

The Institute of Accounting and Commerce

Terms of Reference for Ethics Committee

1. Purpose

- 1.1 The purpose of the Ethics Committee is to assist the Board in the establishment, embedding and oversight of values, the ethical policy framework and ensuring and monitoring the overall ethical health of the Institute and compliance with professional and ethical standards.
- 1.2 The Committee is responsible for keeping key relevant risks under review and monitoring mitigation activities and controls.

2. Membership

- 2.1 Membership is open to any board member of the Board serving in a non-executive role.
- 2.2 The Ethics Committee shall comprise three members from the Board of Directors.
- 2.3 The appointment of additional or specialist members who are not on the board will have to first be authorised by a majority vote of the Board of Directors.
- 2.4 Membership will be for a period of twelve months running in conjunction with the annual election of the Board of Directors and be selected from that Board by the newly appointed Directors for the ensuing year.

3. Procedure of Meetings

- 3.1 The Committee shall meet at a minimum of three times per year, aside from such additional occasions as required.
- 3.2 The Committee shall appoint a Chairman.
- 3.3 The Chairman will call for such meetings to consider any matters falling within these Terms of Reference
- 3.4 A quorum will be any two of the three members being present, subject to, in the instance of the Chairman being absent, the agenda is still provided by the Chairman and additional items not being added to the agenda in the Chairman's absence.
- 3.5 In the absence of the Chairman either of the other members present shall act as Chairman for that meeting.
- 3.6 In the instance in raising a quorum, any other non-executive director may be appointed on an ad-hoc basis for the specific one or two meetings as required.

4. Accountability

- 4.1 The Committee shall be answerable to the Board of the IAC through the Chairman of the IAC Board and shall report to the committee and lay suggestions and report on shortcomings at the relevant Board meetings.

5. Resolutions

- 5.1 The Ethics Committee shall reach a decision by a simple majority of those voting on the issue being voted on.
- 5.2 In the event of one member abstaining from voting, or being absent, in that instance the Chairman will have the casting vote.
- 5.3 Any vote by an absent member submitted by proxy, electronic means, or recognisable verbal vote, shall be recognised and taken as a vote.

6. Responsibilities

- 6.1 Consider and challenge the sufficiency of the on-going measures being adopted by the Institute to ensure that an appropriate culture, underpinned by the Institutes values, prevail within the Institute. This should include considering the adequacy of the Institutes Code of Conduct and the annual ethics programme proposed for the Institute.
- 6.2 Consider what the key metrics, disciplinary and grievances, member behavioural issues and employee feedbacks, to indicate the Institutes ethical health and culture.
- 6.3 Consider the sufficiency of the Institutes response to trends and features indicated by the key performance indicators.
- 6.4 Plan, and ensure, there is an effective training programme in ethics for all levels.
- 6.5 Ensure there is effective communications strategy for the ethics programme reinforcing ethical values and good practise for the Institute by the staff as well as the professional members of the Institute.
- 6.6 Recommend amendments to the Code of Conduct to the Board, ensuring that lessons learnt from Internal and external sources are integrated as required.

7. Compliance with Professional and Ethical Standards

- 7.1 Provide an oversight of the policies and procedures adopted and consider their effectiveness in light of the key performance indicators.
- 7.2 Monitor the Institute's compliance with such policies in respect of the management, staff and members identifying any breaches and weaknesses.
- 7.3 Monitor the adequacy of measures taken to ensure there are effective and open channels of communication to facilitate the reporting of Practitioner and Staff malpractices.
- 7.4 Assess reports and the adequacy of subsequent actions following breaches of the ethics policy framework or allegations of employee misconduct.

8. Matters with a Potential Ethical Reputational Impact on the IAC

- 8.1 When considering ethical matters the Committee will have due regard for the matters of significant public interest or may impact on the reputation of the Institute or its members.
- 8.2 Consider and maintain oversight of the adequacy of the processes for ensuring ethical considerations are taken into account in all third party relationships.
- 8.3 Consider the evidence to support compliance with the Code of Conduct on an annual base.

9. Summary of Oversight

9.1 Ethics risk assessment

9.2 Ethics management strategy

9.3 Code of ethics

9.4 Structure systems and processes to be put in place

9.5 Internal Audit assessment of ethics of organisation

9.6 External assurance of ethics of organisation.

10. Reporting

10.1 Minutes of the Committee meetings will be disclosed at the next Board meeting and discussed. The Chair of this committee shall report to the board at the board's meetings re the goals, work and achievements as well as concerns and areas of concern and further action to be taken.

10.2 The Chair of the Committee shall report on a six monthly basis to the Board on areas of concern and areas for further action.

10.3 The Committee shall compile a report of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of significant issues dealt with by the committee.

10.4 The Committee shall work and liaise as necessary with other committees of the Board