member concerned its decision

(and the reasons for it) in writing and will not take any further action. There will be no record of the allegation on the member's file.

- b If the committee believes that the member may have broken the standing orders and that it needs to investigate the matter, it will deal with the matter in line with standing order 59.
 - c If the committee believes that the member has broken the standing orders and that it does not need to investigate the matter, it will deal with the matter in line with standing order 61.
59. In cases where the committee decides that it needs to investigate the matter, it will decide what evidence it will need and how it will gather it. The committee may get help from our staff, or any other person, to carry out the investigation but will make sure that it keeps the matter confidential as far as possible. The Council member will be told in writing that the investigation is taking place and will be asked to put their own case forward to the Committee.
60. Once the committee has carried out an investigation in line with standing order 59, it will consider the matter, and all evidence it has gathered, at its next available meeting. It will also consider any statements the Council member has made to the committee. After considering the matter, the committee will take one of the steps described in standing order 58.
61. If the committee decides that the member has broken the standing orders, it will take one of the following steps.
- a If the committee decides that the standing orders were only broken in a minor way, it will ask the Council member to acknowledge, in writing, that they did break the standing orders and will not do so again in the future.
 - b If the committee decides that the standing orders were broken in a serious way (but did not breach bye-law 26(d)), or the Council member has failed to keep to any of the committee's requirements, the committee will apply any penalty it feels is appropriate which may include:
 - suspending or removing the Council member from one or more Council committees
 - or

- withholding certain papers about Council business which the Council member would otherwise be entitled to receive.
- c If the committee decides that the standing orders were broken and did breach bye-law 26(d), it will deal with the matter in line with standing order 62. Examples of matters which might breach bye-law 26(d) are as follows.
- If a member has deliberately failed to keep significant information confidential.
 - If a member has deliberately failed to make known to Council any personal interest they have in a matter.
 - If a member has failed to act honestly in their role, such as in claiming expenses.
 - If a member repeats or continues to make public statements which go against Council's formal position and are meant to lessen our ability to keep to this position.

In each case, the committee will give the member its decision in writing, together with its brief reasons for coming to that decision. Depending on standing orders 62 and 63, any penalty the committee applies will come into force at the end of the 14 day period referred to in standing order 63.

62. If the committee decides that the standing orders were broken and breach bye-law 26(d), it will prepare a report on the matter, setting out the available evidence and the reasons for its decision, and recommend that the Council member no longer continues to be a member of Council in line with bye-law 26. That recommendation and the committee's report will be considered by a special Council members' review committee made up of the chairmen of the Audit, Governance Design and Remuneration Committees. The Council members' review committee will either:
- accept that recommendation and formally decide that the Council member must leave their office in line with bye-law 26
 - or
 - if it does not think the matter is serious enough to ask that the member leaves their office, apply any other penalty it feels is appropriate (including any that the committee could have applied in line with standing order 61). The Council member, Council and the Secretary will be given the decision in writing. Depending on standing order 58, any penalty the committee has applied will come into force at the end of the 14 day period referred to in standing order 63.

63. A Council member who has had a penalty placed on them in line with these standing orders can, within 14 days of being given the decision, appeal against the decision to the Chairman of our Appeal Committee. The member must make their appeal in writing and set out the reasons for their appeal. The Chairman of the Appeal Committee will consider all of the evidence and the member's reasons for making the appeal, and will give the member an opportunity to put their views across. The Chairman of the Appeal Committee will also invite the Chairman of the Nominating Committee (and any other people they feel are appropriate) to make an oral or written statement on the matter. The Chairman of the Appeal Committee will decide whether or not to uphold the appeal and will write to the Chairman of the Nominating Committee, the Council member and the Secretary to tell them the outcome of the appeal. If the Chairman of the Appeal Committee upholds all or part of the appeal, the Chairman can change or cancel the penalty the Nominating Committee or Council members' review committee might have applied or apply any other penalty the Nominating Committee or Council members' review committee might have applied in relation to the matter. The Chairman's decision will come into force immediately after the Council member has been given the decision in writing.

J. DEVELOPMENT AND PERFORMANCE APPRAISALS

64. There will be effective processes in place for all Council members to develop, receive support, and have their performance assessed. These processes will be managed by the Secretary. Details of the current approach to mentoring, personal development and performance appraisal are included in the Council Handbook.

K. IMMEDIATE PAST PRESIDENT

65. At the first meeting of Council after each Annual General Meeting, Council may invite the person who retired as President at the most recent Annual General Meeting (the "Immediate Past President") to attend meetings of Council where he or she is no longer entitled to attend as a result of by-law 18(c). Such an invitation shall be effective for the following Council year only, and the Immediate Past President may only attend meetings of Council in the capacity of an observer.

66. Where Council invites the Immediate Past President to attend Council

meetings in accordance with this standing order, the Immediate Past President shall, for the following Council year, be bound by any Code of Practice for Council members which may be adopted by Council from time to time.

L. IF THE STANDING ORDERS CONTRADICT THE ROYAL CHARTER AND OTHER REGULATIONS

67. If the President, as Chairman of Council (or the relevant chairman of a committee) feels that keeping to a standing order would contradict the conditions of the Charter, or any bye-laws or regulations, or with applicable law or regulations, the standing order in question is suspended and the matter is referred to the Nominating Committee, who will report to Council at its next meeting on the issue.

THE FUNCTIONS AND RESPONSIBILITIES OF COUNCIL AND ITS MEMBERS - CODE OF PRACTICE

Appendix to standing order 45

Introduction

- 1 Although Council's terms of reference, its functions and Council members' collective and individual responsibilities cover a lot of the same points, each of the categories has to be set out fully. The four sections below set out:
- Council's terms of reference
 - Council's functions
 - Council members' collective responsibilities and
 - Council members' individual responsibilities.

Terms of reference

- 2 Council's terms of reference are to:
- a make sure that our policies and activities help deliver the objectives of the Royal Charter;
 - b review, and make decisions on, all parts of our strategy and policy to shape and respond to developments which will affect our organisation;

- c develop long-term aims and review plans and programmes for achieving them, mainly through the annual business plan and annual budget;
- d monitor our progress in relation to the annual business plan, annual budget and general strategy and make sure that appropriate controls are in place;
- e consider and review how current or proposed legal and governmental measures (including those from international organisations) affect professional and public interests;
- f monitor regulatory and legal developments and ensure that our organisation has appropriate structures and policies in place;
- g review and co-ordinate the statements we make to other organisations about professional policies and standards, ethics and rules of professional conduct, and consider the results of these statements;
- h set principles and clear policy guidelines for all parts of our services to members, including reviewing how we communicate with members and the activities members' branches and networks carry out, and making sure we provide advice and information on technical and ethical matters;
- i appoint task forces, working parties and advisory panels to deal with specific policy issues;
- j receive regular reports from committees, task forces and the Chief Executive on how policies are being put into practice;
- k set the policy for our Chief Executive and identify the main performance measures which will be used both to monitor how that policy is put into practice and to develop future policies; and
- l provide a corporate policy framework for national and regional centres to follow if they are responsible for putting our policies into practice.

Council's functions

- 3 Council's functions work alongside its terms of reference. Council's functions are to:
 - a achieve the objectives of the Royal Charter;

- b carry out its duties under financial services, insolvency and companies legislation;
- c make sure that we act in the public interest;
- d act as the link between members and their professional organisation, recognising that our corporate responsibilities are sometimes not the same as the concerns of individual members;
- e determine our objectives and develop an overall strategy to achieve them;
- f anticipate and, as appropriate, aim to bring about and influence developments, both within the profession and in the environment in which it works;
- g respond to changes and trends as they happen;
- h provide an appropriate policy and resources framework for successfully putting our strategy into practice;
- i monitor our performance and progress against the main policy and financial aims Council has set;
- j make sure that any action the Chief Executive takes to run our organisation and present Council's policy falls within the guidelines Council has set;
- k support and challenge the Executive Team;
- l develop internal guidance on the roles and responsibilities of Council members and the Chief Executive; and
- m oversee our reputation, image, brand and finances to make sure that these are protected and improved.

Collective responsibilities of Council members

- 4 As elected or appointed representatives of our members, Council members are collectively:
 - a responsible to members for our activities and how effectively we have

met our performance targets and achieved our aims;

- b responsible to the public for setting and maintaining ethical and professional standards and making sure our members work consistently and honestly;
- c expected to contribute effectively to developments in the accountancy profession and, as appropriate, in the wider community;
- d responsible for setting out an overall strategy for our organisation and for monitoring our performance against agreed aims and targets;
- e responsible for representing Council's views and policies to outside audiences;
- f responsible for making sure that services to members and activities generally are provided and carried out as efficiently and effectively as possible;
- g responsible for making sure that all our procedures are of the highest standards; and
- h responsible for guiding individual Council members on their performance and the effectiveness of their contribution, both on Council itself and in representing Council to people outside our organisation.

Individual responsibilities of Council members

- 5 As individuals, all Council members have a duty to:
- a observe the highest standards of integrity, confidentiality and objectivity;
 - b carry out Council business in a careful and hard-working way;
 - c contribute skills, expertise and experience to the work of Council;
 - d act in good faith as volunteer custodians in the interests of our organisation, our members and the public;
 - e respect the trust and confidence placed in them as Council members;
 - f maintain and protect the reputation and rights of our organisation and our members;

- g maintain the authority and fairness of the disciplinary process;
- h avoid conflicts of interest or duty;
- i make sure that they do not use their service on Council to promote private interests;
- j make sure that they do not use our organisation's resources (including confidential information) for personal benefit or in other ways, such as for the benefit of the organisations they work for or represent or in any way which has a negative effect on our organisation;
- k comply with the Council expenses policy as in force from time to time;
- l add to the register of interests any personal, family, trust or business interests or duties that might conflict with their responsibilities as Council members;
- m take part in reviews of their individual contributions and performance as necessary and in any training and development their performance review says they need; and
- n make sure in particular that, in their dealings with our staff, they act honestly and professionally.

Complaints procedure

- 6 From time to time, Council members may receive complaints about members of the Executive Team, or may want to make complaints themselves. Complaints about any member of the Executive Team (except the Chief Executive) should be made to the Chief Executive. Complaints about the Chief Executive should be made to the Chairman of the Remuneration Committee.