
Australasian Council of Auditors General Financial Reporting and Accounting Committee (FRAC) Terms of Reference

Purpose

The Financial Reporting and Accounting Committee (“the Committee” or “FRAC”) is a sub group of the Australasian Council of Auditors General (ACAG).

In accordance with the strategic plan as agreed from time to time, the Committee provides ACAG with proactive strategic and technical advice on developments in financial reporting and accounting, while recognising the independence and varying governing statutes of each Auditor-General.

Authority

ACAG has authorised the Committee, within the scope of their duties and responsibilities as set out in this Terms of Reference to represent their respective Auditors General and with the necessary authority to do so.

Every effort is required to ensure that the advice provided is a common point of view and where this is not the case, reasons for differing points of view will be clearly documented.

Membership

Each Member of ACAG is entitled to nominate up to two (2) representatives to the Committee. Ideally, representatives will have a technical or financial accounting operational background.

The Chair of the Heads of Financial Audit will be a Member of the Committee.

In the event that a representative cannot attend, an alternate may attend in their place. The Committee membership list is maintained by the Committee secretariat.

The ACAG Executive Director is an ex-officio member and acts as the Committee Secretary.

Chair of the Committee

ACAG will appoint the Chair of the Committee for a period of two (2) years. The Chair of the Committee will be a current Auditor General.

Should the Committee Chair be absent from a meeting, ACAG will appoint a Chair for that particular meeting.

Meetings

The Committee will meet face to face at least two (2) times a year, usually in March and October. An ACAG Member will host these meetings.

Additional meetings may be convened as appropriate via tele/video conferencing.

Committee Members are responsible for all expenses associated with attending face-to-face meetings.

Meeting agendas, along with appropriate briefing materials, will be prepared and provided to Members via the ACAG intranet at least seven days prior to the meeting date.

Minutes will be prepared, approved by the Committee Chair and circulated to Committee Members within two weeks of the meeting date. The minutes must be ratified by Committee Members present at the next meeting and signed by the Chair.

Duties and Responsibilities

In assisting the ACAG Members in fulfilling their responsibilities, the duties of the Committee shall be:

- a) To proactively provide meaningful and timely input through ACAG to the deliberations of the accounting standards setting boards both in Australia and internationally;
- b) To exchange strategic and technical information between jurisdictions on practices and developments in financial reporting and accounting;
- c) To advise Auditors General on financial reporting and accounting issues of relevance including, but not limited to, the application of specific financial reporting and accounting standards and the need for new or revised financial reporting and accounting standards;
- d) To effectively liaise with key stakeholders including, but not limited to, national and international standards setting boards and Heads of Treasury Committees;
- e) To be proactive in anticipating and discussing developments in public sector accounting, and financial reporting and advising Auditors General accordingly;
- f) To develop and coordinate Auditors General's responses to relevant national and international standards setting board exposure drafts;
- g) To proactively monitor, and where appropriate, respond to other areas of relevance to Auditors General including, but not limited to, initiatives by Public Accounts Committees, legislative change/s and other government initiatives; and
- h) To maintain membership on relevant national and international standard setting boards.

Reporting to ACAG Members

The Committee is required to submit for approval to the July ACAG Business Meeting each year a work plan to cover the following financial year. This work plan is to take account of the strategic plan as agreed from time to time.

The FRAC Chair is required to provide a report to each ACAG Business Meeting. The manner of reporting may be distribution of a copy of the minutes supplemented by other additional information, including recommendations requiring ACAG Members' action and/or approval.

Review

The Committee will review at least every two years these Terms of Reference and recommend to an ACAG Business Meeting for approval any appropriate amendments.

Approved by ACAG Members:

6 July 2017 (version 5)