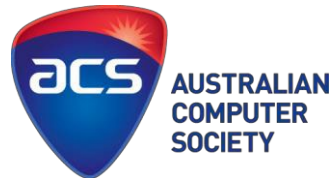


inspiring success



# Business Assurance Committee (BAC)

## Terms of Reference

**CONTENTS**

1. Role ..... 3

2. Strategic Plan Alignment ..... 3

3. Authority ..... 4

4. Functions ..... 4

5. Reporting..... 5

6. Membership and Composition ..... 6

7. The Chair ..... 6

8. Terms of Office ..... 6

9. Secretariat ..... 6

10. Meetings..... 7

11. Quorum ..... 7

12. Review Date..... 7

13. Appendices – BAC Sub Committees ..... 8

**Appendix A. Accreditation Committee ..... 8**

**Appendix B. Compliance Committee ..... 9**

14. Version Control..... 10

## 1. ROLE

The Business Assurance Committee (BAC) is to assist the Management Committee in the effective discharge of its responsibilities for:

- financial reporting
- internal controls
- risk management
- professional standards implementation
- internal and external audit.

In undertaking this role, the BAC will initially be supported by the Compliance Committee.

International best practice separates standard setting from implementation. The Profession Advisory Board (PAB) is the delegated authority of ACS chartered for identifying the need for new professional standards and overseeing the maintenance cycles of current ACS professional standards.

The BAC has the responsibility to ensure the standards set by the PAB for ACS are met, with the objectives being to:

- a) Draft new professional standards where a need is identified by the PAB.
- b) Maintain and review professional standards under the oversight of the PAB.
- c) Perform an internal audit function for certification, accreditation, skills assessment and the ACS Professional Standards Scheme to ensure the quality system is being implemented by operational staff as intended and outcomes are consistent with defined professional benchmarks.

The Committee's activity will be in-line with members' expectations, best practice and regulatory compliance.

## 2. AUTHORITY

3.1 The Committee, in performing its duties, may invite any of the following to attend a meeting of the Committee, with or without management being present:

- the external auditor;
- the internal auditor;
- any volunteer or employee of the ACS; and
- any other person.

3.2 The Committee, in performing its duties, as appropriate, has unrestricted access to ACS records and any other document, report, material or information in the possession of an employee or external adviser of the ACS.

3.3 The Committee may initiate special investigations as it sees fit, or as directed by the Management Committee, in relation to matters sets out in this Terms of Reference.

3.4 The Committee may obtain independent professional advice to assist it in the proper exercise of its powers and responsibilities, with the cost to be borne by the ACS, subject to approval of Management Committee and the appropriate ACS project process.

3.5 The Committee has authority to provide direction relating to professional standards definition and assessment to the National Office, providing such direction complies with the policies and guidelines as approved by Management Committee.

3.6 The Committee has no other executive powers unless expressly delegated by Management Committee.

### 3.7 The BAC and its Committees cannot:

- Alter their Terms of Reference, however the BAC can recommend changes to the Management Committee;
- Operate outside the ACS approved budget, or;
- Enter into any arrangements that legally bind the ACS.

## 3. FUNCTIONS

### 4.1 Risk Management

- Oversee the risk management framework;
- Review and approve risk registers and action plans;
- Review extreme and high risks; and
- Monitor the implementation of the risk management program against the endorsed implementation strategy.

### 4.2 Internal Audit

- Approve the appointment and the terms of engagement of the internal auditor;
- Review and assess the scope of the audit and the internal audit plan; and
- Review and monitor management's responsiveness to the internal audit findings.

### 4.3 External Audit

- Make recommendations to the Management Committee on the appointment, reappointment or replacement of the external auditor;
- Review and agree with the external auditor the terms of engagement for the external auditor, including fees;
- Monitor the effectiveness and independence of the external auditor; and Review the scope of the external audit with the external auditor including identified risk areas and approve external audit plans.

### 4.4 General Finance

- Approve the ACS accounting policies and principles;
- Review all financial statements and reports which are required to be published and/or signed prior to approval by the Management Committee;
- Meet with the external auditors appropriately, as requested by the MC;
- Review the Annual Report

### 4.5 Compliance

- Review and consider the processes used by management to monitor and ensure:
  - Effective and efficient use of resources
  - Identification, mediation and elimination of risks to business
  - Compliance with all applicable legislative, regulatory and other statutory requirements related to the Society and its operation as a business entity
- Monitor and periodically review the treatment of risks identified in the Management Committee risk register that contains the high and critical risks identified by the executive and summarised from the Society's operational risk registers with management reporting quarterly (and by exception) to BAC.
- Use the risk register as the basis for the development of an annual internal audit plan
- Act to review and report on any aspect of ACS business risk referred to the BAC by the Management Committee

### 4.6 Professional Standards

- Prepare a rolling three-year Professional Standards Management Plan for approval by Management Committee by 30 March each year to feed into the annual ACS budget process.

- Provision of advice to PAB and Management Committee with respect to professional standards guidelines and practices, audit, compliance and assessment governance.
- Periodically review professional standards processes and guidelines and make recommendations to the PAB for change to standards and/or policy. The program of review will be included in the Professional Standards Management Plan.
- Design processes and guidelines for new or amended professional standards under the direction of PAB and approved by Management Committee.
- Quality assure the performance of any experts involved in assessments (accreditation, certification, membership grade and skills assessment) on behalf of the BAC.
- Monitor and ensure compliance with requirements of external bodies including the Professional Standards Councils, IP3 and the Seoul Accord.
- Offer advice to other Committees, organs and staff of ACS with respect to professional standards and assessment.

#### **4. REPORTING**

5.1 Regular reports, at least once every six months, shall be prepared and submitted on the business of the Committee as approved by the Management Committee in the Professional Standards Management Plan and Audit & Risk Annual Plan.

## **5. MEMBERSHIP AND COMPOSITION**

The Committee will include five members:

- A Chair and Vice Chair as selected by Management Committee
- The National Treasurer as an ex-officio member
- Two additional members as selected by Management Committee.

The Chair of the BAC cannot be a member of Management Committee or an ACS staff member.

Members of the Committee are not required to be members of ACS and should be appointed on the basis of their expertise.

The CEO and CFO are invited observers.

## **6. THE CHAIR**

7.1 The Chair shall be appointed by Management Committee based on their skills and expertise.

7.2 The Chair is responsible for setting directions and providing leadership to the Committee and sub-committees and maintaining an appropriate level of activity and progress against the Professional Standards Management Plan and Audit & Risk Annual Plan.

7.3 The Chair is a member of each sub-committee and may attend any meeting of the sub-committee. When attending a meeting of the sub-committee the Chair has the right to Chair that meeting.

7.4 The Chair will liaise regularly with relevant office bearers, elected members, and staff.

## **7. TERMS OF OFFICE**

8.1 The Chair is appointed by Management Committee for a period of two years. The Chair may be appointed for a maximum of three consecutive two-year terms.

8.2 All members of the Committee and sub-committees are appointed for a one year term. Each one year term shall commence from 1 January. Members will be proposed by the Chair and approved by Management Committee.

8.3 The members of the Committee and Sub-committees may serve more than one term consecutively.

8.4 Membership of the Committee and Sub-committees will be approved by Management Committee on advice from the Chair. Members may be removed from the Committee at any time, notwithstanding their term, by Management Committee.

## **8. SECRETARIAT**

Secretariat support will be provided to the Committee and its sub-committees as follows:

- Meeting co-ordination including minute taking and distribution, preparation and dissemination of

relevant documents, transport, accommodation, video conferencing, ICT support, processing of expense reimbursement, and any other operational aspects of meetings as agreed with management

- Provision of advice relating to Governance of the activities of the Committee and any sub-committee;
- Assistance with the operational aspects of preparing Business Case documentation for proposed new programs, activities and initiatives in a suitable form for the consideration by Management Committee, and

- Supply of software licenses and any required technical support for the BAC its Committees, and any taskforces, which it has established, to discharge their duties.

## **9. MEETINGS**

10.1 The Committee shall meet at such times as it deems to be appropriate to fulfill its functions, but not less than twice each year including one face to face meeting.

10.2 The Committee shall operate within the ACS' approved annual budget.

10.3 Agenda items, papers and reports must be forwarded at least ten days prior to each meeting. Finalized agendas and supporting documentation are to be distributed at least one week prior to each meeting.

10.4 Minutes for the meeting will be prepared and approved by members following the meeting.

10.5 Copies of sensitive documents (in paper and electronic form) retained by the Committee members and other assisting on their behalf should be appropriately secured to protect the privacy of any personal information and the confidentiality of the business information contained therein.

## **10. QUORUM**

A quorum is a majority of members entitled to vote.

## **11. REVIEW DATE**

12.1. This document is due for review by the Management Committee at its first meeting in 2020.

12.2. Minor changes may be approved by the Custodian, e.g. the correction of typographical or formatting errors.

12.3. These Terms of Reference will expire three years and three months after the date of approval by Management Committee unless re-approved by the Management Committee.



**12. APPENDICES – BAC SUB COMMITTEES**

**Appendix A. Compliance Committee**

**Purpose**

The purpose of the Compliance Committee is to ensure ACS professional standards and policies are complied with in the assessment and evaluation processes undertaken on behalf of ACS by operational staff.

**Authority**

The Compliance Committee has authority to undertake any audit of ACS operations and obtain any information or access to information systems pertinent to its functions as defined below.

The Compliance Committee has the authority, subject to approval by the Chair BAC and the CEO, to suspend any assessment or evaluation process, until its conditions are met.

**Functions**

- Monitor operational compliance in allocating membership grades, certification status of members including the ACS Professional Standards Scheme, migration skills assessment and accreditation against ACS standards and policies.
- Undertake an audit of areas of responsibility in accordance with the schedule as documented in the rolling three-year Professional Standards Management Plan.
- Establish working groups of up to three members to undertake internal compliance audits.
- Report, with any recommendations, on each audit to the Professional Standards Assessment Committee of ACS.

**Membership**

- A Chair shall be appointed by BAC and approved by Management Committee.
- A member of the BAC.
- Up to two members with expertise, but not active in ACS assessments and evaluation against ACS professional standards.
- Up to two members with experience in the conduct of operational audits.
- Casual members may be co-opted to meet the skill needs for a particular audit.
- Principal Advisor Professional Standards as a non-voting Executive Officer.

**Meetings**

The Compliance Committee will meet as required and at least twice each year.

**Quorum**

The quorum for the Compliance Committee will be a majority of members.

**13. VERSION CONTROL**

**AUTHORS**

Ian Londish		
-------------	--	--

**VERSION HISTORY**

<b>Date</b>	<b>Document Version</b>	<b>Revision History (reason for change)</b>	<b>Author /Reviser</b>
21 Jan 2018	0.1	First draft	Ian Londish
28 Jan 2018	0.2	Membership, acronym updates	Ian Londish
29 Jan 2018	1.0	Include Vice Chair in membership, update name of Compliance Committee, use acronym of BAC	Ian Londish
13 April 2018	1.1	Minor updates and removal of Accreditation Committee	Mike Driver Ian Londish
16 April 2018	1.2	Minor updates	Mike Driver / Ian Londish
27 Aug 2018	1.3	Further Minor Updates & removal of Accreditation Committee to PAB	Mike Driver / Ian Londish

**APPROVALS**

<b>Date approved</b>	<b>Version:</b>	<b>Approved By</b>	<b>Date in force</b>	<b>Date of Next Review</b>
2 Feb 2018	1.0	Management Committee	2 Feb 2018	-2 Nov 2020
3 Sept 2018	1.3	Management Committee	3 Sept 2018	

<b>Custodian title &amp; e-mail address:</b>	Company Secretary ian.Londish@acs.org.au
<b>Responsible Business Group:</b>	Governance and Risk
<b>Distribution:</b>	
<b>Content Security:</b>	