

ICAEW Council



TERMS OF REFERENCE

APPROVED BY COUNCIL 9 OCTOBER 2024

Purpose and Accountability

1. Council is the ultimate governing body of ICAEW under the Royal Charter.
2. Council is accountable to the Members of ICAEW.

Composition

3. The composition of Council is defined in the Bye-Laws (PBL32) and comprises not more than 125 members (as set out in the Appendix).
4. The Chair of Council is appointed by Council each year, for a one-year term (PBL45). They are selected by election from the Council members. The election regulations define the maximum term of the Chair as 3 years. If the Chair is unable to attend any meeting of Council, the meeting shall be chaired by a member of Council selected by the members present at the meeting (PBL45). Subject to Council's agreement at the meeting, this would be the President, and in their absence the Deputy President.
5. The quorum for Council is one third of Council members (PBL 42).

Accountability and delegations

6. In relation to ICAEW's Strategy, Council:
 - 6.1. Provides input to the development of the Strategy through debate;
 - 6.2. Considers and, if satisfied, approves the Strategy proposed by ICAEW Board;
 - 6.3. Receives reports from ICAEW Board to enable it to hold ICAEW Board to account for the efficient and effective implementation of the approved strategy.
7. Council is accountable for and oversees the management of the affairs and business of the ICAEW (Charter Clause 2(a)). Under Charter Clause 2(b) and PBL 49A, Council delegates responsibility for leadership, management and operations of ICAEW to ICAEW Board, as set out in the terms of reference for ICAEW Board, except for matters expressly reserved to Council as set out in these terms of reference (including the associated Council Member role profile and Operation of Council documents). Council and Council Members are expected to demonstrate leadership attributes commensurate with their governance responsibilities.
8. Council ratifies appointments to ICAEW Board based on recommendations of the Governance and Appointments Committee¹. Council has the power to remove any or all members of ICAEW Board, if it is not satisfied with its performance, subject to due process².

¹ With the exception of the President who is an ex-officio member of ICAEW Board.

² To remove a member who is appointed to ICAEW Board ex-officio would require their removal from the related office. Such an action is subject to the relevant due process to remove someone from that office. In relation to ICAEW Board, this specifically refers to the President, Chief Executive, Chief Operating Officer and Chief Financial Officer. Removal from some of these offices would require termination of contract.

9. Council is accountable for ensuring that the disciplinary and regulatory functions of ICAEW are fit for purpose and comply with the relevant legislation. Council delegates responsibility for these activities to the ICAEW Regulatory Board, as set out in the terms of reference for the ICAEW Regulatory Board. The ICAEW Regulatory Board reports to ICAEW Board which reports on its oversight of the ICAEW Regulatory Board to the Council as part of its regular reporting cycle.
10. The Chair of the ICAEW Regulatory Board shall address Council annually.
11. Council is accountable for ensuring that the governance of ICAEW is, and remains, fit for purpose. It delegates responsibility for this activity to the Governance and Appointments Committee as set out in the terms of reference for the Governance and Appointments Committee.
12. Council holds the Governance and Appointments Committee to account for ensuring the effective and efficient governance of ICAEW and keeping the governance of ICAEW under review. Council receives reports from the Governance and Appointments Committee to support Council's oversight of this activity.
13. Council ratifies appointments to the Governance and Appointments Committee, based on recommendation from the Governance and Appointments Committee. Council has the power to remove any or all members of the Governance and Appointments Committee, if it is not satisfied with its performance, subject to due process³.

Matters reserved to Council

14. Council explicitly reserves to itself the following matters set out in the Principal Bye-Laws, ordinarily acting on the basis of recommendations of other bodies as set out below:

	Powers reserved to Council	Ordinarily based on recommendations from
	Membership and operation of Council	
i.	The making and amendment of regulations relating to elections to Council (PBL 33).	Governance and Appointments Committee
ii.	The co-option of members to Council (PBL 36).	Governance and Appointments Committee
iii.	The determination of those offices, the holders of which shall be appointed as ex officio members of Council (PBL 36B).	Governance and Appointments Committee

³ To remove a member who is appointed to the Governance and Appointments Committee ex-officio would require their removal from the related office. Such an action is subject to the relevant due process to remove someone from that office. In relation to the Governance and Appointments Committee, this refers to the Immediate Past President, President, Deputy President, Vice President, Chair of Council and Chief Executive. Removal from some of these offices would require termination of contract.

	Powers reserved to Council	Ordinarily based on recommendations from
iv.	The appointment annually ⁴ from amongst its number of a Chair of its meetings and, in the absence of the appointee from one of its meetings, the choosing of one its number to be chair of the meeting in question (PBL 45).	-
v.	All arrangements for the despatch of business, adjournment and regulation of the proceedings of Council (PBL 40(a)).	Governance and Appointments Committee
vi.	The ability to delegate any of its powers, authorities or discretions to committees (or person(s)) on terms and conditions as it sees fit and revoke or alter any such powers, authorities or discretions so delegated (PBL49).	Governance and Appointments Committee
	Appointment of Office Holders	
vii.	The choosing annually ⁵ from amongst its number of a President, Deputy-President and Vice-President and the filling of any vacancy in any of these offices (Principal Bye-law 43).	-
viii.	Removal ⁶ from office of the President, Deputy-President and Vice-President (PBL 43A).	-
	Membership of ICAEW	
ix.	The approval of schemes for the granting of diplomas, certificates and other awards (Charter Clause 1(b)(vii)).	ICAEW Board
x.	The granting ⁷ of honorary membership (PBL 4A).	Governance and Appointments Committee

15. Council also reserves the approval of amendments to the Code of Ethics to itself, ordinarily acting on recommendations from ICAEW Board.

Matters reserved to the Members of ICAEW

16. The following matters are reserved to Members of ICAEW:

- 16.1. Amendments to the Charter and Principal Bye-Laws (<https://www.icaew.com/about-icaew/who-we-are/charter-and-by-laws>) require a resolution of the Members (two-thirds majority) and approval from the Privy Council. Council considers the proposal

⁴ Through election.

⁵ Through election.

⁶ This requires a 75% majority vote.

⁷ This requires a 75% majority vote.

from the Governance and Appointments Committee and agrees any resolution to be put to the Members.

- 16.2. Amendments to the annual subscription require a resolution of the Members. Council considers the proposal from ICAEW Board and agrees any resolution to be put to Members.
- 16.3. Appointment of the Auditor, or replacement of the Auditor removed by ICAEW (PBL62(c) and PBL 65). Council considers the proposal from ICAEW Board and agrees any resolution to be put to Members
- 16.4. Council also reserves to itself the approval of public policy positions on key, higher-risk matters.

Operation of Council

17. The proceedings of Council shall adhere to Principal Bye-Laws 40 to 48. These bye-laws consider:
 - 17.1. Meetings of Council.
 - 17.2. Adjournment of meetings.
 - 17.3. Quorum (one third of Council members).
 - 17.4. Election of President, Deputy-President and Vice-President.
 - 17.5. Removal of President, Deputy-President and Vice-President.
 - 17.6. Ex-officio membership of Committees.
 - 17.7. Chair of Council.
 - 17.8. Voting at meetings of Council (except in relation to the granting of or removal of honorary memberships or the removal of Office Holders), at all meetings of the Council the vote of a majority of those present and voting shall prevail. In the case of an equality of votes the Chair of the meeting shall have a second or casting vote in addition to their original vote.
 - 17.9. Minutes of meetings of Council and Committees.
 - 17.10. Validity of Proceedings.
18. Council shall carry out its responsibilities within the framework of general duties and procedural requirements in the Operation of Council document. This includes the procedures for moving recommendations, making amendments to resolutions, decisions being made out-of-meeting, and other procedural matters.
19. The Chair of Council shall report to the Members of ICAEW on how Council has discharged its duties in the Annual Report each year.
20. The role and responsibilities of an individual member of Council are set out in the Council Member Role Profile.
21. Council shall have access to sufficient resources to carry out its duties, including access to the Governance Office for advice and assistance as required. The Governance Office shall provide secretariat support to Council.

Appendix: Composition of Council

The composition of Council is defined in the Principal Bye-Laws (PBL32) and comprises:

Not more than 85 elected members. The constituencies for the election are set out in the Council Election Regulations.

Not more than 25 co-opted members appointed under PBL36.

Not more than 15 ex-officio members, of which:

- Not more than five appointed under PBL36A. This bye-law specified that these five appointments are: President, Deputy-President, Vice-President and two Past Presidents
- Not more than ten appointed under PBL36B. This bye-law allows Council to determine which roles confer a position ex-officio on Council. These are currently defined⁸ as:
 - The Chair of the ICAEW Student Council
 - The Chair of the ICAEW Practice Committee
 - The Chair of the ICAEW Business Committee
 - The Chair of the Governance and Appointments Committee

⁸ Previously the Chairs of the Faculty Boards were also members of Council ex-officio. This was changed in March 2024, to take effect from June 2025. The Chair of the Governance and Appointments Committee was added to the list of ex-officio members following the establishment of this committee in early 2024.