
Australasian Council of Auditors General

Heads of Financial Audit (HoFA)

Terms of Reference

Purpose

The Heads of Financial Audit (“the Committee” or “HoFA”) is a subgroup of the Australasian Council of Auditors General (ACAG).

In accordance with the strategic plan, as agreed from time to time, the Committee provides an avenue through which the heads of financial audit can establish relationships and come together to share, collaborate and leverage ideas and practices. The Committee further provides an opportunity to discuss and exchange intelligence about the practical challenges and solutions for managing a financial audit business.

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 State and Territory audit office and with the necessary authority to do so.

Every effort is taken 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 one (1) representative to the Committee. Additional attendees are permitted at the discretion of the Chair. In the event that a nominee cannot attend, an alternate may attend in their place, as nominated by the relevant nominee and approved by the Chair. The Committee membership list is maintained by the Committee secretariat.

The Audit Office that is the Chair of the Committee, will also be the secretariat of that Committee.

The ACAG Executive Director is an ex-officio member.

Chair of the Committee

A Chair is to be elected by the Committee every two (2) years. The Chair of the Committee has a standing invitation to attend the Financial Reporting and Accounting Committee (“FRAC”) meetings, so that there is collaboration between the two groups and to ensure that any duplication is eliminated.

Should the Committee Chair be absent from a meeting, ACAG will appoint a Chair for that particular meeting. Or in the circumstances the Chair may be unexpectedly absent, the Committee can appoint the Chair in the first few minutes of the meeting.

Meetings

The Committee will meet as regularly as determined appropriate however, it is anticipated this would be at least twice (2 times) a year, in a mode that is most suitable for the Committee. If it's a face-to-face meeting, an ACAG Member will host these meetings. Joint meetings of the Committee and FRAC may be required where technical and practical application of financial reporting or accounting issues should be considered together.

Additional meetings may be convened as appropriate via MS Teams.

Audit Offices are responsible for all expenses associated with their staff attending face-to-face meetings.

Meeting agendas, along with appropriate briefing materials, will be prepared and provided to Members via the ACAG intranet/MS Teams site 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 exchange strategic information between jurisdictions on practices, developments and the practical application of financial auditing, accounting and financial reporting requirements;
- b) To exchange information on efficient financial audit approaches and practices that enhance audit quality;
- c) To drive the financial audit change agenda and opportunities to realise economies of scale through early planning and collaboration;
- d) To exchange operational information, share challenges and better practice approaches to managing a financial audit business, including but not limited to:
 - Managing clients and other key stakeholders such as key Parliamentary Committees;
 - Managing resources, developing and retaining staff;
 - Measuring performance;
 - Managing contracted service providers; and
 - Setting financial audit fees;
- e) To refer to FRAC technical issues for resolution or where consistency should be achieved;
- f) To exchange learning and development materials and identify future opportunities or needs for referral to the QA Panel;
- g) To engage with HoTARAC on the practical implementation of financial reporting and accounting issues;
- h) To coordinate round ups to collect relevant information or, where practicable, develop consistent approaches to common financial audit issues or challenges; and
- i) To participate in research that advances knowledge and innovation in financial audit in the public sector.

Reporting to ACAG Members

The Committee is required to submit for approval to the first ACAG Business Meeting each year an annual work plan and key meeting dates to cover the following financial year. This work plan is to take account of the strategic plan as agreed from time to time.

The Committee 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: June 2024 (version 2)

Next Review Date: May 2026