



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 9 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

¹ Refer Appendix 1 for guidance.

- 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.
- 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.

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

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 with the Board preferring the maximum number.
- 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 three 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 a majority of 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 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.

⁴ See *Constitution* Clause 17 for the requirement for a Company Secretary. The Company Secretary as appointed by the Board is currently the Executive Officer.

- 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 collaboratively (examples of working effectively to be provided)
- 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
- Examples of advocacy
- Desirable - Board attribute identified from Board self-assessment

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 collaboratively
- 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 collaboratively
- Previous experience of organising events/ speakers etc
- Previous involvement in the IIA (locally &/or internationally)
- Category of membership as detailed in the By-laws

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

⁷ See Appendix 2 for assessment tool

⁸ See Appendix 3 for assessment tool

⁹ See Appendix 4 for assessment tool

- Experience of chairing committees or working groups
- Examples of thought leadership in the profession
- Category of membership. Must be Professional or an Associate undertaking CIA, GradCertIA or an Assessment of Current Competence.

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, IIA-Australia Directors or IIA-Australia staff.

Nominees must demonstrate that they have achieved one of the following:

- Significant contributions to the local Chapter
- Significant contributions to the profession in thought leadership
- Significant contributions to the profession through technical excellence
 - Outstanding technical paper of the year
 - Technical author of the year (author has gone 'above and beyond' with number and quality of technical papers submitted for publication in the year)
- Contributions through working in a challenging Internal Audit environment (geographic, political, integrity)
- Made a tangible contribution to the objectives of IIA-Australia through research, education, publications and practice.

Nominees must be financial members (Professional Member or Associate Member) of the IIA-Australia.

Internal Auditor of the Year Award

The Internal Auditor of the Year Award recognises the individual standing and contribution of an internal auditor, both within their organisation and beyond. This person should be described as being as being true leader, advocate and champion for the internal audit profession.

Nominees must demonstrate that they have made an impact on their organisation, and the internal audit profession as a whole. The following criteria should be considered but not limited to:

- Introducing innovative internal audit approaches in their organisation. Examples include:
 - Implementation of the IIA Standards (IPPF)
 - Developing and implementing a sustainable assurance activity
 - Enhancing the overall governance of an organisation
 - Contributing to a significant achievement in risk and control
- Developing partnership approaches with senior management and Board.
- Increasing the visibility and credibility of Internal Audit

Emerging Internal Audit Leader Award

The award recognises superior and progressive contributions by an individual to their organisation and or internal audit profession. This person should be described as being as being enthusiastic and passionate internal auditor.

Nominees must demonstrate that they have made a valued contribution to their organisation and / or the internal audit profession as a whole. The following criteria should be considered but not limited to:

- Recognised by Senior Management for their valued contribution to their organisation
- Demonstrated leadership of internal audit staff and / or displayed innovation with their team.
- Notable contribution and standing amongst peers
- Demonstrated knowledge of internal audit trends
- Maturity, self-reliance and leadership ability
- Is a member of IIA-Australia
- Nominee to be 35 years of age or younger

Internal Audit Team of the Year Award

The award recognises internal audit function/teams who excel in the provision of internal audit services to their organisations or clients. These are functions / teams who would be recognised as leaders in the field and the practice of internal auditing within Australia.

Nominees must demonstrate that they uphold the professional practice of internal auditing and have made a valued contribution to their organisation. The following criteria should be considered but not limited to:

- The team has adopted the IPPF
- The team has been subject to an External Quality Assessment within the required 5 year time period and achieved compliance
- The team is well respected within the organisation
- The team has made enduring improvement to the governance, risk or control environment of the organisation, and is recognised as adding value.
- Demonstrated innovative practices
- The team is a prepared to be an expert reference point by the IIA - Australia
- The award recipients may be invited to present on their experiences at an IIA-Australia Chapter, SOPAC[®] or event.

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.

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.