



# AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



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The Board of Ability West (herein after called 'the Board') is supported by the Audit and Risk Committee (hereafter 'the Committee') to ensure that effective arrangements are in place for governance, risk management and internal control of the organisation.

## Membership

The members of the Committee shall be appointed by the Board and shall consist of not less than two Board Members plus at least one external member. At least one member shall have recent and relevant financial and/or risk management experience. The Committee shall appoint a Chairperson and a Recording Secretary. The members should not serve for longer than a duration of up to two consecutive terms of three years.

## Reporting

The Committee will formally report to the Board and will provide the Board with an annual report of the work of the Committee, timed to support finalisation of the annual report and financial statements, summarising its conclusions from the work it has carried out during the year.

## Responsibilities

The role of the Committee is primarily one of oversight. The Committee will advise the Board generally on matters of corporate governance and in particular on:

- The adequacy and appropriateness of the risk management processes in place
- The sufficiency of the internal financial control systems and risk management procedures
- The strategic processes for the risk, internal control and governance
- The accounting policies, financial statements and annual report of the organisation
- The planned activity and results of both external audit and internal audit\*
- The adequacy of management response to issues identified by the audit activity, including external auditors letter of representation (management letter)
- Assurances relating to the management of risk and corporate governance requirements for an organisation funded by the State
- Review tenders for either external or internal audit services
- Advise the Board on anti-fraud policies, protected disclosure processes and arrangements for special investigations
- Review its own effectiveness and report the results of that review to the Board

\*Internal audit will be completed by an external party.

### Authority

- The Committee is authorised to seek any information it requires from any staff member of Ability West, utilising and respecting the executive management structure in place
- The Committee is authorised to investigate any activity within its Terms of Reference and may obtain outside legal or other independent professional advice for same, subject to Board approval
- The Committee may co-opt members to provide specialist skills, knowledge and experience, subject to Board ratification
- The Committee may commission papers and reports as necessary, subject to Board approval

### Meetings

- The Committee will meet at least three times a year;- the Chairperson may, if necessary, convene additional meetings
- A minimum of three members of the Committee will be present for a meeting to be deemed quorate
- As the business of the Committee requires, the Chief Executive, Directors of Finance, Client Services and Human Resources, External Auditor(s) and any other persons the Committee deems necessary to attend, utilising and respecting the executive management structure in place.
- The Board may, at its discretion, ask the Committee to convene further meetings to discuss particular issues on which they may seek the Committee's advice or guidance

### Information Requirements

The Committee will appoint one of the Committee members as Recording Secretary who will:

- Schedule meetings of the Committee as required
- Consult with the Chairperson to discuss and agree an agenda for each meeting
- Keep/circulate minutes and documents
- Track agreed actions and requirements for advice
- Record member's appointments, terminations and renewals based on agreed procedures

### Appraisal

Appraisal of the work of the Committee will be carried out on a yearly basis by the Chairperson of the Committee and will be communicated to the Board.

Kevin Flavin

08 March 2019