

# IFAC NOMINATING COMMITTEE

## TERMS OF REFERENCE

### 1.0 Purpose

The purpose of the Nominating Committee is to make recommendations to the Board and Council regarding the composition of IFAC boards and committees. Its guiding principle is to choose the best candidate to fill the vacancy. However, in so doing, it shall endeavor to seek a balance between the personal and professional qualifications of a nominee and the representational needs, including gender and geographical balance, of the boards and committees. Representational issues shall be of secondary concern in the Nominating Committee's efforts to fill a vacancy.

### 2.0 Principles

The Nominating Committee's activities shall be guided by the IFAC Constitution, which states that the primary criterion of selecting board and committee members shall be based on the individual qualities and abilities of the nominee in relation to the position for which they are being nominated.

The Nominating Committee shall also be guided by the need for transparency in its decision-making process balanced with issues of privacy and propriety in order to maintain a respectful, fair and judicious environment. While it must have discussions amongst itself and other parties of a proprietary nature, it must also ensure that the discretion is maintained. The Nominating Committee will seek to obtain transparency via periodic reporting to the IFAC Board and Council regarding its objectives, processes and results of nominations.

The appointments to the Public Interest Activity Committees<sup>1</sup> (PIACs) fall under the jurisdiction of the Public Interest Oversight Board (PIOB). Therefore, the PIOB has observer status and rights of the floor at all Nominating Committee meetings in which PIAC issues are discussed or PIAC appointments are made, which as a practical matter, means at all Nominating Committee meetings.

### 3.0 Responsibilities

The responsibilities of the Nominating Committee are to recommend to the Council:

- The candidates to be elected to the Board;
- The filling of any vacancies on the Board as they may arise;
- The candidate to be elected to the office of Deputy President;
- The Board members to serve on the Audit Committee;

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<sup>1</sup> The term "Public Interest Activity Committees" arose out of the Reform Proposal and is used to describe those IFAC committees which engage in public interest activities, within the areas of auditing, assurance and related activities. The committees are the Compliance Advisory Panel (CAP), the International Accounting Education Standards Board (IAESB), the International Ethics Standards Board for Accountants (IESBA) and the International Auditing and Assurance Standards Board (IAASB).

- Removal of a Board member during the Board member's term for non-performance or other good cause; and
- Candidates for appointment to a panel, outside of IFAC constitutional jurisdiction, which will consider and decide appeals relating to suspension or exclusion from membership in the Forum of Firms.

The responsibilities of the Nominating Committee are to recommend to the Board:

- The composition of the IFAC boards and committees, including the appointment of public members;
- The appointment of Chairs and Deputy Chairs to the boards and committees;
- The composition of the Nominating Committee for approval by the Council upon recommendation from the Board;
- Nominees for one member of the PIOB;
- Removal of a board or committee member for non-performance or other good cause;
- The appointment of observers on PIACs; and
- Those additional members of the IFAC Regulatory Liaison Group who are not ex-officio members of the Group.

The Nominating Committee has the ability to fill, until the next Council meeting, casual vacancies on IFAC's boards and committees.

#### **4.0 Membership and Service**

The Nominating Committee shall be composed of the President and Deputy President ex Officio and no less than four ordinary members, in addition to the Chief Executive who shall serve as the Secretary of the Nominating Committee. In accordance with the Reform Proposals, a PIOB Observer will be present at all Nominating Committee and any subcommittee meetings at which the Nominating Committee considers PIAC issues.

- The President and the Deputy President shall serve as ex officio members;
- Four additional members shall serve as ordinary members, of which no more than two may be Board members. The four ordinary members shall be members of a Member Body of IFAC;
- As the Secretary to the Nominating Committee, the Chief Executive shall have speaking rights but not voting rights and is not subject to rotation requirements;
- The President, after consultation with the Nominating Committee and the PIOB, will make a recommendation to the Board regarding the composition of the Nominating Committee. The composition of the Nominating Committee shall be approved by the Council upon the recommendation of the Board;
- Ordinary members' service shall be for a period not to exceed two terms of two years;

- The rotation of the Nominating Committee shall be such that each year at least one rotation shall occur. A member may be re-nominated if the member is willing to continue and term limits are not exceeded; and
- Each member shall sign an annual statement declaring that they will act in the public interest and with integrity in discharging their role within the Nominating Committee.

## 5.0 Process and Timetable

Timing	Processes
January to February	<p><b>Preparation</b></p> <p>At the beginning of the calendar year, the Nominating Committee prepares a call for nominations to the boards<sup>2</sup>, committees<sup>3</sup>, and to the position of Deputy President (every two years) by reviewing the rotation schedules and the vacancies that will arise in November or December of that year. It examines the changes that the rotations will precipitate, such as size, and regional and professional sector representation. It will advise the board and committee chairs of the rotations and seek their advice on the skills and characteristics of individuals needed. When the position of Deputy President rotates, the Nominating Committee will consult with the IFAC Board members individually and collectively.</p>
February 15	<p><b>Call for Nominations Issued</b></p> <p>By February 15 of each calendar year, the Nominating Committee issues a call for nominations to member bodies and (where relevant) to other public interest organizations. The call for nominations will show what vacancies are occurring and the background, experience and qualities that are sought for a particular vacancy and an estimate of the time commitment required in serving in the particular role. The call for nominations will take account of the comments from the chairs regarding the needs of their respective boards and committees, in addition to considering the objectives of IFAC’s Strategic Plan. The role of the member body and other organizations is to consider the identified needs for membership to the board or committee in identifying its nominees.</p> <p>In addition to accepting nominations for Public Members to the IAESB, the IESBA, the IAASB and the International Public Sector Accounting Standards Board (IPSASB), the Nominating Committee will seek nominations for public members from a wider audience i.e., public audience. This will take the form of a call for nominations similar to the one issued to member bodies, but will be placed on the homepage of the IFAC website and subsequent links will not require security access.</p>

<sup>2</sup> “Boards” includes the IFAC Board, the IAASB, the IAESB, the IESBA and the International Public Sector Accounting Standards Board.

<sup>3</sup> “Committees” includes the CAP, the Nominating Committee, the Small and Medium Practices Committee, the Developing Nations Committee, the Transnational Auditors Committee and the Professional Accountants in Business Committee.

<b>Timing</b>	<b>Processes</b>
March	<p>The Nominating Committee will identify nominations objectives in consideration of the key issues or considerations that were developed in November of the previous year. Nominating Committee Members and the IFAC Chief Executive will seek out nominations to address the needs identified on the Pending Items listing by contacting key personnel at IFAC member bodies and/or regional organizations.</p> <p>The Nominating Committee will present a preliminary report regarding the nominations objectives to the PIOB.</p> <p>The Nominating Committee will commence a process by which board and committee chairs provide performance reports for those members up for re-appointment, and exception reporting on the performance of other members.</p>
April 15	<p><b>Nominations Deadline</b></p> <p>The Nominating Committee will specify a deadline for its call for nominations of not later than April 15 of each calendar year which gives member bodies and other public interest organizations two months to consider their nominations.</p> <p>This deadline provides the Nominating Committee with time to consider the nominations received and prepare papers for the Board’s consideration at its June meeting and for subsequent submission to the PIOB for nominations to PIACs.</p>
April 15 to June	<p><b>Consideration of Candidates</b></p> <p>During the period from April 15 until early June, the Nominating Committee will consider all nominations submitted by member bodies and others. It will consider the qualifications and experience of each candidate keeping in mind the needs of the boards, committees and task forces and the impact the nominee might have on the composition of the board or committee. To the extent possible, it will seek regional, professional sector and gender representation as well as representation from countries with different levels of economic development for each group.</p> <p>By June 1, the Nominating Committee will have prepared its first draft of board and committee nominations. This draft will be presented to board and committee chairs for further input and recommendations.</p> <p>The Nominating Committee will consult member bodies, IFAC Board members, board and committee chairs, the regulatory community and relevant stakeholders, as appropriate, regarding its proposed nominations. Should it be necessary, the Nominating Committee will seek additional nominations by further consulting with the various groups, until such time as it feels it has obtained a sufficient number of qualified nominees.</p> <p><b>Interviews</b></p> <p>The Nominating Committee will conduct interviews as it considers appropriate, but would normally expect to conduct interviews in relation to possible recommendations for the positions of Deputy President; board and committee chairs and deputy chairs.</p>

Timing	Processes
June	<p><b>Report to IFAC Board</b></p> <p>At the time the Nominating Committee presents its decisions concerning the composition of the boards and committees, the Nominating Committee will present a report to the IFAC Board which will detail the number of nominations received for each position, the number of those candidates interviewed and other relevant information.</p> <p>The report to the IFAC Board will also include a description regarding the processes followed to date for determining nominations, including the involvement of the PIOB Observer.</p> <p><b>Interaction with PIOB</b></p> <p>At the June IFAC Board meeting, the Nominating Committee will present the PIAC compositions to the IFAC Board. The Nominating Committee will then formally submit the compositions of the PIACs to the PIOB and work with the PIOB to address any issues raised which may require identifying alternate nominations.</p> <p><b>Communication with Member Bodies of Nominee Status</b></p> <p>During the period from mid-June to November, the Nominating Committee will also advise member bodies of their nominee’s inclusion in the list recommended by the Nominating Committee or the Nominating Committee’s decision not to consider them further.</p>
September	<p><b>Wrap-up of Nominations</b></p> <p>In September, the Nominating Committee will provide an opportunity to member bodies to stand down their unsuccessful nomination(s) to the IFAC Board to ensure a smooth transition and a productive Council meeting.</p> <p><b>Recommendations</b></p> <p>At the time the Nominating Committee makes its recommendations concerning the composition of the various boards and committees, the Nominating Committee will present a report to the Board which will detail the number of nominations received for each position, the number of those candidates interviewed and other relevant information.</p> <p>The Nominating Committee will report to the IFAC Board regarding the processes followed throughout the year, in addition to reporting the results of the nominations.</p> <p>The IFAC Board appoints the boards and committees membership.</p>
November	<p><b>Recommendations</b></p> <p>The Nominating Committee will report to the IFAC Council regarding the processes followed throughout the year, in addition to reporting the results of the nominations.</p>

<b>Timing</b>	<b>Processes</b>
	<p>In November, the IFAC Council approves the IFAC Board membership and any candidate for Deputy President (in a year when a Deputy President is being nominated). The Incoming IFAC Board, having received advice from the Outgoing Board, appoints the boards and committees membership.</p> <p>The Nominating Committee will begin to identify key issues or considerations for the following year's nominations cycle.</p> <p>Present a final report to the PIOB on the year's nominations cycle and processes followed.</p>