

## **Explanation of proposed changes to the PHANZA Constitution**

The following explanation has been prepared by the PHANZA Committee to explain the proposed amendments to the PHANZA Constitution being put forward for consideration by members at the 2016 Annual General Meeting.

This document explains the proposed changes clause by clause, but starts with an explanation of the Committee's proposals with regard to voting at meetings. We separate out the voting issue partly because it was the most difficult issue the Committee had to consider, and partly because it involves several different clauses of the Constitution.

As noted in previous communications to members about the Constitution, there are a few small differences between the version of the Constitution on PHANZA's website and the version that is lodged with the Registrar of Incorporated Societies. As any changes to the Constitution need to be notified to the Registrar, we have treated the version currently lodged with the Registrar as being the definitive version.

Except where indicated otherwise, clause numbers referred to are those in the proposed amendments to the Constitution (which may differ from clause numbers in the current Constitution).

### **Voting**

The Committee has considered options for allowing members who are unable to attend Annual General Meetings (AGMs) or Extraordinary General Meetings (EGMs) to vote in such meetings (distance voting). We have decided not to propose full provision for distance voting, but are proposing some moves in that direction.

To be clear, the difficulty is not that the Constitution prohibits distance voting as such. On the contrary, clause 9 of the Constitution currently states that 'There shall be provision made for postal or proxy voting'. The difficulty, however, is that if such voting is to have any meaning, significant changes would need to be made to procedures for AGMs and EGMs.

Currently, the Constitution provides that nominations for office shall be accepted up to the time of and from the AGM. Likewise, although not currently spelled out in the Constitution, motions for debate at AGMs and EGMs can be accepted up to and from the meeting. Providing for distance voting would require a much more formalised system of calling for and publicising nominations for Committee membership well ahead of the meeting. It would also require all motions for debate to be circulated ahead of the meeting. This would place an increased administrative burden on the Committee, and remove some of the flexibility PHANZA currently enjoys. In particular, it can be difficult to find people to fill positions on the Committee (particularly office holders), and sometimes candidates come forward only at the last minute. Distance voting would remove the flexibility to accept candidates even as late as the AGM itself.

Nevertheless, the Committee was willing to bring in distance voting if there was a clear message from a significant number of PHANZA members (particularly those unable to attend meetings) that they wanted it. In April 2016, a questionnaire on this subject was circulated to members. We are very grateful to those members who sent in their views. However, only 12 responses were received. Of these, 9 supported distance voting, 2 felt it wasn't warranted and 1 was happy to leave the decision to the committee. Due to the low response rate, the Committee does not consider there is sufficient evidence of demand from members for distance voting at this time.

The Committee is, however, proposing amendments in clause 9 that would make it clear that members can exercise a vote by proxy; and that voting by other means may be provided for on motions that have been circulated in advance of the meeting.

In addition, the proposed amendments to clause 10 would ensure that, in future, all members can vote on proposed amendments to the Constitution itself. Not only is it important that all members should be able to vote on PHANZA's foundational document, but also no procedural change is needed, as proposed Constitutional amendments are already required to be circulated with the agenda ahead of the AGM or EGM.

We realise that some members will be disappointed that full provision for distance voting is not being proposed. However, we encourage such members to make their views known in other ways, such as:

- nominating for election to the Committee
- putting forward motions for discussion at AGMs or EGMs
- asking another member to exercise a proxy vote on their behalf
- getting in touch directly with the Committee to raise issues or concerns
- contacting the *Phanzine* editor about writing for the newsletter
- getting together with other members in local areas and raising issues of local concern through *Phanzine* or by contacting the Committee.

### **Clauses 1 and 2 – Name and Aims of the Association**

No changes are proposed to PHANZA's name and aims. In accordance with the version of the Constitution lodged with the Registrar of Incorporated Societies, clause 2(b) refers to a 'code of ethics', not a 'code of practice'.

### **Clause 3 – Membership**

#### *General*

Currently, some of the details about how membership applications are handled are covered in Rules made under clause 10(a) of the Constitution. The Committee proposes to delete clause 10(a), and to bring the existing Rules into the Constitution itself. Proposed new clauses 3(b) to 3(e) are taken from the existing Rules about membership. The only change that has been made to these Rules is in clause 3(e),

where reference to complying with Rules has been deleted and reference to complying with the code of ethics has been added.

Suspension and termination of membership is proposed to be covered in a new clause 4.

#### *Associate membership*

The Committee considered whether a new category of Associate Member should be added, for people entering the historical profession (for example, new graduates). The Committee decided that there would be little benefit from such a category, and it would create significant challenges (particularly in deciding on the criteria for graduation to full membership).

#### *Life membership*

Clause 3(g), dealing with Life Membership of PHANZA, was approved at the 2014 AGM. However, it is included as a change to the Constitution because it has not yet been notified to the Registrar of Incorporated Societies.

#### **Clause 4 – Suspension or termination of membership**

The proposed clause 4 is a new clause of the Constitution. However, its content is taken from existing Rules on suspension and termination of membership, together with two provisions that have been moved from clause 3(c) and 3(d) of the current Constitution. It does not involve any change to current procedures, but simply makes them clearer by bringing them all together in one place.

#### **Clause 5 – Annual fees (currently clause 4)**

The proposed amendment to clause 5(a) would make clear that annual membership fees shall only be subject to a vote at the AGM if there is a proposal to change the fees (in other words, no vote is needed if the fees are staying the same).

The proposed amendment to clause 5(b) states that the Committee can charge non-member individuals or institutions for subscribing to PHANZA's publications, or can provide those publications for no charge.

#### **Existing clause 5 – Branches**

The Committee proposes to delete existing clause 5 in its entirety. Clause 5 deals with the establishment of branches of PHANZA based on commonality of location or interest. The Committee encourages PHANZA members to get together in particular regions or around shared interests. However, there is no need to establish separate branches in such a small organisation. No branches of PHANZA currently exist.

## **Clause 6 – Executive Committee**

### *Size of Committee*

Currently, the Constitution provides for the Committee to consist of seven elected members, and allows for a further three members to be co-opted, making a maximum Committee size of ten. The proposed amendment to clause 6(b) would allow for another two Committee members to be elected, making a maximum Committee size of twelve. While the Committee will not always be this large, it is desirable to allow scope for a larger Committee to enable regional representation and succession planning.

### *Procedural matters*

Other proposed amendments clarify voting procedures on the Committee, remove the requirement for meetings to be chaired by the President, and increase the Committee quorum from three to four. These amendments would not materially affect the way in which the Committee operates.

## **Clause 7 – Annual General Meeting**

### *Meeting business*

The proposed amendment to clause 7(b) spells out in more detail the business to be covered at the AGM.

The proposed new clause 7(e) provides for motions on matters of interest to PHANZA's membership to be put forward to the AGM, either before or at the meeting. This reflects current practice.

### *Procedural matters*

Proposed new clause 7(f) sets out who chairs the AGM, something not currently covered in the Constitution.

The proposed amendments to clause 7(g) increase the quorum for the AGM from 10 to 15; and make clear that, in addition to members present in person, the quorum includes members participating by means of a proxy vote or by other means (for example, if in future it became possible for members to participate by audiovisual conferencing). The words 'participating fully in the meeting' are intended to indicate that, while it may be possible to receive electronic or postal votes on specific motions, such votes would not count towards the quorum.

## **Clause 8 – Extraordinary General Meeting**

No changes are proposed to clause 8, but voting at EGMs would be affected by the proposed amendments to clause 9.

## **Clause 9 – Method of voting**

The Committee's overall consideration of voting at PHANZA AGMs and EGMs is explained above. The proposed new provisions in clause 9 set out the detail of proposed voting procedures.

Currently, the Constitution provides that election of the Committee is to be by recorded vote (in which the vote of each member is recorded against his or her name) or by secret ballot. This is overly cumbersome for a small organisation like PHANZA. The Committee considers that all votes, whether for election of Committee members or on any other matter, should be by a simple show of hands of those attending the meeting, together with any votes by proxy or by other means. As in the current version of the Constitution, a decision would be carried by a simple majority. The proposed new clause 9(d) also provides that in the (unlikely) event of an equal vote, the chair of the meeting (usually the PHANZA President) has a casting vote.

Proposed new clause 9(b) provides for proxy voting, but does not set out how this would work. The Committee can develop procedures for proxy voting.

Proposed new clause 9(c) states that voting by other means, such as electronic or postal voting, may be allowed where feasible. However, such votes will only be possible on motions that have been notified to members before the meeting.

## **Clause 10 – Constitution**

### *Rules*

Clause 10(a) currently provides for the making of 'Rules concerning the conduct of members and the activities of the Association'. The clause provides that such Rules can be made by the Committee but must be ratified by a majority of members at a General Meeting.

PHANZA currently has Rules about membership and about suspension and termination of membership. The Committee proposes to bring these existing Rules into the Constitution itself, as discussed in relation to clauses 3 and 4 above.

The Committee considers that it is clearer to have all of the rules governing the Association and its members in one place in the Constitution itself. We can see no benefit from having separate Rules, and propose to delete existing clause 10(a). Any matter that is fundamental to the governance of the Association should be provided for in the Constitution. If greater detail about the practical operation of that matter is needed, the Committee can develop appropriate guidelines without needing to put these to a vote at an AGM or EGM.

If the proposal to delete clause 10(a) is accepted, PHANZA would have only two governing documents: the Constitution itself, and the code of ethics made under clause 2(b) of the Constitution.

## *Amendments to the Constitution*

A proposed amendment to what will become clause 10(b) would ensure that members not present at an AGM or EGM can, in future, vote on proposed amendments to the Constitution. It does this by changing the word 'attending' to 'voting at', and by adding a sentence stating that the Committee shall ensure that all members, including those not able to attend a meeting, are able to vote on proposed amendments to the Constitution. The Committee anticipates that such voting would be principally by electronic means. Amendments would still need to be approved by at least two-thirds of members voting.

### **Clause 11 – Control of funds**

A proposed amendment to clause 11(d) would change the restriction on who may have signing authority for PHANZA's bank account. Currently, any two of the President, Treasurer and Secretary may have signing authority. The Committee does not see any reason why signing authority should be limited to office-holders. In addition, limiting authority to operate the bank account to only two people could make it difficult to operate the account if, for example, one person is ill or out of communication for a time.

The proposed amendment would allow any *three* Committee members, one of whom must be the Treasurer, to have signing authority for the account (nowadays, this rarely involves 'signing' in the literal sense, but rather electronic authorisation of transactions).

### **Existing clause 12 – Auditor**

The Committee proposes to delete existing clause 12, which requires that the auditor of PHANZA's accounts be elected at the AGM. The Committee considers that the selection of the auditor (or reviewer – see below) is an administrative matter that can be decided by the Committee. There is no legal requirement under the Incorporated Societies Act for the auditor to be elected.

### **New clause 12 (current clause 13) – Financial statements**

The proposed amendments to clause 12 reflect current accounting standards and language. There is no legal requirement for incorporated societies to undergo a full audit, and it will generally be more appropriate (and cheaper) for a small organisation like PHANZA to have its financial statements subject to an assurance review rather than an audit. In an assurance review (assuming the organisation passes the review), the reviewer certifies that 'nothing has come to my attention that causes me to believe that these financial statements do not present fairly ... the financial position' of the organisation.

The proposed amendment to clause 12 would allow the Committee to decide whether the financial statements should be subject to a review or a full audit. As new

auditing rules make a full audit an expensive proposition, the Committee is likely to choose a review in most cases. The financial statements would still have to be approved by members at the AGM, where members can raise any concerns they may have about the statements.

The proposed amendment also changes 'statement of Income and Expenditure' and 'Balance Sheet' to 'statements of the Association's financial position and financial performance', in accordance with current accounting terminology.

### **Clauses 13 and 14 – Common seal and Winding up**

No changes are proposed to these clauses.