

ACT
GUIDELINES FOR COUNCIL

TREASURY, RISK
AND FINANCE
PROFESSIONALS

ACT

Approved 5 June 2008

Council is the governing body of The Association of Corporate Treasurers ('ACT'). It is ultimately responsible for the stewardship and management of the ACT's affairs and accountable to the members. Day-to-day management is delegated to the Chief Executive and, through him to the Executive team.

*[Please note that the use of **he** throughout this document refers to either gender.]*

1. Structure

Council consists of up to nine elected members, four Officers – President, Deputy President, Vice President and Immediate Past President - and the Chief Executive. The normal succession route for Officers is Vice President, Deputy President, President and finally, Immediate Past President with each post lasting one year.

The election process is set out in detail at Appendix 1.

1.1 Eligibility for Council membership

All participating members (i.e. Fellows, Members and Associate Members but not Corporate Representatives or Affiliates) are eligible for election to Council subject to a maximum of four Associate Members (AMCTs) on Council at any one time.

Unless elected to an Officer position, Council members must retire after serving a term of three years. Those retiring may stand for re-election for a further consecutive term, and following this may only return to Council after an interval of at least three years.

Council may appoint a member to fill any casual vacancy arising during the year or to fill any vacancy left unfilled by the annual election. For all purposes such individuals will be treated as full Council members except that they will be required to retire from Council with effect from the next following 30 April, although they will then be eligible for nomination and election. In determining the length of term as an elected member, and therefore the date at which retirement from Council is required, the period served filling a casual vacancy will be disregarded. Council may choose to leave a vacancy unfilled until the next 30 April provided the number of elected members (excluding Officers) is not less than three.

Council may co-opt up to two individuals – who need not be members of the ACT – to serve until the next following 30 April. They may then be co-opted for further periods of one year at the discretion of Council. During their period of co-option, these persons are not entitled to vote at Council meetings and are not eligible for election as an Officer of Council.

1.2 Eligibility for an Officer position

Only members of Council can be elected to an Officer position. A Council member appointed to fill a casual vacancy is only eligible for an Officer post if he has previously been an elected member of Council. Nominations for election must be supported by at least one member of Council.

No person may be elected to the same office for two consecutive periods of one year. However, if a vacancy occurs for any reason during the course of an officer's term (except the succession then Council may appoint any person from among their number to serve until the next 30 April or other extended period as appropriate.

The responsibilities of Officers are set out at Appendix 2.

(a) Nominations for Vice President

Once a year (usually November), the Appointments, Remuneration and Audit Committee (ARAC) will consider and recommend to Council the appointment of a member of Council to be the next Vice President from the following 1 May. If Council accepts the recommendation and the person is willing and able to act then they are deemed elected. It is possible for another member of Council to stand against the preferred candidate provided they have the support of at least one other member of Council. In this case a ballot of the membership will take place following the same process as laid out for election to Council (Appendix 1).

(b) President and Deputy President

At 1 May each year, and assuming each person is willing and able to act, the Vice President is deemed elected to the post of Deputy President and the Deputy President to the post of President.

(c) Immediate Past President

The Immediate Past President will always be the person who held the post of President immediately prior to the election of the new President. If this post falls vacant for any reason then no election or appointment to fill a casual vacancy will take place.

1.3 Chief Executive

From time to time and as required ARAC will identify and recommend to Council the appointment of an appropriate candidate for Chief Executive. Council will appoint the Chief Executive on such terms and conditions of service and remuneration and with such duties, powers and authorities as it sees fit and may amend those duties, powers and authorities and may suspend or terminate the appointment (without prejudice to any claim such person may have for breach of contract or otherwise).

During the continuance of the appointment the Chief Executive will be a member of Council except that he will not be subject to election or be eligible to be an Officer. .

The current responsibilities and authorities of the Chief Executive are set out at Appendix 3.

1.4 Retirement, resignation and removal from office

(a) Retirement

A member of Council or an Officer will retire at the end of his term as described above.

(b) Resignation

A member of Council (including an Officer) may resign prior to the end of his term by providing notice in writing to the Secretary. The resignation will be effective 30 days after the date of the notice unless Council resolves to accept an earlier date. Resignation of the Chief Executive is subject to the terms of his contract of employment.

(c) Removal from Council

Membership of Council (including that of an Officer and the Chief Executive) will cease if he:

- is prohibited by the law of any jurisdiction from being a director of a body corporate;
- becomes bankrupt or makes any arrangement or composition with his creditors generally;
- is, or may be, suffering from mental disorder and either:
 - is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act; or
 - an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

- is removed from office by a resolution duly passed under the Companies Act;
- is absent without permission of the Council from meetings of the Council for more than six consecutive months and Council resolves that his office be vacated; or
- ceases to be a member of the ACT.

2. Meetings and decisions

Council meets five times a year and more frequently as required and additionally holds an annual planning meeting. Any Council member unable to attend should send their apologies in advance of the meeting to the Secretary however they are expected to use their best endeavours to attend meetings and a schedule of attendance is reported in the Annual Review.

Council is chaired by the President and in his absence by either the Deputy or Vice President. If none of these are present then Council will elect one of their number to chair the meeting.

A meeting of five members of Council in person, by telephone, or other method of audio-visual transmission comprises a quorum.

Decisions will be passed by a majority of votes but in the case of an equality of votes the chairman will have a second or casting vote.

A resolution in writing, signed or approved by all members of Council or of a committee of Council, will be treated as valid and effectual as if it had been passed at a duly convened meeting of Council or committee of Council and may consist of several documents in the same terms, each signed and approved by one or more of the Council or committee members.

Chairmen of committees who are not members of Council will be invited to attend Council meetings but will not be eligible to vote.

Council minutes, subject to editing for confidential or commercially sensitive matters, are posted on the member-only section of the website following approval at the next Council meeting.

Prior to each meeting, Council receives a comprehensive set of papers including financial information and progress reports on ACT initiatives. In addition, the Chief Executive provides a monthly update to Council members, by teleconference call, on matters of significance and meets with the President, Deputy President and Vice President on a monthly basis. Members of the management team make regular presentations to Council on key operational areas.

3. Induction process

As part of the formal induction process for new Council members, successful candidates are provided with detailed information including briefing papers on governance issues, strategy, finance and administration. They also have the opportunity to meet with the Chief Executive and members of the management team as well as the Officers and are invited as an observer to attend the Council meeting immediately prior to their appointment.

4. Performance evaluation

Council undertakes a formal annual evaluation of its own performance and effectiveness and that of its committees. This is done through a questionnaire which is distributed and analysed by the Secretary and the results reviewed by Council with the Officers taking responsibility for any action identified.

5. Responsibilities

5.1 Matters for Council approval

Council has a schedule of matters reserved for its decision, including approval of strategic and business plans, operating budgets, financial statements, reserves and treasury policy. The usual timing of the production, review and approval of these items is as follows:

(a) Strategic plan

Updated annually and approved by Council at the strategic planning day in October.

(b) Three year plan

Updated annually and approved by Council in January/February.

(c) Budget

Reviewed and approved annually in March/April for the financial year commencing 1 May.

(d) Annual Review and financial statements for the year ending 30 April

Following the audit these are reviewed in detail by ARAC together with the auditors' Key Issues Memorandum and a report submitted to Council recommending whether or not they should be adopted. The documents are distributed to Council and considered and approved at a meeting (usually by teleconference) in September following which the President and Chief Executive sign the Review and financial statements on behalf of Council. Members of Council have a statutory duty to ensure the ACT's income and assets are safeguarded, that the accounts show a true and fair view of the ACT's state of affairs and profit or loss and that reasonable steps have been taken to prevent and detect fraud or other irregularities.

(e) Reserves policy

Considered first by ARAC and then by Council as part of the year end procedure (September) with a note included in the financial statements. From time to time Council will undertake a more detailed review of the ACT's capital requirements to ensure the level of reserves is sufficient to maintain the ACT's core activities during periods of unfavourable financial conditions and that it can fulfil its obligations to members and candidates enrolled on one or more of the ACT's qualifications.

(f) Treasury policy

Reviewed and approved annually – usually July.

5.2 Company directors

During their term of office, Council members take on the legal responsibilities of company directors and are registered as directors of The Association of Corporate Treasurers, a company limited by guarantee, with Companies House. A legal guidance note: *Council Members' Duties and Liabilities* is distributed to all new members of Council and is available from the Secretary.

5.3 Familiarity with issues and views

As democratically elected representatives of the membership, Council members should be aware of the issues facing the ACT, its members and the profession generally. It should ensure that steps are taken to understand the views of members and that these are taken into account in the development of strategy and policy.

5.4 Member services

Council is responsible for ensuring that services to members, students and activities generally are provided efficiently and effectively.

5.5 Policy and Technical

Primarily through the work of the ACT's staff and its Policy and Technical Committee, Council will support members' professional standards and represent their interests within the profession and the environment in which it operates and influence relevant law, regulation and market practices. On matters where the interests of financial and non-financial sector organisations may be in conflict, the ACT will support the non-financial sector interest unless there is a wider public interest that demands otherwise.

5.6 Corporate governance

Council members should promote high standards of corporate governance at all times. There is no statutory requirement for the ACT to comply with the Combined Code however it endeavours to comply with the spirit of the Code and adopt its provisions to the extent appropriate for its size and the nature of its operations. The ACT's adherence to best practice in corporate governance should be regularly reviewed by Council with the Secretary advising Council on governance matters.

5.7 Risk

The executive team will regularly review operational and financial risk through a process of formal and informal meetings. Annually - usually November - ARAC will carry out a detailed review of the ACT's risk assessment matrix and report back to Council on any major risk items, an assessment of the implications and mitigating actions.

5.8 Ethical standards

Council will ensure that the highest ethical standards are promoted to members and students. This is largely achieved through the maintenance of the Ethical Code and Disciplinary Rules. In accordance with the Rules, when a complaint against a member is received, a Committee of Investigation will be formed from three or five members of Council to investigate the complaint and form a view as to whether a prima facie case has been made and whether the case ought to be referred to the Disciplinary Committee.

5.9 Individual Council Members

As individuals, Council members will best be able to discharge their responsibilities if they take the following action:

- make time available to attend or participate in Council meetings and conference calls;
- read all circulated material in advance of the meeting and ask for explanation of anything that is unclear;
- review management accounts, financial statements and other financial information provided to Council and seek appropriate explanations from the Chief Executive and ARAC;
- keep up-to-date with issues facing the ACT, its members and the profession. This may be achieved in a number of ways including the Council members' own employment, regularly attending ACT events and regional group meetings, reading *The Treasurer* and other publications, use of the ACT's website and taking part in the Council induction process when first elected to Council;
- contribute skills, expertise and experience to the work of Council;
- observe the highest standards of impartiality, integrity and objectivity;
- do not use information gained, or seek to use the opportunity of Council membership, to promote their private interests;
- ensure that they do not receive gifts, hospitality or benefit of any kind from a third party, which might be seen to compromise personal judgement or integrity;
- do not make unauthorised disclosure of confidential information relating to the ACT;
- demonstrate appropriate behaviour in meetings, in particular, by displaying courtesy to other Council members and Executive staff;
- avoid conflicts of interest by declaring any professional, personal or business interests which may conflict with their responsibilities as Council members; and
- inform the ACT (in practice the President, Chief Executive or Secretary) of any current investigation or past convictions for criminal offences (except convictions that are deemed to be "spent" under the legislative provisions and minor motoring offences). Council members should also declare any sanction(s) imposed by other professional bodies.

6. Committees

Council creates and maintains committees, boards and working groups staffed by volunteers to support its aims and objectives. The role of committees is as follows:

- to review and support policy;
- to contribute to the annual Strategic Plan and budget – and their subsequent review;
- to discuss business strategy;
- to support the achievement of the objectives of other committees;
- to establish working groups for ad hoc issues; and
- to bring together members and non-members who can contribute to the ACT's progress.

Each committee has its own set of guidelines which should be regularly updated and reviewed by Council. The guidelines should set out the purpose, size, decision making rules and administrative arrangements for the committee.

Committee chairs are appointed by Council and if not already Council members, they are invited to attend Council meetings. ARAC, committee chairs and the Chief Executive may recommend new committee members to Council. Non-members may be appointed to committees provided they do not exceed one-fifth of the committee.

Council should regularly review the composition of committees to ensure they have an appropriate mix of skills and experience, that they continue to be seen as worthwhile and rewarding for those involved and that appropriate succession planning is in place. It is important to nurture and retain members who may go on to play a larger part in the ACT's governance, essentially through election to Council.

Current business committees are as follows:

- Events and Publishing Committee
- Member Services Committee
- Policy and Technical Committee

Council receives copies of all committee minutes and committee chairmen are encouraged to meet to explore areas of common interest and to ensure an integrated approach across all activities.

7. Other Committees and Boards

7.1 Education Advisory Board

In carrying out its policy and strategic functions, the Education Executive team can seek input from an Advisory Board, consisting of up to ten members, the purpose of which is to ensure that the widest range of relevant educational and professional expertise informs the decision-making process.

7.2 Appointments, Remuneration and Audit Committee (ARAC)

ARAC consists of the Immediate Past President, who will act as chairman, the President and up to three non-Officer Council members. Additionally, there may be up to three non-Council members. ARAC members are appointed by Council with at least one member being a qualified accountant. It meets four times a year and more frequently as required; at least once a year ARAC meets with the auditors without members of the executive team present.

ARAC's role includes to:

- identify and recommend to Council candidates for Officer positions;
- play an active role in the process of encouraging a wide range of candidates for Council elections;
- identify and recommend to Council the appointment of the Chief Executive;

- consider from time to time and recommend to the President the remuneration arrangements for the Chief Executive in light of performance reviews carried out by the President at least every six months;
- review and report back to Council on external financial reporting and audit, internal controls, risk management and capital requirements. In particular, ARAC reviews and, if appropriate, recommends to Council the adoption of the financial statements; and
- act as a point of contact for members and others who may have concerns about an employee of the ACT, a member of Council or business committee, particularly if it involves possible improprieties concerning financial reporting, unprofessional or unlawful conduct. As set out in the Complaints, Disclosure and Speaking Up Policy, arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

The full terms of reference of ARAC and the Complaints, Disclosure and Speaking Up Policy are available on the ACT's website.

7.3 Advisory Board

The Advisory Board consists of a chairman and at least five other persons. The chairman is appointed by Council and must be a participating member but not a member of Council. The chairman, in consultation with the President and the Chief Executive, is responsible for the appointment of other members of the Board who must not be serving members of Council and need not be members of the ACT. Appointments to the Board, including the chairman, are for periods of four years but this may be extended at the discretion of Council for one further four year period. The Board meets at least once a year to discuss and advise on matters of importance to the ACT and its members, including commenting on the ACT's policies, governance and strategic plan. The chairman of the Board makes an annual presentation to Council.

In accordance with the Disciplinary Rules, if the Committee of Investigation refers a complaint against a member to a Disciplinary Committee then that committee will be formed from three or five members of the Advisory Board and be chaired by the chairman of the Advisory Board.

Election process

Elections for vacancies arising on Council are held annually for terms commencing 1 May.

At least twelve weeks before the 30 April in each year, the Secretary will send a notice to all participating members advising the names of those elected to Officers, the names of those Council members retiring at 30 April, the number of vacancies arising and inviting nominations for election. Nominations must be supported by a proposer and seconder who must be participating members but not the Chief Executive or the Officers and must be received by the Secretary no later than 21 days after the Notice was sent.

A candidate will be automatically elected if the number of nominations does not exceed the number of vacancies. If there are more nominations than vacancies then a ballot will be held.

The Secretary will send a ballot paper to all participating members stating:

- the names, addresses and business occupations of the candidates;
- the names, addresses and business occupations of the participating members supporting the nominations;
- any other information about the candidates as prescribed by Council from time to time. In practice this consists of a brief description written by each candidate outlining their professional and personal backgrounds and their interest in joining Council;
- the maximum number of votes that may be cast which will be equal to the number of vacancies;
- the date by which ballot papers must be returned which will be at least five weeks before 30 April; and
- directions on how to vote by post or electronically.

A member of the ACT who is not a candidate in the election will be appointed to act as a scrutineer and will oversee the counting of the votes by the Secretary assisted by other members of the Executive team on the day following that stated for receipt of ballot papers. The Scrutineer and Secretary will jointly produce a report setting out the results of the election, the number of ballot papers rejected and the grounds for rejection.

In the event of an equality of votes for any vacancy, the candidate with the longest period of membership of the ACT will be deemed elected.

All ballot forms, both paper and electronic versions, will be destroyed following completion of the election process.

The results will be displayed on the ACT's website as soon as possible after candidates have been informed by the Secretary whether or not they have been successful.

Responsibilities of Officers

Collective responsibilities

- To work as a team facilitating the sharing of duties and continuity in the leadership of Council
- To support and challenge the Chief Executive and provide a link with Council, seeking to ensure he is best able to meet his responsibilities as set out at Appendix 3. The Officers (President, Deputy President and Vice President) will meet formally with the Chief Executive on a monthly basis and informally, as appropriate, without the Chief Executive. They should also be available as required to discuss and advise on key or critical issues affecting the ACT
- To take a lead role in ensuring Council and its committees operate efficiently and effectively, within the terms of its Articles of Association, its agreed Guidelines and in the best interests of the ACT as a whole. Officers are responsible for ensuring that any actions identified in Council's annual evaluation process are effectively dealt with
- To represent Council at ACT events and other activities and represent the views and policies of Council to external audiences
- To work with ARAC in the identification and appointment of the Chief Executive
- To be company directors (President, Deputy President, Immediate Past President) with the Chief Executive of ACT (Administration) Ltd – the wholly owned subsidiary of The Association of Corporate Treasurers

President

- To lead Council, act as its chairman, set its agenda and review Council minutes produced by the Secretary. The President should ensure that Council receives accurate, timely and clear information from the Executive team, that there is effective contribution from members of Council and constructive relations between Council and the Chief Executive
- To be the primary representative of Council and, as appropriate, the ACT at events and activities organised by the ACT and more generally to external audiences
- In a timely manner, carry out the full annual and interim performance evaluation of the Chief Executive, set annual performance objectives aligned with the ACT's strategic plan and capable of being cascaded down to senior members of the Executive team, assess performance against those objectives and recommend bonus and salary levels to ARAC. The timing of these responsibilities will mean that assessment of performance against objectives for the financial year just ended will be carried out by the Immediate Past President. In these matters, close liaison will be required between the outgoing and incoming Presidents.
- With the Chief Executive sign the Annual Review and financial statements on behalf of Council and the directors of ACT (Administration) Ltd
- To be a member of ARAC
- To chair the AGM

Immediate Past President

- To chair ARAC
- In the event that a complaint is received against a member, to chair the Committee of Investigation as set out in the Disciplinary Rules

The President and Immediate Past President will both receive copies of and updates to the ACT's Disaster Recovery Plan and should ensure they are familiar with its contents, seeking explanations from the Executive team as required, in order that they can act in accordance with the plan if called upon to do so.

Deputy President and Vice President

- To deputise for the President as appropriate

Responsibilities and authorities of the Chief Executive**Responsibilities**

- To ensure that the ACT is run and developed in a way which matches as closely as possible the expectations of its members as a group, enhances the ACT's image and prestige, and responds to the expectations of its other stakeholders, such as customers, regulators, professional bodies and business partners
- To identify issues of strategic concern to the ACT and its members, and ensure these issues are promptly raised at Council (and, as appropriate, at committees), to ensure that strategy is promptly developed or amended to reflect the agreed opportunities and threats
- To present an annual strategic plan and subsequently a budget for the forthcoming year to Council, and to be accountable to Council for the implementation of the strategic plan and budget as agreed for each of the areas of commercial, education, member services and policy and technical
- To manage the business activities of the ACT in line with the strategic plan and budget, as amended from time to time by Council
- To maintain appropriate and adequate financial controls and be responsible for the authorisation of both revenue and capital commitments within agreed authority levels
- To promote a close working relationship between the ACT's Executive and the business committees
- To manage the executive team including the appointment, promotion and dismissal of individuals, their remuneration, terms and conditions of employment and the setting of job titles and descriptions
- To lead a high quality executive development process for all members of the ACT's Executive, to foster their personal development and enable them to fulfil the roles delegated to them
- To build close relationships with other professional bodies and partner organisations with which the ACT works to develop its, educational, member services, commercial and policy and technical activities
- To ensure that the interests of ACT members are properly represented to governmental, regulatory and other entities on issues that materially impact the conduct of treasury and risk management
- To ensure that the ACT's advisory output and its opinion are communicated externally in a way that enhances the standing of the ACT and its members
- To represent the ACT within the International Group of Treasury Associations and the European Associations of Corporate Treasurers, and to lead the ACT's international development
- To ensure the ACT complies with all applicable legal and regulatory requirements and, where appropriate, best practice, achieving at all times the highest standards of governance
- To seek proactively to identify the major risk factors impacting the ACT and ensure that effective systems are in place to mitigate these risks
- To establish a Health and Safety Policy and take overall responsibility for implementing and monitoring the policy
- To carry out such other duties as may from time to time be required consistent with the overall purpose of the job

Authorities

- To establish levels of delegation of his responsibilities and authorities and agree them from time to time with the President
- To invest ACT monies within amount, instrument type, credit and maturity limits reviewed and agreed from time to time by Council

- To enter into contractual obligations on behalf of the ACT provided:
 1. any revenue expenditure obligation (or linked series of obligations or probable obligations) does not commit the ACT to a one time revenue expenditure of more than £250,000 or to multiple expenditures of more than £50,000 pa for more than five years
 2. any capital expenditure obligation (or linked series of obligations or probable obligations) does not commit the ACT to a one time expenditure of more than £250,000 or to multiple expenditures of more than £50,000 pa for more than five years

Any obligations over these limits may be entered into only with the authorisation of a duly constituted meeting of Council. In cases where the obligation has not been included in the most recent strategic plan approved by Council these authority amounts are reduced by 80%.

- To dispose of any asset of the ACT provided any such asset has a book value (and market value in the presence of a reasonably determinable market value) of less than £100,000. In cases where the disposal has not been included in the most recent strategic plan approved by Council these authority amounts are reduced by 80%.
- Subject to obtaining appropriate legal advice, to enter into joint venture agreements on behalf of the ACT which have been approved in principle by Council as part of a strategic plan or otherwise, and are limited in duration to, or may be terminated without loss within, three years from the date of signature.
- To attend any meeting of a business committee as an observer.