

Technological University Dublin

Governing Body Audit and Risk Committee Terms of Reference

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1. Constitution

Under the provisions of the *Technological Universities Act, (No 3 of 2018), Schedule 1, Paragraph 6*, the Governing Body of Technological University Dublin has established an Audit and Risk Committee (ARC) to assist and advise it in relation to the performance of its duties. ARC will support Governing Body in its responsibility for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Governing Body's and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances. In appointing members of this Committee the Governing Body shall have regard to the range of qualifications and experience necessary for the proper and effective discharge of the functions of this Committee. The ARC is authorised by Governing Body to consider any matter within its Terms of Reference or relevant to it.

2. Membership and Chair

- i) The ARC shall consist of up to seven members, to include at least 3 external Governing Body members¹.
- ii) The ARC membership should collectively possess an appropriate range of skills to perform its functions to the required standard. The ARC will have members drawn from outside Governing Body². At least one member of the ARC should have recent, relevant financial experience and other members should have experience in the core areas of its business including risk management, internal audit, governance, relevant technical or specialist issues, an understanding of the public sector environment, in particular the accountability structures, and current public sector reform initiatives.
- iii) Membership of the ARC shall have regard to the objective that at least 40% of members of the Committee shall be women and at least 40% shall be men as prescribed under Section 12(5)(b) of the Technological Universities Act 2018.
- iv) When the term of an external Governing Body member expires so too shall their membership of the Audit and Risk Committee.
- v) The ARC will be chaired by one of the external members of Governing Body, appointed by the Governing Body.

3. Duration of Appointment

- i) The duration of appointment term of office of a member of the ARC shall not exceed three years renewable for up three years, to a maximum of six years in total³.

¹ As defined in S12 (6) of TU Act 2018, and corresponds to State Bodies ARC Guidance

² Per Code of Practice for State Bodies 2016: Audit and Risk Committee Guidance and Code of Governance, and TU Dublin Code of Governance 2021, Section 7.12

³ Per Code of Practice for State Bodies 2016: Audit and Risk Committee Guidance and Code of Governance

4. Quorum

- i) The quorum for all ARC meetings necessary for the transaction of business shall be 50% of the complete membership plus one, *(to include an external member of Governing Body)*, to be present for the meeting to be deemed quorate. Where the complete membership constitutes an odd number the quorum shall be 50% of the membership rounded up to the next whole number plus one.
- ii) The ARC may hold or continue a meeting by the use of any means of communication by which all the members can hear and be heard at the same time *(in this document referred to as an “electronic meeting”)*.
 - a) A member of the ARC who participates in an electronic meeting is taken for all purposes to have been present at the meeting
 - b) A duly convened meeting of the ARC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the ARC.

5. Frequency, attendance and convening of meetings

- i) The ARC will meet at least four times a year. The Chairperson of the ARC may convene additional meetings, as they deem necessary.
- ii) Only members of the ARC have the right to attend Committee meetings. However, as the business of the ARC requires, the President, Chief Operations Officer, Head of Finance, the Internal Audit Service provider, and a representative of the Comptroller and Auditor General, will be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.
- iii) The ARC may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- iv) The Governing Body may ask the ARC to convene further meetings to discuss particular issues on which they seek the Committee’s advice.

6. Secretariat

- i) The ARC will be provided with a secretariat function by the Office of the University Secretary. The University Secretary, or their nominee, shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- ii) Meetings of the ARC shall be convened by the Secretary of the Committee at the request of the Chair of the Committee or the Comptroller & Auditor General if they consider it necessary.

- iii) Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than five working days before the date of the meeting.
- iv) Supporting papers shall be sent to Committee members at the same time. In exceptional circumstances, such as for time sensitive or urgent matters the Committee members will accept a supporting paper no later than two working days before the date of the meeting. However, the balance of the papers should be circulated within the timeline outlined above.
- v) Notices, agendas and supporting papers can be sent in electronic form.

7. Reporting

- i) The ARC Chair will present a summary report to the Governing Body at the next Governing Body after each ARC meeting. Where time permits, this shall be in writing, but where not possible, an oral report shall be presented.
- ii) The ARC will formally report in writing to the Governing Body by way of circulation of agreed signed minutes, including agreed reporting of matters discussed in private session, after each ARC meeting.
- iii) The ARC will provide the Governing Body with an Annual Report, timed to support finalisation of the annual report and financial statements, summarising its conclusions from the work it has done during the year.

8. Responsibilities

The ARC will advise the Governing Body on:

- i) the strategic processes for risk, internal control and governance;
- ii) the accounting policies, the financial statements, and the University's annual report including the process for review of the financial statements following submission for audit, levels of error identified, and management's letter of representation to the Comptroller and Auditor General;
- iii) the planned activity and results of both internal and external audit;
- iv) assurances relating to the management of risk and corporate governance requirements for the University;
- v) anti-fraud policies, protected disclosure processes, and arrangements for special investigations;
- vi) the ARC will also periodically review its own effectiveness and report the results of that review to the Governing Body; and
- vii) such other matters as may arise in the context of compliance with the Code of Governance adopted and approved by Governing Body as updated or amended from time to time.

9. Internal Audit

The Committee shall:

- i) review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work, and annually approve the internal audit charter ensuring it is appropriate for the current needs of the University;
- ii) review and approve the annual internal audit plan to ensure it is aligned to the key risks of the University and receive regular reports on work carried out;
- iii) ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- iv) ensure the internal auditors have direct access to the Chair of the ARC, providing independence from the executive and accountability to the Committee;
- v) carry out an annual assessment of the effectiveness of the internal audit functions, and as part of this assessment:
 - a) meet with the internal auditors without the presence of management to discuss the effectiveness of the function;
 - b) review and assess the annual internal audit work plan;
 - c) receive a report on the results of the internal auditor's work;
 - d) determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and
 - e) review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.
- vi) monitor and assess the role and effectiveness of the internal audit function in the overall context of the University's risk management system and the work of compliance, finance and the Comptroller and Auditor General; and
- vii) consider whether an independent, third party review of processes is appropriate

10. External Audit

The Committee shall:

- i) oversee the relationship with the office of the Comptroller & Auditor General;
- ii) meet with the representative of the Office of the Comptroller & Auditor General if available after the audit at the reporting stage; and
- iii) at least once a year the representative of the Office of the Comptroller & Auditor General to meet the ARC without management being present, to discuss the auditor's remit and any issues arising from the audit;
- iv) review the findings of the annual audit including, but not limited to, the following:
 - a) a discussion of any major issues which arose during the audit;
 - b) the auditor's explanation of how the risks to audit quality were addressed;
 - c) key accounting and audit judgements;
 - d) the auditor's view of their interactions with senior management; and
 - e) levels of errors identified during the audit;
- v) review any representation letter(s) requested by the external auditor before they are signed by management;
- vi) review the management letter and management's response to the auditor's findings and recommendations; and
- vii) review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

11. Rights

The ARC may:

- i) co-opt additional members to provide specialist skills, knowledge and experience subject to obtaining the prior approval of Governing Body; and
- ii) procure specialist advice at reasonable expense to the University, on any matter it believes it necessary to do.

12. Access

The Chair of the ARC will have free and confidential access to the Chair of the Governing Body.

Internal Audit or the Internal Audit Service providers and the representative of the Comptroller and Auditor General will have free and confidential access to the Chairperson of the ARC.

13. Information Requirements

1. As necessary the ARC will be provided, in accordance with Governing Body standing order provisions, with:
 - i) a report summarizing any significant changes to the University's strategic risks and a copy of the strategic/corporate Risk Register.
 - ii) a progress report from Internal Audit summarizing:
 - a) work performed (and a comparison with work planned);
 - b) key issues emerging from the work of internal audit;
 - c) management response to audit recommendations;
 - d) changes to the agreed internal audit plan; and
 - e) any resourcing issues affecting the delivery of the objectives of internal audit.
 - iii) management assurance reports; and
 - iv) reports on the management of major incidents and lessons learned.

2. As and when appropriate the Committee will also be provided with:
 - i) a progress report (written/verbal) from the Comptroller and Auditor General representative summarising work done and emerging findings (this may include, aspects of the wider work carried out by the Comptroller and Auditor General, for example, Value for Money reports and good practice findings);
 - ii) proposals for the terms of reference of internal audit / the internal audit charter;
 - iii) the internal audit strategy;
 - iv) all Internal Audit Reports;
 - v) quality assurance reports on the Internal Audit Unit;
 - vi) the draft financial statements of the University;
 - vii) the draft governance statement;
 - viii) a report on any changes to accounting policies;
 - ix) Comptroller and Auditor General's management letter;
 - x) a report on any proposals to tender for audit functions, where appropriate;
 - xi) a report on co-operation between internal and external audit; and
 - xii) the University's risk management strategy.

14. Review of Terms of Reference

The ARC shall review these Terms of Reference annually.