

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 2018, as amended, 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. The 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. (Internal Audit charter, reporting lines) 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 **eight** members, to include:
 - a. at least **three** External Members¹ of Governing Body ².
 - b. at least **two** Independent Members, external to the Governing Body. 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 Body³. At least one member of the ARC should have recent, relevant financial experience and hold a current recognized accounting qualification. Other members should have experience in the core areas of its business including risk management, internal audit, governance, relevant technical or specialist experience, for example Cyber Security, and an understanding of the public sector environment, in particular its accountability structures.
 - c. At least one internal member being a member of staff of the Governing Body.
- ii) 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 in accordance with **Section 6.2(b) of Schedule 1** of the Technological Universities Act 2018 as amended.
- iii) When the term of a Governing Body member expires so too shall their membership of the Audit and Risk Committee.
- iv) The ARC will be chaired by one of the External Members of Governing Body, appointed by the Governing Body. The Governing Body Chair may not Chair the Audit and Risk Committee.⁴
- v) Members of the Executive of TU Dublin and its internal and external auditors should not serve on the ARC for three years after their departures from these roles

¹ As defined in S12 (9) of TU Act 2018

² Per Code of Practice for State Bodies 2016: Audit and Risk Committee Guidance Section 7.12

³ Per Code of Practice for State Bodies 2016: Audit and Risk Committee Guidance Section 7.12

⁴ Per Code of Practice for State Bodies 2016: Audit and Risk Committee Guidance Appendix A

- vi) Members will treat all documentation received and discussions held at ARC meetings as confidential. If a conflict of interest arises, this should be disclosed to the Chair preferably in advance of the meeting but otherwise at the start of the meeting. The Chair will request that the member concerned be recused from that section of the meeting dealing with the matters concerned.

3. Duration of Appointment

The duration of appointment term of office of a member of the ARC shall not exceed four years renewable for up four years; a member may not serve more than two consecutive terms of office. From time to time the Governing Body may decide that a Governing Body member upon completion of their term on the Governing Body may become a member of the Audit and Risk committee.

4. Responsibilities ⁵

The ARC shall:

Advise the Governing Body on;

- a. the strategic processes for risk, internal control and governance;
- b. whether the University is meeting value for money criteria as set out in the Code of Practice for the Governance of State Bodies and the TU Act as amended
- c. The ARC assigned authority extends to the Universities subsidiaries and the TU Dublin Foundation.
- d. the financial statements and accounting policies, 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;
- e. the planned activity and results of both internal and external audit;
- f. assurances relating to the management of risk, corporate governance cyber security requirements and other relevant matters for the University;
- g. anti-fraud policies, protected disclosure processes, and arrangements for special investigations;
- h. other relevant University Policies in accordance with the University Policy for Policy and Procedure development for recommendation to Governing Body
- vii) Examine 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.
- viii) Periodically review its own effectiveness and report the results of that review to the Governing Body; and The Committee will seek to make recommendations by consensus and if not, by majority vote; the Chair has in addition to his/her own vote a casting vote where necessary.
- ix) Recommendation for the Approval to the Governing Body of the appointment of the

⁵ Adapted from the
2016

Code of Practice for the Governance of State Bodies -Audit and Risk Committee Guidance

Designated person in relation to Protected disclosures legislation as proposed by the President.

- x) Investigate or cause to be investigated any matter it deems relevant within its scope brought to its attention by whomsoever including but not limited to reports in relation to financial, risk, management or alleged

5. Internal Audit

The ARC shall:

- i) Advise Governing Body on the appointment of Internal Audit personnel and/or Internal Audit service providers
- ii) 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 in the overall context of the University's risk management system and the work of Governance and Compliance, Finance and the Comptroller and Auditor General;
- iii) Review and approve the day-to day arrangements for the functional interaction between the internal audit and the university personnel.
- iv) 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;
- v) 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;
- vi) ensure the internal auditors have direct access to the Chair of the ARC, providing independence from the executive and accountability to the Committee;
- vii) review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.

6. External Audit

The ARC 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 at all stages of the audit process.
- 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.

7. Quorum

- i) The quorum for all ARC meetings necessary for the transaction of business shall be 50% of membership, *(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.
- 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.

8. 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. Given the nature of the business of the ARC, senior UET member responsible for Finance, Risk, Governance and Compliance, will be invited to attend all or part of any meetings of the Committee on a regular basis as will the Internal Audit Service provider, and a representative of the Comptroller and Auditor General. 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.
- v) If a member is absent for two consecutive meetings, the University Secretary will contact the member to obtain and discuss the reasons for their absence and to determine whether they can continue in their role as a member. If no satisfactory explanation can be provided for the consecutive absences, the person may be removed, and a new member will be appointed to replace the member for the

remainder of that member's period in office.

9. Secretariat

- i) The ARC will be provided with a secretariat function by the Office of the University Secretariat. The University Secretary, or his/her 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 University Secretary 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 provided in electronic form.

10. 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 after each ARC meeting to the Governing Body by way of circulation of agreed signed minutes
- iii) The ARC will provide the Governing Body with an Annual Report, timed to support finalisation of the financial statements, summarising its conclusions from the work it has done during the year including its review of the adequacy of risk management and internal control systems, and the adequacy of sources of assurance to the Governing Body ⁶.

11. Rights

The ARC may subject to obtaining the prior approval of Governing Body:

- i) co-opt additional members to provide specialist skills, knowledge and experience; and
- ii) procure specialist advice via the University Secretary at reasonable expense to

⁶ Per Code of Practice for State Bodies Audit and Risk Committee Guidance

the University, on any matter it believes it necessary to so do in accordance with procurement regulations.

12. Access

The Chair of the ARC will have free and confidential access to the Chair of the Governing Body and where necessary to further the work of the ARC, to all relevant staff and service providers to the University.

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.

The respective chairs of the ARC, FPC and EDIC, together with the Chair of the Governing Body shall have free and confidential access to each other and shall cooperate in matters relative to the University's Finances, Risks and Audit.

13. Information Requirements

In accordance with Governing Body standing order provisions, the ARC will be provided with:

- i. minutes from the University Risk Management Committee including a management response post UET consultation, any significant changes to the University's strategic risks including management responses and a copy of the strategic/corporate Risk Register including management responses.
- 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.
- v. copies of the budget, financial submissions to HEA, management accounts and cash flow projections; same shall be provided to ARC for information and consultation.
- vi. copies of Parliamentary Questions, FOI requests and Protected Disclosures relevant to the finances of the University and the operation of the University financial function.
- vii. correspondence and reports in respect of the University's Financial Reporting to the HEA and HEA/Departmental communication concerning the University's oversight by the HEA.
- viii. reports connected to any Cyber-attacks or other serious IT incidents

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 to include management responses.
- v. quality assurance reports on Internal Audit;
- vi. the draft financial statements of the University;
- vii. the draft governance statement/Statement on Internal Control;
- 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 policy and framework, including management responses.
- xiii. Reports in connection with adherence to procurement rules and regulations.

14. Review of Terms of Reference

The ARC shall review these Terms of Reference every three years or before if the ARC determines it is necessary.

Reference to the 2016 Code of Practice for the Governance of State bodies-

<https://assets.gov.ie/static/documents/audit-and-risk-committee-guidance-6be8cbde-18a8-447c-87a3-8994e1c5d5a1.pdf>