



## UNIVERSITY COLLEGE DUBLIN

### Terms of Reference

#### Audit and Risk Management Committee

*Approved by Governing Authority on 23 June 2022*

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#### **1. Purpose**

- 1.1 In accordance with Section 18 of Chapter 5 of Statute 25 of the University it shall be the duty of the Audit and Risk Management Committee to advise the Governing Authority on the audit of the resources of the University, to review the annual financial statements of the University and their format and to advise the Governing Authority on risk management issues
- 1.2 The Committee will also advise the Governing Authority on the strategic processes for risk, internal control and governance.

#### **2. Constitution**

- 2.1 Under Section 10 of Chapter 5, Statute 25, the Audit & Risk Management Committee is established as a standing Committee of the Governing Authority.
- 2.2 The Chair of the Committee shall be appointed by the Governing Authority on the recommendation of the President in accordance with procedures approved by GA for the recruitment and selection of the Chair. Until such time as an external Chair has been appointed by the Governing Authority, the President will chair the committee in accordance with the provisions of Section 24 (3) of the Fourth Schedule of the Universities Act, 1997.
- 2.3 The Chair shall not be an employee of the University.
- 2.4 The Committee shall be appointed by the Governing Authority on the recommendation of the President. Subject to the Committee having a maximum membership of six individuals, the President shall recommend no more than four independent non-executive members of the Governing Authority, excluding the Chair of the Governing Authority and no more than three external members being people who are not members of the Governing Authority or employees of the University.
- 2.5 All members of the committee will neither be employees nor students of the University.

- 2.6 In accordance with Section 19 of Chapter 5 of Statute 25, the period of office of the Audit and Risk Management Committee shall be coterminous with the period of office of the Governing Authority.
- 2.7 The Committee may co-opt members to provide specialist skills or knowledge as needed without exceeding the total membership specified in 2.4.
- 2.8 The Committee may invite attendees to the meeting to provide specialist skills or knowledge as needed.

### **3. Conduct of Business**

- 3.1 Meetings shall be held not less than four times a year. The external auditors may request a meeting if they consider that one is necessary.
- 3.2 The Bursar/VP Finance, the Head of Internal Audit, a representative of the external auditors and any member of staff or external person relevant to the activities of the Committee may attend for all or part of meetings at the invitation of the Committee.
- 3.3 At least once a year the Committee shall meet with each of (1) the external auditors, (2) the Head of Internal Audit and (3) the Director of Risk Management, without members of management in attendance.
- 3.4 A quorum shall be three members.
- 3.5 The provisions of any standing orders approved by Governing Authority will apply to the conduct of business of the committee.
- 3.6 Members will be expected to treat sensitive information, commercial or otherwise, with due confidentiality.

### **4. Authority**

- 4.1 The Committee is authorised by the Governing Authority to investigate any activity within its terms of reference and to seek any information it requires on that activity from any employee of the University or of its subsidiaries and all such employees are directed to co-operate with the Committee.
- 4.2 The Committee is authorised by the Governing Authority to obtain outside legal or other independent professional advice in accordance with the procedures for obtaining such advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, at the reasonable expense of the University.

### **5. Duties**

The duties of the Committee shall be:

#### **5.1 Financial Statements**

- 5.1.1 to review the draft annual consolidated financial statements of the University and their format before submission to the Governing Authority focusing particularly on:

- (i) the accounting policies to be adopted for financial statements
- (ii) any changes in accounting policies and practices
- (iii) major judgmental areas
- (iv) significant adjustments resulting from the audit
- (v) the going concern assumption
- (vi) compliance with accounting standards
- (vii) compliance with legal requirements

5.1.2 to recommend the draft annual consolidated financial statements for approval by the Governing Authority.

## 5.2 **External Audit**

- 5.2.1 to consider and advise the Governing Authority on the appointment, resignation or dismissal of the external auditor and on the audit fee
- 5.2.2 to discuss with the external auditor before the audit commences the nature and scope of the audit
- 5.2.3 to discuss problems and reservations arising from the audit and any other matters requested by the external auditor (in the absence of management, where necessary)
- 5.2.4 to review the external auditor's Management Letter and all other audit letters from the external auditor and to consider management's response thereon
- 5.2.5 to monitor the performance and quality of the external auditor's work and the external auditor's independence from the University

## 5.3 **Internal Control**

- 5.3.1 to consider management procedures to ensure that the quality of the internal control environment is adequate
- 5.3.2 to consider the major findings of internal investigations and management's response

## 5.4 **Internal Audit**

- 5.4.1 to satisfy itself that the arrangements made for and resources available to Internal Audit are suitable, and to monitor the performance of Internal Audit
- 5.4.2 to approve the Internal Audit annual work programme, to review Internal Audit reports and to consider major findings and management's response

## **5.5 Risk Management**

5.5.1 to keep under review and advise on the effectiveness of the risk management system and processes and report regularly to the Governing Authority

## **5.6 Other Matters**

5.6.1 to consider other topics, as requested by the Governing Authority or initiated by the Committee.

5.6.2 to advise the Governing Authority on anti-fraud policies, protected disclosure processes and arrangements for special investigations

5.6.3 to advise the Governing Authority on assurances relating to corporate governance requirements for the University

## **6. Reporting Procedures**

6.1 The Committee shall submit an annual report to the Governing Authority. The report will include the Committee's opinion on the adequacy of the systems of internal control and risk management.

6.2 The Committee will report to meetings of the Governing Authority on such other occasions as requested.

6.3 The Committee shall periodically review its own effectiveness as a committee and report results of that review to the Governing Authority.