



National University of Ireland Galway

Audit and Risk Committee

Terms of Reference

September 2021

Audit and Risk Committee Terms of Reference

This document sets out the terms of reference of the Audit and Risk Committee of the National University of Ireland Galway (NUI Galway) as agreed between the Governing Authority and the Audit and Risk Committee.

1. Purpose of Committee

The Audit and Risk Committee (ARC) is established as a sub-committee of the Governing Authority, Údarás na hOllscoile, to support it in its responsibilities for risk, internal control and governance by reviewing the comprehensiveness of assurances in meeting the Governing Authority's and Accounting Officer (President)'s assurance needs and reviewing the reliability and integrity of these assurances. The ARC provides independent advice to the Governing Authority regarding the suitability and robustness of the organisation's internal control systems. It considers the adequacy of the control framework within NUI Galway.

2. Authority

The Committee is appointed to provide independent and objective advice to the Governing Authority and is responsible to it for its performance in this regard. The Committee is not responsible for any executive functions and is not vested with any executive powers. The Chairperson has right of access to the Governing Authority, the President and to personnel of the University.

3. Membership

- 3.1 Membership consists of ten people, seven of whom shall be external members of the Governing Authority and the remainder shall be external to, and independent of, the University. The Governing Authority appoints the seven external members on the recommendation of the President and the Chairperson of ARC, on discussion with the President, appoints the three independent members. In making appointments, consideration is given to the skills and independence of individuals as well as recent and relevant experience.
- 3.2 The Committee shall accordingly be comprised of at least 40% women and at least 40% men across the totality of the Committee.
- 3.3 The Governing Authority, on the nomination of the President, appoints the Chairperson, who is an external member of the Governing Authority.
- 3.4 The Accounting Officer (President), Chairperson of the Governing Authority and members of the Governing Authority who hold responsibility within the University shall not be members of the Committee.
- 3.5 Period of appointments will be the following:
 - For external members of the Governing Authority, their membership will coincide with one term of membership on Governing Authority.

- For members external to the University, their membership will be for three years with the option to extend for a further three years.

A member may resign by letter addressed to the Governing Authority. The role requirements will be clearly communicated to potential members at the outset including time commitments and an indication of frequency of meetings.

- 3.6 Potential Conflicts of Interest will be an agenda item at each meeting. Where a conflict arises in the course of the work of the ARC, the member will bring this to the attention of the Chairperson and, where necessary, leave the meeting for the duration of the discussion and not take part in any decision relating to the discussion. A note to this effect will be included in the minutes of the meeting.
- 3.7 All members of the ARC are expected to comply with the University's Code of Conduct.

4. Meetings

- 4.1 To facilitate regular engagement with the organisation, the ARC will meet at least four times a year, with the authority to convene additional meetings, as circumstances require.
- 4.2 All committee members are expected to attend each meeting.
- 4.3 A quorum of 50% of the membership is required for each meeting with one member external to the University and at least one external member of the Governing Authority.
- 4.4 In the absence of the Chair, members present at the particular meeting will nominate a Chair by simple majority.
- 4.5 In the event a member does not attend three consecutive meetings, they may be replaced.
- 4.6 As necessary, the ARC will invite the following to attend:
 - The Office of the Comptroller and Auditor General (C&AG) and external commercial auditors,
 - Members of UMT as appropriate for the agenda.
 - Other officials of the University as matters or issues arise.
- 4.7 The ARC (or at least the Chairperson) should meet separately with each of the following (a) the Director of Internal Audit and Risk Management, (b) the external auditors and (c) a representative of the Office of the C&AG without members of management being present at least once a year.
- 4.8 The Governing Authority may ask the ARC to convene further meetings to discuss particular issues on which it seeks the Committee's advice.
- 4.9 If a vote is required on any issue a simple majority of all members present, including the Chairperson, will carry the motion with the Chairperson having a casting vote in the event of a tie.
- 4.10 Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing material.
- 4.11 Draft minutes of the meetings will be sent to the Chairperson for approval within 10 days of the meeting and circulated to the Committee members for adoption at the

following meeting. Following their adoption these minutes will be circulated to members of the University Management Team and to the Governing Authority at the next meeting

4.12 Appropriate records of the work of the ARC will be maintained.

4.13 The Director of Internal Audit and Risk Management shall act as Secretary to the ARC.

5. Reporting

5.1 The ARC will formally report in writing to the Governing Authority.

5.2 Minutes of meetings of the Committee and any relevant reports shall be circulated at the subsequent Governing Authority meeting.

5.3 The Chairperson of the ARC will provide an update to the Governing Authority at each meeting. The Director of Internal Audit and Risk Management will provide the update in their absence.

5.4 The ARC shall present an annual written report on its activities to the Governing Authority within three months after the conclusion of the financial year. The report will include the Committee's opinion on the adequacy of the systems of internal controls and risk management as well as the adequacy of sources of assurance to the Governing Authority.

5.5 The Committee will report to the Governing Authority on such other occasions as requested.

6. Responsibilities of the ARC

The responsibilities of the ARC shall be as follows:

6.1 Internal Control

- Advise on the organisation's internal control systems as appropriate, including information technology security and control.
- Obtain and review internal audit reports, significant findings and recommendations together with management responses.
- Monitor management's implementation of audit recommendations from internal audit, external audit and other sources.

6.2 Risk Management

- Advise on the systems of control underlying the University's risk management framework and processes.
- Receive feedback from the Director of Internal Audit and Risk Management and the University's management on the effectiveness of the risk management framework and processes.
- Consider such feedback for input into the priorities of the internal audit work programme.

6.3 Governance

- Advise on the University's internal governance systems and frameworks.

6.4 **Internal Audit**

- Approve decisions regarding the appointment and removal of DIARM.
- Approve the charter for the Internal Audit Unit (IAU) which clearly defines its mission, authority, roles, responsibilities and other reporting relationships and advise on any changes deemed desirable.
- Review the performance of the IAU, and as necessary discuss with management the IAU charter, audit plans, activities, staffing and organisational status.
- Approve the annual internal audit plan.
- Monitor implementation of the plan and approve internal reports.
- Monitor the implementation of audit recommendations arising from approved internal audit reports.
- Protect the independence of the IAU within the University.
- To advise on the effectiveness and adequacy of the expertise and resources available to the IAU.
- Raise any concerns with the Governing Authority regarding the independence of the IAU.
- Advise and make recommendations to the Governing Authority and the University Management Team on any matters pertaining to the IAU within the University that the Committee considers necessary or appropriate including its overall effectiveness, organisation, resources, training, use of technology etc.
- Request special reports from the IAU as considered appropriate.
- Approve the annual internal audit report.
- On a regular basis, meet separately with the Director of Internal Audit and Risk Management to discuss any matters that the ARC or IAU believes should be discussed privately.

6.5 **External Audit**

- Recommend to the Governing Authority the appointment and removal of the commercial auditors.
- Meet with the nominee of the C&AG and commercial auditors at twice annually.
- Review the planning approach to be undertaken by the C&AG and external commercial auditors in advance of each year-end audit.
- Review the results of external audits by the C&AG and external commercial auditors including management letter and the management's response to the findings.
- Discuss the adequacy of systems including any major findings from audit work.
- Review the Internal Audit working relationship and liaise with the nominee of the C&AG to ensure co-operation, avoidance of duplication and potential gaps in audit coverage.
- The Audit and Risk Management Committee will consult annually with the external auditors and C&AG as appropriate, regarding the operation of the IAU. Particular reference to be made to the staffing of the Unit, the audit work programme being

applied, and the testing carried out in relation to the university's compliance with the requirements set out in the Code of Governance.

6.6 **Financial Management**

- Advise on the systems of control underlying the financial management processes including considering audit and other reports relating to the procedures and practices associated with financial management and budgeting.
- Review the draft annual financial statements of the University, consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles and legal requirements.
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Recommend to the Governing Authority whether it should approve any accounts so reviewed by the Committee.

6.7 **Annual Report**

- Prepare an annual report reviewing the ARC's operations for presentation to the Governing Authority. This report will include an assessment on the work of the IAU, the supports provided to the ARC and results of the self-assessment of the Committee's own effectiveness.
- Within the annual report, confirm that a review of these written Terms of Reference has been completed.
- Follow up on any recommendations from the Governing Authority arising from this report, or in the course of other interactions.

6.8 **Protected Disclosures**

- In the event that the ARC receives a protected disclosure, it, through the Chairperson, will refer the protected disclosure in line with the University's policy on protected disclosures.

6.9 **Other**

- Review and assess the adequacy of the IAU charter on an annual basis.
- Confirm annually that all functions outlined in the written terms of reference for ARC have been carried out.
- As a part of the annual report, each year the ARC will review its own effectiveness and report the results of that review to the Governing Authority.
- Communicate with the Governing Authority in relation to any significant shortfalls in business controls and/or risk management processes.
- As required, review and advise the Governing Authority on University policies and procedures relating to anti-fraud, protected disclosure and arrangements for special investigations. Governing Authority and UMT have first line responsibility for ensuring these policies and procedures are in place.

7. Rights

The ARC may:

- 7.1 co-opt expertise to provide specialist skills, knowledge and experience; and
- 7.2 investigate any matter falling within its terms of reference calling on whatever resources (including external professional or legal services) and information it considers necessary to so do. It shall have access to adequate funding to enable it to discharge its duties.

8. Access

The Director of Internal Audit and Risk Management, the representative of the Comptroller and Auditor General and the external auditor will have free and confidential access to the Chairperson of the ARC.

Ciarán O hÓgartaigh
President/Governing Authority
Date:

Carmel O'Connor
Audit and Risk Committee Chairperson
Date: