

## **Finance, Risk, and Audit Committee Charter**

**This document sets out the responsibilities, structure, and processes of the Finance, Risk, and Audit Committee (FRAC) of the Council of Australian University Librarians (CAUL).**

### **1. Roles and responsibilities**

- 1.1. The Finance, Risk, and Audit Committee is responsible for overseeing CAUL's financial activity and reporting.
- 1.2. The Committee is not a policy-making body, nor does it have authority to make decisions on behalf of the CAUL Board, to approve financial expenditure, or commit CAUL to activities or undertakings not otherwise approved by the Board.
- 1.3. The Committee assists the Board in developing Board policy and monitoring organisational activity within the scope of its remit, and making recommendations to the Board for resolution.
- 1.4. The role of the Committee includes assisting the Board with CAUL's governance and exercising of due care, diligence, and skill, in relation to:

### **2. Financial management**

The Committee will:

- 2.1. Advise the Board on financial management and reporting matters, including the financial processes and procedures of the organisation;
- 2.2. Review the proposed annual budget, assessing alignment to strategic and operational plans, and appropriateness of underlying assumptions before recommending it to the Board;
- 2.3. Review CAUL's periodic financial reports in a timely manner, making recommendations to the Board as required;
- 2.4. Monitor the financial sustainability and solvency of CAUL and raise any concerns to the Board's immediate attention.

### **3. Audit**

The Committee will:

- 3.1. Review the audited financial statements before their presentation to the Board, to ensure they represent a true and fair view of CAUL's financial position and performance, and cash flow;
- 3.2. Ensure a system is in place to assess the appropriateness and compliance with CAUL's internal control systems;
- 3.3. Periodically review the appointment, terms of engagement, and remuneration of the external auditor;

- 3.4. Meet with the external auditor to review the results and discuss the adequacy and effectiveness of accounting and financial controls, and any issues the external auditor wishes to raise;
- 3.5. Ensure the independence of the external auditor

#### **4. Risk management**

The Committee will:

- 4.1. Assess and monitor risks to CAUL and recommend strategies to the Board to manage and mitigate the identified risks through the risk register;
- 4.2. Monitor compliance with applicable laws, regulations, standards, contracts, and best practice guidelines

#### **5. Composition of the Committee**

- 5.1. The Finance, Risk, and Audit Committee will consist of :
  - A CAUL Board Director appointed as Chair;
  - The CAUL Board Director who is also Chair, CAUL Content Procurement Committee;
  - Executive Director, CAUL;
  - One independent member with financial expertise and qualifications;
  - CAUL's appointed book keeper and financial controller or their representative bringing the membership of the Committee to a total of five.
- 5.2. The Board will appoint the Chair of the Committee.
- 5.3. The Committee will appoint the independent member.
- 5.4. The term of appointment of the Committee members who are Directors will coincide with their Board tenure.
- 5.5. The tenure of any other Committee members will be determined at time of appointment by the Board.
- 5.6. The Chair will be a member of the Board, and must not be the Chair of the Board.

#### **6. Meetings**

- 6.1. The Committee will meet at least six times per year.
- 6.2. Meetings will generally be conducted via teleconference.
- 6.3. A quorum will be more than half of the members.
- 6.4. In the Chair's absence, the members who are present will select a Chair for that particular meeting.
- 6.5. The notice and agenda of a meeting will include relevant supporting papers and must be made available to Committee members at least one week prior to the meeting date.
- 6.6. The Committee may invite other people to attend a meeting, consult other people, or seek any information necessary to fulfil its responsibilities.
- 6.7. A request for a meeting from the external auditor must be met.

#### **7. Conflict of interest**

- 7.1. Committee members will be invited to disclose conflicts of interest at the start of each meeting.
- 7.2. Where members or invitees are deemed to have a real or perceived conflict of interest they will be excused from Committee discussions about the issue where a conflict exists.

#### **8. Secretariat**

The Executive Director or another appropriate, designated person will act as secretary to

the Committee. The secretary will help the Chair to develop and distribute the agenda, papers, and minutes.

## **9. Minutes**

9.1. Minutes must be prepared, approved by the Chair and circulated to the members within one week of a committee meeting.

9.2. The minutes must be ratified by the Chair at the following meeting.

## **10. Reporting to the Board**

10.1. The Chair of the Committee is to report to the Board following each Committee meeting.

10.2. As part of this report, the Chair will distribute a copy of the minutes supplemented with other necessary information, including recommendations requiring Board action and/or approval.

10.3. The Chair is to organise the information relating to the Committee to be included in CAUL's annual report.

## **11. Reviews**

11.1. The Committee will review its performance on an annual basis.

11.2. The review may be conducted as a self-assessment and will be coordinated by the Chair.

11.3. The assessment may seek input from any person.