



## **AUDIT AND RISK ASSURANCE COMMITTEE TERMS OF REFERENCE**

### **Membership**

The members of the Audit and Risk Assurance Committee are:

Dr Mary McIvor	Chair
Mr Brian McDonald	Committee Member
Dr Gerry O'Neill	Financial Committee Member

### **Reporting**

The Audit and Risk Assurance Committee will formally report in writing to the Accounting Officer and Board after each meeting.

The Audit and Risk Assurance Committee will provide the Accounting Officer and Board with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

Within three months of appointment, ARAC members will have attended appropriate training courses on their respective roles and responsibilities.

The Chair will be annually appraised for his/her work.

The Chair will annually appraise the other audit and risk assurance committee members.

The Audit and Risk Assurance Committee will develop an annual work programme which will be approved by the Board.

### **Responsibilities**

The Audit and Risk Assurance Committee will advise the Accounting Officer and Board on:

- the strategic processes for risk, control and governance and the Governance Statement;

- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the External Auditors;
- the planned activity and results reports of both Internal and External Audit;
- adequacy of management response to issues identified by audit activity, including External Audit's management letter;
- assurances relating to the management of risk and corporate governance requirements for the organisation;
- (where appropriate) proposals for tendering for either Internal or External Audit services;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations; and
- the Audit and Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board.

## **Rights**

The Audit and Risk Assurance Committee may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience; and
- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Accounting Officer/Board.

## **Access**

The representative of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit and Risk Assurance Committee.

## **Meetings**

- The Audit and Risk Assurance Committee will meet at least four times a year. The Chair of the Audit and Risk Assurance Committee may convene additional meetings, as they deem necessary;
- A minimum of two members of the Audit and Risk Assurance Committee will be present for the meeting to be deemed quorate;
- Audit and Risk Assurance Committee meetings will normally be attended by the Accounting Officer, the Head of Corporate Services, representative of Internal Audit, representatives from The Executive Office, and a representative of External Audit;
- The Audit and Risk Assurance Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter;
- The Audit and Risk Assurance Committee 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; and
- The Accounting Officer or Board may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

- The Audit and Risk Assurance Committee will hold annual bilateral meetings between the ARAC Chair and each of the following parties; the ALB Chair of the Board, the ALB Accounting Officer, ALB Head of Internal and External Audit. These will be separate to the ARAC meetings themselves.
- The Commission will facilitate a 15 minute pre meeting for all 3 members prior to the commencement of the formal meeting.

## **Information requirements**

For each meeting the Audit and Risk Assurance Committee will be provided with:

- a copy of the strategic/corporate Risk Register;
- a progress report from the Internal Audit providers summarising assignments completed/planned and the relating recommendations and final reports;
- a progress report (written/verbal) from the External Audit representative summarising work done and emerging findings;
- any management assurance reports; and
- the Internal Audit strategy;
- a progress report (written) from the Internal Audit representative summarising work done and emerging findings;
- the Internal Audit provider's Annual Opinion and Report;
- the draft accounts of the organisation;
- the draft Governance Statement;
- a report on any changes to accounting policies;
- External Audit's management letter;
- a report on any proposals to tender for audit functions;
- a report on co-operation between Internal and External Audit; and
- the organisation's Risk Management strategy.

## **Annex A**

### **CVSNI Audit and Risk Assurance Committee Annual Work Programme**

#### April Meeting:

- Review of Internal Audit's Annual Assurance Statement for the completed financial year
- Consider NIAO external audit plan
- Agree the process for Development of ARAC annual report to be included in CVSNI's annual report

#### July Meeting:

- Review CVSNI's Draft Annual Report & Accounts
- Review NIAO external audit plan

#### October Meeting:

- Finalisation of Annual Report and Accounts
- Review of NIAO's RTTCWG
- Review Internal Audit Plan performance

#### January Meeting:

- Approval of CVSNI internal audit plan for the forthcoming financial year
- Consider appraisal process for ARAC members