



## **Audit and Risk Committee Terms of Reference**

The board has established an Audit and Risk Committee as a Committee of the Board to support them in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

### **Purpose**

The Audit and Risk Committee is independent from the financial management of the organisation. In particular the Committee should ensure that the internal control systems including audit activities are monitored actively and independently. It will promote a financial climate of discipline and control which will help to reduce the opportunity for financial mismanagement or fraud.

The Audit and Risk Committee will report to the Board and Accounting Officer after each meeting, and formally in writing annually.

### **Responsibilities, Rights and Duties**

The Audit and Risk committee will advise the Board and Accounting officer on:

- Strategic processes for risk, control and governance and the governance statement
- Assurances relating to the management of risk and corporate governance requirements for the organisation;
- The effectiveness of the internal control system in the annual report
- Annual financial statements in advance of submission to the Board, with particular focus on changes in accounting policy, major areas of judgement, significant audit adjustments, going concern assumption, and compliance with accounting standards;
- *Report to those Charged with Governance* and management's response;
- Nature and scope of the annual audit in advance in discussion with NIAO if necessary and any problems or reservations arising out of audit with NIAO (in absence of management if required);
- Criteria set for selection and appointment of internal audit;
- Scope and effectiveness of internal audit's work including planning and operation of the work and the Internal Audit Annual Report;
- Systems and procedures to promote efficiency, economy and effectiveness;
- Reports and DAOs from department, NIAO and other organisations.
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations. The committee is authorised by the Board to investigate any activity

within its terms of reference, to obtain any information it requires from any employee and to investigate any issues.

- The committee may procure specialist ad hoc advice at the expense of the organisation subject to budgets agreed by the Board and in consultation with CEO and chair.

The audit and risk committee will also, every two years, review its own effectiveness and report the results of that review to the Board.

### **Membership and structure**

The members of the Audit and Risk Committee are:

- Non executive ordinary Board members : Laurence McKeown, Adeline Dinsmore, appointed to Board 9/2/2012 to 31/12/2016; Fiona MacMillan appointed to Board 9/2/2012 to 31/12/2018 and Sinead McCartan co-opted to Board 4/6/2014.
- The Committee will be chaired by Fiona MacMillan appointed to Board 9/2/2012 to 31/12/2018
- Independent External members in attendance will include : NIAO , Internal Audit, DCAL
- One member should have recent and relevant experience in finance, accounting and auditing.
- Additional members can be co-opted onto the committee to provide specialist skills, knowledge and expertise
- The Audit Committee will be provided with a secretariat function by:  
Richard Williams, CEO (Accounting Officer)  
Linda Martin, Director of Finance and Corporate Services  
Linda McGuinness, Financial Controller  
Marie Shivers, PA to CEO

### **Meetings**

- The Audit and Risk Committee will meet up to 4 times a year. Additional meetings may be convened by the Chair as deemed necessary
- A minimum of two members of the Audit and Risk committee will be present for the meeting to be deemed quorate
- Meetings will normally be attended by the Accounting Officer, Director of Finance and Corporate Services, Financial Controller, Internal Audit, NIAO, a representative from DCAL.
- The Chair of the Committee will meet at least annually with the Accounting Officer, Head of Internal audit, NIAO and the Chair of the Board of the organisation.
- The committee may ask any other officials of the organisation to attend to assist with its discussions on any particular matter
- The committee may ask any or all of those who attend but who are not members to withdraw to facilitate open discussion on particular matters
- The accounting officer may ask the Committee to convene further meetings to discuss particular issues on which they want the committee's advice

- Bilateral communications: there should be mutual rights of access between each of the Chair of the Audit and Risk Committee, the Accounting Officer, Head of Internal Audit, NIAO and Chair of the Board.

### **Information Requirements**

For each meeting the Audit and Risk Committee will be provided with:

- The organisation's Risk Register;
- Internal audit reports
- Internal audit progress report showing any changes to the plan
- Bi Annual Assurance Statement (Bi-AS)

As a minimum as and when appropriate the Committee will also be provided with:

- The internal audit strategy
- Internal audit annual report
- Quality assurance reports on the internal audit function
- Draft *Directors Report and Financial Statements*
- Draft *Governance Statement*
- Report on any changes to accounting policies
- *Report to those Charged with Governance*
- Tender details for internal audit
- Fraud and Risk management policies for review, update and proposed changes including:
  - Fraud Prevention Policy;
  - Fraud Response Plan;
  - Whistle-blowing Policy;
  - Risk Management Policy;
  - Health and Safety policy;
  - Conflicts of Interest policy;
  - Safeguarding Policy;
  - Anti-bribery Policy.