

**The Professional Standards Councils
Finance, Audit & Risk Management Committees**

Common Terms of Reference

The following Terms of Reference are approved by the Professional Standards Councils for all states and territories for their corresponding Finance, Audit & Risk Management Committees.

Objectives

To assist the Councils to be informed about:

1. financial management and reporting;
2. departmental and/or audit reports of their operations;
3. the Councils' risks, including its areas of risks and risk management (incorporating its financial position, budget management and internal controls);
4. the annual reporting and compliance of occupational associations; and
5. Councils' annual reporting.

Membership

The Committees should consist of at least three (3) members, no fewer than two (2) of whom must be members of the Councils. The Chairperson of the Councils and any officer of the Professional Standards Authority must not be members of the Committees.

A person who is not a Council member, but has the skills and expertise to contribute to the work of the Committees may, subject to the approval of the Council and with regard to statutory appointment processes (for example, the Ministerial approval provisions of s.62 of the Professional Standards Act 2004 (Qld)), be invited to be a member.

The Committees are established by the Councils. Members will be appointed by the Councils for one year, including appointment of a member as Chairperson of the Committees. A member may be reappointed.

All members of the Committees will declare all actual or potential conflicts of interest. A Conflict of Interest Register will be maintained by the Professional Standards Authority and presented and updated at each meeting.

Meetings

The Committees will meet at least three times annually. In the first meeting after the end of financial year, the Professional Standards Authority will prepare a financial report for Committees. The second meeting of the Committees will approve the budget. The third meeting will receive the risk management report. A fourth meeting may be scheduled to deal with such other matters as may arise.

The Committees' meetings may be held in person or by electronic means in whole or in part, including by teleconference and by videoconference.

At times, out of session meetings may be required and these may be conducted by circulating minute conducted over email.

The procedures for calling and conducting Committee meetings will be the same as the procedures for calling and conducting Council meetings, unless the Committees determines otherwise. A quorum will consist of a majority of members.

Duties and Responsibilities

The Finance, Audit and Risk Management Committees will consider any matters relating to the Committees' objectives. The Committees will examine any other relevant matters referred to them by the Councils. Specifically, the Committees will:

Financial management

1. Approve and monitor financial forecasting, and financial and budgetary reporting. This includes provision of advice to the Councils as to the quality and reliability of information prepared for inclusion in financial reports.
2. Review and recommend to the Councils the budgets prepared by the Professional Standards Authority.
3. Monitor the performance of the Professional Standards Authority in its implementation of financial strategy and budgets.

Audit

1. Recommend to the Councils to notify the NSW Department of Finance, Services and Innovation of topics for internal audit of the financial stewardship and performance of the Professional Standards Authority, based on matters identified in the PSCs' Risk Management Plans.
2. Recommend to the Councils to commission internal audits, or performance evaluations, where topics are identified by the Councils' Risk Management Plan or by other emerging circumstances, and where these matters are not the subject of financial or performance audits to be conducted by the NSW Department of Finance, Services and Innovation, in a timeframe suitable to the Councils.
3. Provide advice to the Chair on annual financial statements requiring sign-off by the Chair.
4. Review the Professional Standards Authority response to recommendations arising from internal and external audits and performance audits and evaluations.

Risk Management

1. Consider annual Risk Management Plans (including financial risks) developed by the Professional Standards Authority.
2. Identify new areas of risk for treatment, if necessary.
3. Monitor performance against the plans.
4. Advise the Councils on adopting Risk Management Plans, and report on risk management performance.
5. Monitor the statutory compliance calendar for Councils.

Association annual reporting and compliance (Professional Standards Improvement Plan (PSIP))

1. Review the PSIP analysis provided annually by the Professional Standards Authority.
2. Report to Councils on the PSIP analysis, with attention to the status of regulated associations risk management practices.

Councils Annual Report

1. Review the Professional Standards Councils combined Annual Report, provide comment to the Professional Standards Authority, and endorse a final draft.
2. Recommend to Councils the approval of the Councils' Annual Report.

Minutes

The Professional Standards Authority will provide the Committees with access to the draft minutes of Finance, Audit & Risk Management Committees meetings, through the Chair, within fourteen (14) days of the date of the meeting.

Access

The Committees will have access to the Councils' financial records and any officer of the Professional Standards Authority. With the best endeavours of the Chief Executive Officer PSA, the Committees will have access to relevant officers of the relevant department.

Review of Terms of Reference

The FARMCs Common Terms of Reference will be reviewed biennially or as requested by the Chair of Councils.

DOCUMENT HISTORY		
Reason for revision	Date approved	Approver
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