

### BACKGROUND

In May 2013, the Resource Management Committee (RMC) was replaced by the Finance Committee. This change was as a result of the implementation of a new governance model that was passed by the Fellowship in August 2012.

The RMC was initially established by the RANZCP's General Council in February 2004. The RMC was established from a merger of the Finance Committee and the Resource Review Committee. General Council was replaced by the Board in May 2013.

### 1. ROLE

The primary objective of the Finance Committee (FC) is to act as an advisory body to the Board in relation to statutory and contractual compliance and financial strategy reporting.

### 2. RESPONSIBILITIES

The Finance Committee will be responsible for:

- a) Providing advice to the Board on outcomes and policies relating to statutory and contractual accountability, financial statement issues and financial management issues.
- b) Oversight of financial management.
- c) Receiving and reviewing the annual budget and making recommendations to the Board.
- d) Ensuring the College's initiatives are carefully monitored in relation to expenditure, achievement of goals, adherence to time constraints and reporting requirements.
- e) Monitoring the College's financial results throughout the year and making alterations in the budget for prudent financial management.
- f) Regularly reviewing the cash flow position and investments of the College.
- g) Receiving regular financial reports and providing regular progress reports to the Board on financial performance including College initiatives.
- h) Advising the Board on competing demands for resources, prioritising resource allocation and advising on alternative methods of funding College activities.
- i) Ensuring College financial systems comply with all relevant legislative requirements and that appropriate data management systems are in place to support these functions.
- j) Monitoring and reviewing financial policy, planning and strategies of the College, and the process for their implementation.
- k) Serving as an independent and objective party to review the financial information including annual and half yearly accounts and accounting policies and practices presented by management to the Board for presentation to College Members and regulatory authorities.

- l) The Finance Committee Chair, in conjunction with the Audit Committee Chair sign the Directors' declaration for the annual financial statements.
- m) Reviewing and assessing the adequacy of the reporting, financial risk management, accounting and internal controls of the College.
- n) Ensuring compliance with laws and regulations.
- o) Developing and implementing an annual work plan.
- p) Identifying and overseeing financial risks associated with all College Committees and its own committee, in accordance with the College's Risk Management Policy, and for reporting high level risks to the Board.
- q) The application of accounting policies.

### **3. REPORTING RELATIONSHIPS**

- a) The Finance Committee is formally appointed by the Board of Directors and is responsible to the Board. It shall report on its activities to each meeting of the Board, or as required.
- b) The Committee will work closely with the Chief Executive Officer and Senior Management to ensure its responsibilities are met.

### **4. FINANCE COMMITTEE**

#### **4.1. Composition/Membership**

Membership of the Finance Committee must comprise:

- A Board Director – Chair.
- Five (5) Fellows.

Committee members should have appropriate skills and experience suitable to a financial role.

The Committee must comprise of at least one Fellow from Australia and one Fellow from New Zealand.

#### **Additional position**

- An additional Board Director(s) may be appointed by the President in consultation with the Board. The term will be for 12 months and will be reviewed in May of each election year.

## **4.2. Elections, Appointments and Casual Vacancies**

### **4.2.1. Chair**

- a) The Chair shall be elected by the Board from among the Board members.
- b) The term of office for the Chair shall be in accordance with the Board Director's term and shall commence from the conclusion of the Annual General Meeting in the election year in which he/she was elected or such later date, when a successor is elected.
- c) The initial term for the first Chair of the Finance Committee will be three years due to the Board transition phase (refer to Article 25 of the Constitution).
- d) The Chair will be eligible for re-appointment to this position to serve a maximum three (3) consecutive terms i.e. 6 years, (noting that the first Chair may serve up to 7 years during the transition phase).
- e) In the event that a casual vacancy arises due to the resignation of the Chair, the Board shall appoint an interim Chair.

### **4.2.2. Fellows**

- a) Nominations are called from among the Fellows of the College, and will be appointed by the Board.
- b) The term of office shall be two (2) years from the conclusion of the Annual General Meeting in the election year in which he/she was elected or such later date when a successor is appointed.
- c) Fellows will be eligible for re-appointment to this position to serve a maximum of three (3) consecutive terms i.e. 6 years.
- d) Where possible, the appointment process shall give due recognition to ensuring the adequacy of gender balance.
- e) In the event that a casual vacancy arises due to the resignation of a Fellow, whose term is not due to finish for 12 months or more, a call for nominations from the College Fellowship shall take place. The nomination(s) will be considered by the Committee with the preferred candidate approved by the Board.
- f) In the event that a casual vacancy arises due to the resignation of a Fellow whose term is due to finish within 12 months, the Committee shall appoint a casual vacancy, in consultation with the Board.

### **4.2.3. Co-opted Members**

Refer to the *Committee Meeting Operations Regulations* for information regarding Co-opted Members.

### **4.2.4. Observers**

Refer to the *Committee Meeting Operations Regulations* for information regarding Observers.

#### 4.2.5. Casual Vacancies

- a) Refer to clauses 4.2.1 e) and 4.2.2 e) and f) of these Regulations.
- b) The casual vacancy appointment shall be for the remainder of the term.
- c) A person appointed as a casual vacancy shall be eligible for appointment in accordance with this Regulation. For the purposes of this Regulation, the period of time served as a casual vacancy shall not be counted as a period of membership.

### 5. OPERATION OF THE COMMITTEE

#### 5.1 Refer to the [Committee Meeting Operations Regulations](#) for the Committee's operational information including:

- Agenda
- Associated RANZCP Documents/Sources of Information
- Attendance
- Chair
- Committee Powers and Delegation
- Conflict of Interest
- Consent
- Confidentiality
- Co-opted Members
- Defects in Appointment or Qualification
- Definitions and Interpretation
- Financial Responsibility
- Media and Authorised Statements
- Meetings
- Minutes
- Observers
- Other Committees
- Proxies
- Quorum/Voting
- Review
- Risk Management
- Support
- Work Plan

Any queries regarding the *Committee Meeting Operations Regulations* should be directed to the relevant staff member who is responsible for the FC.

## Revision Record

<b>Contact:</b>	<b>Legal, Governance and Risk Department</b>		
<b>Authorising Body:</b>	Board		
<b>Responsible Committee:</b>	Corporate Governance and Risk Committee		
<b>Document Code:</b>	REG Finance Committee Regulations		
<b>Date</b>	<b>Version</b>	<b>Approver</b>	<b>Description</b>
17 November 2012	1.0	GC2012/4 R56	New document.
19 September 2015	1.1	Senior Department Manager, Financial Services and Governance Manager	Updated to reflect that members of the Finance Committee must be Fellows.
20 September 2016	1.2	Governance Manager	Regulations updated to include new and updated wording relating to conflicts of interest, meeting attendance, quorum, written resolutions, other committees, additional Board Director on constituent committees, trainee and overseas trained psychiatrist representatives on College committees and associated documents.
29 March 2019	1.3	Governance Unit	Removed the operational content and replaced with the Committee Operations section.
4 April 2019	1.4	CGRC	Requested that there 'must' be representation from Australia and New Zealand, the composition be amended to 'must' include, and approved the format for removing operational content and replacing with the Committee Operations section.
17 September 2019	1.5	Legal Counsel	Amended to include 'Additional position', and content placed on the revised Regulations template.
<b>NEXT REVIEW: 2021</b>			