

## **RACI Finance, Risk and Audit Committee [FRAC]**

### **Terms of Reference**

#### **Overview and Scope**

The Finance Risk and Audit Committee [FRAC] has oversight of the financial activities of the RACI to ensure all financial statutory requirements are met and there is adequate attention and focus on risks to the RACI and risk mitigation processes to address these.

It must be noted the existence of a Board Finance, Risk and Audit Committee does not, in any way, reduce the Boards fiduciary financial accountability.

#### **Terms of Reference**

Responsibilities of the FRAC are to:

- Oversee the financial performance of the RACI.
- Minimise the financial risk to the organisation.
- Highlight areas of perceived financial risks to the auditors.
- Receive and act on audit reports and audit recommendations.
- Recommend the audit company to the Board.
- Oversee the investment of the RACI consolidated funds to ensure a favourable return on the funds.
- Ensure there is minimal risk in all investments of the RACI consolidated funds.
- Oversee the cash flow performance needs of the RACI.

#### **Meeting Frequency**

The FRAC will meet at least 3 times per year and:

- 2 weeks prior to a face to face Board meeting.
- When the Board requires financial information to deal with exceptional circumstances.

#### **Membership**

The FRAC members are:

- Chair - the treasurer,
- President elect,
- Ceo,
- A board member,
- An appointed raci member with commercial experience, suggested by the committee and approved by the board.

The membership of the committee must be diverse in terms of gender and background.

#### **Term length**

The term of committee membership of the Treasurer and President elect correspond to their term on the Board.

The Board member and appointed member are reviewed on an annual basis.

The CEO is a permanent member.

#### **Monitoring and Review**

The FRAC Terms of Reference will be subject to annual review.

#### **Reporting**

The Chair will report to the Board at each face to face meeting and when required.

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Responsible persons	CEO/Treasurer	Scheduled review date	November 2021