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## **FINANCE & AUDIT COMMITTEE**

### **TERMS OF REFERENCE**

#### **PURPOSE & SCOPE**

The Finance and Audit Committee provides advice and assistance to the Board of the Royal Australasian College of Medical Administrators to enable it to fulfil its general finance, audit and investment responsibilities. These include RACMA's internal accounting and financial control systems, internal audit, external audit, financial statements, financial reporting processes, investment policy and such other matters as the RACMA Board may request from time to time.

#### **MEMBERSHIP**

##### **Chair**

The Chair of the Finance and Audit Committee will be the duly elected Director Finance and Audit.

##### **Other Members**

- Two (2) Board Directors, one of whom will be the elected Chair Finance and Audit
- Two (2) Fellows (not Board members) with experience in budget and financial monitoring
- One (1) senior Candidate (not a Board member) with experience in financial monitoring
- One (1) external person with expertise in accounting, financial management/governance, audit, and investment
- President of College (ex-officio)
- Chief Executive (in attendance)

##### **Qualifications**

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

#### **REPORTING LINE**

The Committee reports to the RACMA Board through the Chair and shall provide regular reports to the RACMA Board meetings of its activities.

#### **MEETINGS**

The Committee meets on a regular basis – with a minimum of 4 meetings a year. Members may attend meetings by teleconferencing.

#### **QUORUM**

A quorum will be a minimum of 4 members, three of whom will be Fellows (not including the Chair) of the College. In the absence of the Chair, one of the attending Fellow members will be elected as Acting Chair.

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## RESPONSIBILITIES

### Standards and Quality

The Committee oversees the adequacy and effectiveness of RACMA's budgeting, accounting, financial and investment policies and controls, including periodic discussions with management, external auditors, internal auditors and independent advisors and seeks assurance of compliance with relevant regulatory and statutory requirements.

### Financial Reports

The Committee oversees RACMA's financial reporting process and reports on the results of its activities to the RACMA Board. Specifically, the Committee reviews RACMA's periodic and annual financial statements. The Committee seeks assurance that the External Auditor is satisfied with the disclosures and content of statutory financial statements.

### Investment Policy

The Committee reviews RACMA's long-term investment objectives and policy. The Committee may contract external advice and expertise, as it considers appropriate. Specifically, the Committee periodically reviews investment performance and recommends to the Council as necessary, changes to investment policy and strategy.

### Annual Budget

The Committee reviews the annual operating and capital budgets proposed by management. The Committee recommends the final proposed budget to the RACMA Board after ensuring appropriate office bearers have been consulted.

### Capital Expenditure Requests

The RACMA Board requires management to submit business cases for any projects or capital expenditures exceeding \$10,000. The Finance and Audit Committee can approve business cases up to \$25,000 and may recommend to the RACMA Board for their approval, business cases that exceed \$25,000.

## RISK MANAGEMENT

The Committee periodically reviews progress to mitigate any financial and related area risks that are identified.

### External Auditor

The external auditor is appointed at the Annual General Meeting of RACMA. The Committee reviews the accounts of the College and should meet with the external auditor prior to sign off by Board. Annually, the Committee reviews the performance of the external auditor and can recommend to the RACMA Board, any changes to the selection it deems appropriate.

### Other

The Committee shall review and advise Board on other matters referred to it by Board.

## EVALUATION

The Committee reviews and reassesses its Terms of Reference at least annually and recommends any changes it considers appropriate to the RACMA Board.