

NOMINATIONS COMMITTEE CHARTER

Role and Responsibilities

The role of the Board Nominations Committee is to assist and advise the Board in fulfilling its responsibilities to members of the Institute of Internal Auditors - Australia (IIA-Australia) on:

- Matters relating to the composition, structure and operation of the Board;
- the nominations for Board Committees;
- the nominations for chapter councillors, particularly office-bearers;
- the nominations for international committees; and
- other nominations as required eg IIA-Australia awards.

In discharging their responsibilities the Committee members have a duty to act in the best interests of the IIA-Australia as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations and to take into consideration IIA Global's guidelines for candidates for Board and International committee members.

The Committee is to identify and oversight the management of risks which relate to its work. Where management of risks is to a level that is not consistent with the IIA-Australia's risk appetite, they should be escalated to the Board.

The Board Nominations Committee is not a policy making body, but assists the Board by implementing Board policy and recommending nominations which require Board approval.

Board

The objectives of the committee include to:

- Provide assurance that the Board has an effective composition, size and commitment to adequately discharge its responsibilities and duties. In accordance with the Constitution to ensure that the Board numbers no more than 13 or less than 3 Directors.
- Conduct searches for new Board members and recommend preferred candidates to the Board.
- Assess from time to time the extent to which the necessary and desirable competencies are represented on the Board.
- Recommend required Board competencies, number and profiles of board members.
- Ensure that Board succession plans are in place to maintain the required competencies, number and profiles of the Board members.
- Review the nominations received from Members who wish to be appointed to the Board, in accordance with the preferred criteria and guidelines set out below.

- Continually monitor Board membership and structure to ensure that there is appropriate representation on the Board from across the membership.
- Provide guidance to the Board on the process it is to use to select the Executive team.¹
- Evaluate the performance of the Board².

Board committees

The objectives of the committee include to:

- Provide guidance ³on the selection of IIA-Australia Members to the IIA-Australia Board committees.
- Review nominations and assess nominations against a skills matrix for each committee, which the Chairs of the various Committees have developed.
- Refer nominations to Committee Chairs for them to recommend appointments. Committee Chairs have discretion to recommend continuing membership beyond the recommended term of office.
- Recommendations made to the Board for approval.

Chapter Councils

The objectives of the committee include to:

- Provide assurance that each Chapter Council has an effective composition, size and commitment to adequately discharge its responsibilities and duties.
- Conduct searches for new Chapter Council office-bearers and recommend preferred candidates to the Board.
- Assess from time to time the extent to which the necessary and desirable competencies are represented on each Chapter Council.
- Ensure that Chapter Council succession plans are in place to maintain the required competencies, number and profiles of the Council members.
- Review the nominations received from Members who wish to be appointed to the Councils, in accordance with the preferred criteria and guidelines set out below.
- Evaluate the performance of each Council and its office-bearers.

IIA Global Board and committees

The objectives of the committee include to:

- Provide guidance on the selection of the IIA-Australia representative to the IIA Global Board.
- Conduct searches for new IIA Global Committee members and recommend preferred candidates to the Board.

¹ Refer Appendix 1 for guidance.

² Refer Board Charter. Initiated by the President, the Nominations Committee will conduct a general self-assessment of the Board.

³ Refer to Nominations to Board Committees at Appendix 4



- Review the nominations received from Members who wish to be appointed to IIA Global committees with IIA-Australia support, in accordance with the preferred criteria and guidelines set out below.
- Evaluate the performance of the IIA Global committee representatives.

IIA-Australia Awards

The objectives of the committee include to:

- Conduct searches for IIA-Australia award recipients and recommend preferred candidates to the Board.
- Review the nominations received, in accordance with the preferred criteria and guidelines set out below.

Composition and Term

- The Nominations Committee is a committee of the Board.
- All appointments to the Committee and the appointment of the Chairperson shall be approved by the Board.
- The Committee will comprise from five to seven members.
- Committee members will be selected from amongst the Directors and the membership at large. The Committee to include the President and one other Director; with other members being invited, to be senior, respected members of the profession.
- The Company Secretary⁴ will assist the Board in the search for committee members, by issuing a call for nomination/expression of interest in being a member of the Committee.
- The President will appoint the Chairperson.
- The Chairperson cannot be a Director.
- Appointment to the Committee will be for two years or as determined by the Board.

Meetings

- The Committee will hold meetings at least twice each year and additionally as it considers necessary.
- A quorum will be the smallest integer greater than half the members.
- Committee members will be invited to disclose conflicts of interest at the commencement of each meeting.
 - The Professional Responsibility & Ethics Committee may review and provide advice in regard to conflict of interest statements by Committee members.
 - Board nominations: Where a member of the Nominations Committee has a direct and notifiable conflict of interest (eg. they are a

⁴ See *Constitution* Clause 18 for the requirement for a Company Secretary. The Company Secretary as appointed by the Board is currently the Executive Officer.



- nominee, or related to a nominee), then that person is to abstain from comment on themselves or relatives.
- Board Committee nominations: Where a member of the Nominations Committee has a direct and notifiable conflict of interest (eg. they are a nominee, or related to a nominee), then that person is to abstain from comment on themselves or relatives.
 - Chapter Council nominations: Where a member of the Nominations Committee has a direct and notifiable conflict of interest (eg. they are a nominee, or related to a nominee), then that person is to abstain from comment on themselves or relatives.
- In the Chair's absence from a meeting, the members of the Committee present at the meeting will select a Chair for that particular meeting.
 - Meetings of the Committee may be held face-to-face or through any technological means by which members can participate in a discussion.
 - The notice and agenda of meeting will include relevant supporting papers as appropriate.
 - The Committee may invite any such other persons to attend as it sees fit, and consult with other persons or seek any information it considers necessary to fulfill its responsibilities.
 - The Chair will communicate the decisions of the Committee to the Board after each meeting within a reasonable period.

Secretariat Duties

- The Company Secretary or another delegated person will undertake the duties of secretariat.
- Proceedings of all meetings are minuted, and ratified by members in attendance at the next Committee meeting.
- The Company Secretary will undertake the call for nominations, across the membership, as specified by the Nominations Committee.
- Once the nominations received have been assessed⁵ and recommendations made, the Committee advises the Board in accordance with its delegation.⁶
- Nominees are informed of their success or not by the Chair, Nominations Committee.
- The names of the successful nominees for the Board are put forward to the members for election at the AGM.
- The names of the successful nominees for Chapter Councils are put forward to the Chapter members for election at the Chapter annual meeting.
- The names of the successful nominees for IIA International Committees are put forward to IIA Global.

⁵ See Appendix 2, 3, 4 for *Checklist for assessing nominees*

⁶ Page 4, Board Charter *Board Committees*

Nominations Criteria

When reviewing a Member's nomination for **directorship**, the Nominations Committee must take into account⁷:

- Personal statement (including *reason for applying, the skills and experience which will assist the IIA-Australia, and attributes being brought to the role*)
- Experience of participating in a Board or Committee (either in the IIA or in the community)
- Experience of developing/ assessing strategy and strategic initiatives/ problem solving
- Experience of assessing/ reviewing financial performance
- Experience of working with a team/ working co-operatively
- Understanding of Director's duties, obligations and legal liabilities
- Knowledge of Higher Education Standards Framework/ oversight of academic standards and monitoring
- Previous involvement in the IIA (globally and nationally)
- Examples of thought leadership in the profession
- Examples of advocacy within the profession.

When reviewing a Member's nomination for **Board Committee membership**, the Nominations Committee must take into account⁸:

- Personal statement (including *reason for applying, the skills and experience which will assist the IIA-Australia, and attributes being brought to the role*)
- Experience of participating in a committee (either in the IIA or in the community)
- Experience of working with a team/ working co-operatively
- Previous involvement in the IIA (locally &/or internationally).

When reviewing a Member's nomination for **Chapter Council** the Nominations Committee must take into account⁹:

- Personal statement (including *reason for applying, the skills and experience which will assist the IIA-Australia, and attributes being brought to the role*)
- Experience of participating in a committee (either in the IIA or in the community)
- Experience of working with a team/ working co-operatively
- Previous experience of organising events/ speakers etc

⁷ See Appendix 2 for assessment tool

⁸ See Appendix 3 for assessment tool

⁹ See Appendix 4 for assessment tool



- Previous involvement in the IIA (locally &/or internationally)

In addition, when reviewing a Member's nomination for Chapter Chair or Vice-Chair, the Nominations Committee must take into account:

- Experience of chairing committees or working groups
- Examples of thought leadership in the profession

When reviewing a Member's nomination for the **IIA Global Board or for IIA Global committee** membership, the Nominations Committee must take into account:

- The level of seniority in the nominee's workplace.
- Relevant professional qualifications. Nominees are to hold professional membership of the IIA-Australia and hold relevant professional qualifications. The IIA usually requires the CIA® qualification of committee members. It is preferable for nominees to be CIA® qualified, but other IIA certifications may be sufficient. Where it is essential, if not already CIA® qualified, the expectation is that successful nominee/s will commence the program in the first term of appointment.
- Skills set of the nominee.
- Industry/professional sector of the nominee.
- Ability to represent the profession in the international environment.
- Any other attributes that the Nominations Committee believes will benefit the IIA nationally and internationally.

The above criteria provide guidance to the Nominations Committee but do not override the criteria used by The IIA.

When reviewing a Member's nomination for an **IIA-Australia award**, the Nominations Committee must take into account:

Bob McDonald Award

1. Contribution to the profession

- 1.1. Actively maintains the highest professional standards of the internal audit profession and contributes to its growth
- 1.2. Supports others in choosing and succeeding in a career as an internal auditor
- 1.3. Has a record of sustained high achievement and leadership in the field of internal audit
- 1.4. Involves his/her organisation in matters of chapter, national and international significance – where relevant
- 1.5. Innovates to improve his/her organisation's strategic direction



2. Outstanding contribution to the Objectives and work of the Institute of Internal Auditors – Australia and/or Outstanding contribution to the Objectives and work of the Institute of Internal Auditors as an Australian representative
3. Academic and professional qualifications
4. Authorship of publications or bibliography on internal audit
5. Conduct of research or development in any field of internal audit

Life Member Award

- The member is nearing or at retirement and
- has made a significant contribution to the internal audit profession, and/or
- has provided long standing service to IIA-Australia, and/or
- has shown instances of exceptional service to the IIA-Australia and/or
- other related appropriate matters.

Award for Meritorious Service or Contributions

The award is to recognise meritorious service or contributions to the IIA-Australia or profession at large.

Nominations are to be made by Chapter Councils.

- Significant contributions to the local Chapter
or
- Significant contributions to the profession in thought leadership
or
- Contributions through working in a challenging Internal Audit environment (geographic, political, integrity).

Voting

- Any matters requiring a decision will be decided by a majority of votes of members present.

Review of Charter

- The Committee should review its charter annually to provide assurance that it remains consistent with the Board's objectives and responsibilities.
- The Board approves or further reviews the charter.



Committee Performance and Review

- The Committee will review its performance on an annual basis. This review may be conducted as a self-assessment and will be coordinated by the Chair.
- The Committee will provide an Annual Report covering the previous year, including the results of the review of performance, to the Board at its March meeting.

Appendix 1

Guidance for selecting President and Vice-Presidents

- The Board is informed that at the May Board meeting, Directors will select from amongst themselves the President for the coming year and the vice-Presidents for the coming year, with a view to them progressing to President. Progression to President is not automatic which may be due to factors such as availability/willingness to accept the role or performance.
- Directors will be requested to indicate their interest in serving as President or Vice-President to the Company Secretary by close of business on the day prior to the May Board meeting. (This will allow time to prepare ballot papers if required).
- Each nominee will be asked to speak briefly to the competencies listed below.
- The Board may request that the meeting enter an in-camera session to discuss the nominee/s' statement/s.
- The Board will elect the President.
- The President may make a supporting statement about the Vice-President/s.
- The Board will elect the Vice-President/s.

Competencies to be considered for the President and Vice-President roles are

- Sufficient time to devote to the role eg available for
 - regular Executive Committee meetings and other meetings as required
 - attending Board meetings
 - meetings with regulators, legislators
 - involvement in IIA-Australia conferences and other events
 - providing support to the CEO
- Active in their support of the IIA-Australia.
- A key player in their field, e.g. Head of Internal Audit, Partner, Audit Committee member.
- Aware of the Global and regional responsibilities of the IIA-Australia and participate when appropriate in conferences and meetings.

Guidance for assessing nominees

The assessment tools used by the Nominations Committee are based on the checklists which are used in the call for nominations. The assessment tools were purpose developed for the use of the Nominations Committee to aid its discussion in assisting and advising the Board. The assessment tool in its entirety is issued to the members of the Nominations Committee once the nominations have been received. Each assessment tool/list of criteria can be flexed depending on needs of the Board or Chapter Council.