

## **AUDIT & RISK COMMITTEE**

### **1. Introduction**

- 1.1 The Audit & Risk Committee is a sub-committee of the Governing Authority and reports to the Governing Authority.
- 1.2 The Audit & Risk Committee will provide its agreed minutes to the Governing Authority as soon as possible for noting and/or discussion as necessary.
- 1.3 The Audit & Risk Committee is charged with the matters set out in the terms of reference below.
- 1.4 Members of the Audit & Risk Committee and any person privy to the affairs of the Audit & Risk Committee external to UL and who are not members of the Governing Authority will sign a Statement of Confidentiality based on the paragraph on Confidentiality/Use of Information of the Code of Conduct for Members of the Governing Authority.
- 1.5 The Committee is authorised by the Governing Authority to investigate any activity within its terms of reference and to seek any information it may require on that activity from any employee of the University or its subsidiaries and all such employees/subsidiaries are required to cooperate with the Committee. The Committee shall be given the necessary resources for this purpose.
- 1.6 The Committee is authorised by the Governing Authority to obtain outside legal or other independent professional advice, if it considers this necessary.
- 1.7 The Committee will meet at least four times per annum.
- 1.8 The Chancellor and/or President may request the Committee to convene additional meetings to consider particular issues.
- 1.9 A quorum for a meeting of the Audit & Risk Committee shall be one third the total number of members, rounded up to the nearest whole number, plus one. The participation of the members by tele conferencing and/or video conferencing will be counted for the purposes of a quorum. No meeting will proceed in the absence of a quorum.
- 1.10 Questions arising at any Committee meeting shall be decided by consensus where possible. Where, in the opinion of the Chair, consensus is not possible, then questions will be decided by a majority of the votes of the members present, either in person or by tele conferencing and/or video conferencing. Where there is an equality of votes, the Chair shall have an extra casting vote. Where decisions are unanimous, they shall be recorded as such in the minutes. Dissensions and negative votes shall be noted in the minutes.

- 1.11 At the start of each meeting, the Secretary to the Committee will ask members to declare any conflict of interest, perceived or otherwise, in relation to any matters on the agenda. Where such a conflict is declared, the member will absent him/herself from the meeting during consideration of the agenda item. In addition, any additional documentation will not be made available to the member follow the declaration of interest. These matters will be recorded in the minutes.
- 1.12 As the business of the Committee requires, the President and any other officer of the University should attend for specific meetings or agenda items at the request of the Committee. A senior member of the Executive shall be nominated by the President to participate in meetings on the basis agreed by the Committee.
- 1.13 The Audit & Risk Committee will agree its Programme of Work at least on an annual basis.
- 1.14 The Committee will review its terms of reference and composition on an annual basis and recommend any proposed changes to the Governing Authority for consideration.
- 1.15 The Committee will undertake a self-evaluation process at least every three years and report on the outcome of this assessment to the Governing Authority.

## **2. TERMS OF REFERENCE**

- 2.1 To review policies, procedures, draft annual financial statements, internal control and management procedures of the University of Limerick and its associated bodies, on a regular basis to ensure compliance with agreed practice, laws and regulations. The Committee will liaise with the President or his/her nominee as appropriate.

### **2.2 Financial Statements**

- 2.2.1 To review the annual report in the form of the financial statements including the Statement of Internal Control of the University to focus on:
- The accounting policies to be adopted for financial statements;
  - Any changes in accounting policies and practices;
  - Significant estimates and judgements;
  - Significant adjustments resulting from the audit;
  - The going-concern assumption;
  - Compliance with accounting standards;
  - Compliance with legal requirements;
  - To recommend to the Governing Authority whether or not to authorise the Chancellor and President to sign-off on the statements,

## 2.3 **External Audit**

- 2.3.1 To recommend to the Governing Authority the appointment of the University's external auditors and the terms of such appointment and to advise the Governing Authority on the resignation or dismissal of the external auditor;
- 2.3.2 To discuss with the external auditor, the nature and scope of the University's audit prior to the audit commencing;
- 2.3.3 To consider the outcomes of such audits and discuss any problems or reservations arising from the audit and any other matters requested by the external auditor (in the absence of management where necessary);
- 2.3.4 To review the external auditor's Management Letter and all other audit letters from the external auditor and to consider management's responses in same;
- 2.3.5 To monitor the performance and quality of the external auditors and their independence from the University;
- 2.3.6 To consider reports from the Comptroller & Auditor General and management's response.

## 2.4 **Internal Control**

- 2.4.1 To consider the management framework, as identified in the Annual Statement of Governance, to ensure that the quality of the internal control environment is adequate;
- 2.4.2 To consider findings of internal and/or external investigations, management's response and reports on the status of implementation of recommendations arising from these investigations;
- 2.4.3 To consider the system of internal financial controls and to satisfy itself that the control environment is adequate and that controls are operating effectively;
- 2.4.4 To consider whether the procedures for investment appraisal are fit for purpose and comply with best practice, including the Public Spending Code;
- 2.4.5 To approve the University's Annual Governance Statement and submit it to Governing Authority for consideration and final approval.

## 2.5 **Internal Audit**

- 2.5.1 To satisfy itself that the arrangements for Internal Audit are suitable and to monitor performance of internal audit. To arrange for external independent review of the Internal Audit process as required;
- 2.5.2 To approve the Internal Audit Charter and submit it to Governing Authority for consideration and final approval;
- 2.5.3 To work closely with the University's Internal Auditors and agree the internal audit annual work programme;

- 2.5.4 To review internal audit reports and to consider significant findings and review and monitor management responses;
- 2.5.5 To review the implementation status of recommendations arising from Internal Audit reviews.

## 2.6 **Risk Management**

- 2.6.1 To keep under review and advise on the operation and effectiveness of the University's risk management systems including the provision of an external review of the risk management framework on a periodic basis;
- 2.6.2 To review and approve the University's Fundamental Risk Register bi-annually and submit it to Governing Authority for consideration and final approval;
- 2.6.3 Note actions being taken by management to address identified risks in the Fundamental Risk Register;
- 2.6.4 To approve management actions in response to major items of risk as set out in the Fundamental Risk Register and submit them to Governing Authority for consideration and final approval;
- 2.6.5 To review material risk incidents highlighted through Health & Safety Reports to the Committee and note actions taken by management;
- 2.6.6 To approve the Risk Management Plan;
- 2.6.7 To approve the University's Risk Appetite Statement at least annually and submit it to Governing Authority for consideration and final approval.

## 2.7 **Legal**

- 2.7.1 To consider reports on legal cases being pursued/defended/resolved by the University on a bi-annual basis;

## 2.8 **General**

- 2.8.1 To promote co-ordination between the University's Internal and External Auditors;
- 2.8.2 To consider any proposals to purchase non-audit services from the accountancy firms providing external or internal audit services to UL;
- 2.8.3 To approve the University Protected Disclosures Annual Report and submit it to Governing Authority for consideration and final approval;
- 2.8.4 To agree the University's Anti-Fraud Policy and submit it to Governing Authority for consideration and final approval;
- 2.8.5 To consider an annual report on compliance with a range of legislation as provided by the Corporate Secretary's Office;
- 2.8.6 To monitor the implementation of agreed changes to any and all of the above;

- 2.8.7 As appropriate, but at least once per annum, to meet separately with the University's external auditors, the relevant C&AG Officer, internal auditors and the individual nominated as having overall responsibility for risk management, without members of management being present;
- 2.8.8 To submit regular written reports to the Governing Authority with a minimum of two written reports in any one year and provide Governing Authority with minutes of the meetings of the Committee as soon as possible for noting and/or discussion as necessary. In addition, to make an annual written report on its activities to Governing Authority within three months of the end of the financial year and provide an opinion on the effectiveness of the system of internal controls and risk management in that report for consideration and approval by Governing Authority;
- 2.8.9 To agree an annual training and development programme for all members of the Committee.

## **Composition and Membership of Audit & Risk Committee:**

The membership of the Audit & Risk Committee will be as approved by the Governing Authority from time to time and will consist of at least two members of the Governing Authority who are not employees/students of the University and two members external to the University who are not members of Governing Authority with appropriate required expertise nominated by the President following consultation with the Chancellor. The Chairperson of the Audit & Risk Committee is appointed by the Governing Authority on the nomination of the President following consultation with the Chancellor. These members may serve on the Committee for a period of three years renewable by one further period only to the end of the term of office of the appointing Governing Authority.

Committee members will be required to have an appropriate range of skills and expertise. At least one member should have recent and relevant financial and risk expertise. In this regard, the Committee may co-opt members to provide specialist skills at a particular time following consultation with the Chancellor.

Governing Authority: At least two members of Governing Authority who are not employees/students of UL, one of whom will be Chairperson who will be appointed by Governing Authority on the nomination of the President.

**Mr Kevin Fleming (Chair), Ms Joan Aherne**

Two members external to UL who are not members of Governing Authority, appointed by Governing Authority on the nomination of the President following consultation with the Chancellor.

**Ms Eva O’Keeffe, Mr Fran Thompson**

The Corporate Secretary will act as Executive Secretary to the Committee.

**Mr John Kelly**

In attendance : Senior member of Executive Committee nominated by the President  
Chief Corporate Officer **Mr Andrew Flaherty**