

Finance and Audit Committee Terms of Reference

1. Purpose

These Terms of Reference define the objectives, responsibilities and composition of the Royal Australasian College of Medical Administrators (**College**) Finance and Audit Committee.

They are to be read in conjunction with the Committee Charter and the Delegation of Authority Policy.

2. Objectives

The Finance and Audit Committee is established to provide advice and assistance to the Board to enable it to fulfil its general finance, audit, risk and investment responsibilities.

The Committee reports to the College Board through the Chair.

3. Responsibilities

Finance and Audit Committee

3.1 The Finance and Audit Committee may exercise any power delegated by the Board in the Delegation of Authority Policy, but in the absence of a specific delegation is to act in an advisory capacity only.

The Finance and Audit Committee is responsible for the following:

3.2 In relation to financial governance:

- a) **Standards and Quality** – Oversee the adequacy and effectiveness of the College’s budgeting, accounting, financial and investment policies and controls, including periodic discussions with management, external auditors, internal auditors and independent advisors and seek assurance of compliance with relevant regulatory and statutory requirements.
- b) **Annual Budget** – Review the annual operating and capital budgets proposed by management and recommend the final proposed budget to the Board after ensuring appropriate consultation has taken place.
- c) **Financial Reports** – Oversee the College financial periodic reporting process and reports on the results of its activities to the Board.
- d) **Annual Financial Statement** – Review the annual accounts of the College, meet with the appointed External Auditor and seek assurance that they are satisfied with the disclosures and content of statutory financial statements prior to sign off by the Board.
- e) **External Auditor** – Review the performance of the external auditor and can recommend to the Board any changes to the selection it deems appropriate.

- f) **Capital expenditure requests** – Review business cases for any project or capital expenditures exceeding \$10,000, approve or recommend for approval as per Delegation of Authority schedule.
- g) **Investment strategy** – Review the College’s Investment Policy Statement and investment performance and make recommendations to the Board.
- h) **Investment decisions** – Make investment decisions as per Delegation of Authority Policy.

3.3 In relation to risk management:

- a) Review the risk framework including risk appetite and risk policy.
- b) Monitor the enterprise risk register and adequacy of controls, provide advice to the Chief Executive on risk assessments and mitigation strategies
- c) Review issues that may impact the College’s ability to achieve its strategic objectives
- d) Oversee the College’s insurance.

3.4 In relation to strategic improvements:

- a) Review the overarching finance, audit and risk functions of the College regularly.
- b) Conduct environmental scans to understand emerging trends in the financial management, audit and risk of medical colleges.
- c) Scan the horizon for upcoming regulatory and other changes for which the Board needs to be prepared.

College Office

3.5 As well as standard meeting administration support as detailed in the Committee Charter, the College Office will provide the following support to the Finance and Audit Committee:

- a) Prepare an annual budget
- b) Provide financial reports
- c) Develop drafts and revisions of documents for consideration by the Committee
- d) Other support as needed from time to time

4. Composition

4.1 The Finance and Audit Committee will comprise the following:

- a) Two (2) Board Directors, one of whom will be appointed by the Board as Chair
- b) Two (2) Fellows (not Board Directors) with knowledge and expertise in budget and financial monitoring, and/or risk management.
- c) One (1) Associate Fellow (not Board Director) with knowledge and expertise in budget and financial monitoring, and/or risk management.

- d) One (1) senior Candidate (not a Board Director) with experience in financial monitoring
- e) Two (2) external people who are not College Members with expertise in accounting, financial management/governance, audit, enterprise risk and/or investment.
- f) President of College (ex-officio).

4.2 The Committee or the Chair may co-opt up to two members as appropriate.

4.3 All members will have sufficient commercial, financial or risk expertise to act effectively as members of the Committee, as determined by the Board.

5. Meetings

The Committee meets on a regular basis – with a minimum of 4 meetings a year.

6. Related Documents

- Constitution
- Committee Charter
- Delegation of Authority Policy

Document information			
Document Type:	Terms of Reference	Approval Date:	May 2024
Custodian:	Chief Executive	Approved by:	Board
Version:	v4.1	Endorsed by:	Finance and Audit Committee
Next Review: 3 years from approval date or earlier if required			
Uncontrolled when printed			
Revision history			
Version	Date	Description	
v4.1	May 2024	Change of composition to add an Associate Fellow	
v4.0	April 2024	Strengthening of risk function, introduction of strategic improvement, addition of one external member, removal of content covered in new Committee Charter, new formatting.	