

### Background

In October 2024, the Finance and Audit Committee (FAC) was established from a merger of the Finance Committee and Audit Committee. This merge was in response to a recommendation of the 2024 evaluation of the RANZCP Board.

In May 2013, the Finance Committee replaced the Resource Management Committee, and the Audit Committee was a new committee established, as part of the implementation of a governance model that saw the RANZCP General Council replaced by the RANZCP Board.

### 1. ROLE

The role of the Finance and Audit Committee (FAC) is to:

- exercise governance responsibilities with respect to the College's financial and business affairs, including monitoring of financial risk and performance,
- act as an advisory body to the Board in relation to statutory compliance and strategic financial reporting, and
- oversee and monitor the College's audit processes, including the College's internal control activities.

### 2. RESPONSIBILITIES

The FAC shall be responsible for:

- a) Ensuring the College is compliant with relevant legislative requirements and applicable laws, regulations, standards and best practice guidelines.
- b) Providing advice to the Board on outcomes and policies relating to statutory and contractual accountability, financial statement issues and financial management issues.
- c) Monitoring and reviewing overall audit policy, financial planning and financial strategies of the College, and the process for their implementation.
- d) Assessing financial risks or concerns that may impact materially on the financial performance or financial position of the College.
- e) Oversight of financial management and protection of College assets.
- f) Reviewing the annual budget, forecasts, and making recommendations to the Board.
- g) Recommending to the Board the appointment and terms of engagement of the external auditors and their audit plan.
- h) Ensuring the independence of the external auditor and reviewing the annual declaration of independence from the external auditors and their performance.
- i) Ensuring the College's initiatives are carefully monitored in relation to expenditure, achievement of goals, adherence to time constraints and reporting requirements.
- j) Regularly reviewing and monitoring the College's cash flow position, investments, exposure to fraud, of the College.
- k) Receiving regular financial reports and providing progress reports to the Board on the College's financial performance.
- l) Advising the Board on competing demands for resources, prioritising resource allocation and advising on alternative methods of funding College activities.

- m) Ensuring College financial statements is audited annually and complies with all relevant legislative requirements and that appropriate financial management systems are in place to support these functions.
- n) Monitoring and reviewing financial policy, planning and strategies of the College, and the process for their implementation.
- o) Serving as an independent and objective party to review the financial information including annual and periodic accounts and accounting policies and practices presented by management to the Board for presentation to College Members and regulatory authorities.
- p) The Chair sign the Directors' declaration for the annual financial statements.
- q) Reviewing and assessing the adequacy of the reporting, financial risk management, accounting and internal controls of the College.
- r) Identifying and overseeing financial risks associated with all College Committees and its own committee, in accordance with the College's Risk Management Policy, and for reporting high level risks to the Board.
- s) The application of accounting policies.

### **3. REPORTING RELATIONSHIPS**

- a) The FAC will report on its activities and the activities of its subcommittees to the Board.
- b) The FAC will work closely with the Chief Executive Officer and Chief Financial Officer to ensure its responsibilities are met.

### **4. COMPOSITION / MEMBERSHIP**

The Committee will be chaired by a Board Director.

In addition, the FAC will include the following members:

- Five (5) Fellows Independent
- President
- Chair, Corporate Governance and Risk Committee

Committee members should have appropriate skills and experience suitable for a financial role.

The Committee shall include appropriate representation from Australia and New Zealand (at a minimum of one member from each).

The Committee shall endeavour to achieve diversity, including gender balance.

### **5. ELECTIONS AND APPOINTMENTS**

#### **5.1. Chair**

- a) The Chair shall be appointed by the Board from amongst the members of the Board.
- b) The term of office for the Chair shall be in accordance with the Board Director's term and will commence from the conclusion of the Annual General Meeting in the election year in which they were elected or such later date when a successor is elected.
- c) The Chair will be an ex-officio member of all subcommittees established under the FAC.

#### **5.2. Fellows Independent x5**

- a) Nominations for the five (5) Fellows Independent will be called from amongst the Fellows of the College. The Fellows Independent will be appointed by the Board on the recommendation of the FAC.
- b) The term of office for the Fellows Independent will be three (3) years from the conclusion of the Annual General Meeting in the election year in which they were elected.

- c) The Fellow Independent members will be eligible for re-appointment to this position to serve two (2) consecutive terms (i.e. 6 years) and also eligible for re-nomination to serve further terms, with a maximum of four terms (i.e. 12 years).

### 5.3. Co-opted Members

Refer to the *Committee Meeting Operations Regulations* for information regarding Co-opted Members.

### 5.4. Observers

Refer to the *Committee Meeting Operations Regulations* for information regarding Observers.

### 5.5. Casual Vacancies

- a) A casual vacancy appointment shall be for the remainder of the term.
- b) For the purposes of this Regulation, the period of time served as a casual vacancy shall not be counted as a period of membership.

## 6. OPERATIONAL

Refer to the [Committee Meeting Operations Regulations](#) for the Committee's operational information including:

- Agenda
- Associated RANZCP Documents / Sources of Information
- Attendance
- Chair
- Committee Powers and Delegation
- Conflict of Interest
- Consent
- Confidentiality
- Meeting Code of Conduct
- Co-opted Members
- Defects in Appointment or Qualification
- Definitions and Interpretation
- Financial Responsibility
- Media and Authorised Statements
- Meetings
- Minutes
- Observers
- Other Committees
- Proxies
- Quorum/Voting
- Review
- Risk Management
- Support
- Work Plan

Any queries regarding the *Committee Meeting Operations Regulations* should be directed to the relevant staff member who is responsible for supporting the FAC.

## 7. ASSOCIATED DOCUMENTS

- Committee Meeting Operations Regulations and associated documents
- Board and relevant Board constituent committee Regulations and Position Descriptions
- Finance and Audit Committee Position Descriptions
- Investment Subcommittee Terms of Reference
- Delegations of Authority
- Investment Policy

## Revision Record

<b>Contact:</b>	<b>Chief Financial Officer</b>		
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<b>Responsible Committee:</b>	Corporate Governance and Risk Committee		
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