

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

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## **Purpose**

The Financial Reporting and Accounting Committee (“the Committee” or “FRAC”) 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 ACAG with proactive strategic and technical advice on developments in accounting, financial reporting and sustainability reporting, 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. Additional attendees are permitted at the discretion of the Chair. This does not include the Chair and Secretariat of the Committee. Ideally, each representative will have a technical or financial accounting operational background.

The Chair of the Heads of Financial Audit will be a standing invitee 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 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**

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

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

## **Meetings**

The Committee will meet face to face or via video conference. The Committee will endeavour to meet face to face at least once per year, where practicable. An ACAG Member will host these meetings via whatever mode is suitable for most of the members.

Additional meetings may be convened, where necessary via video conference.

An Audit Office is 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 Microsoft Teams Channel 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 endorsed 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 feedback through ACAG to the deliberations of the accounting and sustainability reporting standards setting boards both in Australia and internationally;
- b) To exchange strategic and technical information between jurisdictions on practices and developments in financial and sustainability reporting;
- c) To advise Auditors General on financial and sustainability reporting issues of relevance including, but not limited to, the application of specific accounting and sustainability reporting standards and the need for new or revised 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 and sustainability reporting and advising Auditors General accordingly;
- f) To develop and coordinate ACAG 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 provide support to ACAG Members that have membership on relevant national and international standard setting boards.

### **Reporting to ACAG Members**

The Committee is required to submit for approval to the 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: June 2024

Next Review Date May 2026