



AN TÚDARÁS PÓILÍNEACHTA
POLICING AUTHORITY

**Audit and Risk Committee
Charter - June 2016**

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1. OVERALL PURPOSE / OBJECTIVES

The Audit and Risk Committee ('Committee') is part of the control environment, tasked with providing independent advice to the Accounting Officer and the Authority including the suitability and robustness of the organisation's internal control, internal audit, risk management and governance systems and procedures.

2. MEMBERSHIP

- 2.1 Members of the Committee and the Chairperson of the Committee shall be appointed by the Authority.
- 2.2 The Committee shall comprise at least three members.
- 2.3 The Chief Executive of the Authority shall not be a member of the Committee.
- 2.4 Each member of the Committee shall be financially literate and shall have skills and experience appropriate to the Authority's business.
- 2.5 At least one of the members of the Committee shall have recent and relevant financial experience.
- 2.6 Members of the Committee are appointed for a three year term of office with the option to extend by up to three years. In the event that a Member of the Committee who is also a Member of the Authority ceases to be a Member of the Authority during his or her term of office as a Member of the Committee, membership of the Committee shall be deemed to have also ceased.
- 2.7 The external auditor of the Authority is the Comptroller and Auditor General¹.
- 2.8 In the absence of the Committee Chairperson the remaining members present shall elect one of themselves to chair the meeting.

3. SECRETARY

The secretary of the Committee shall be a staff member of the Authority and shall be appointed by the Committee Chairperson.

4. QUORUM

- 4.1 The quorum necessary for the transaction of business shall be two members.

¹ Section 132 of the Garda Act 2005 (as amended) provides that the Comptroller and Auditor General (Amendment) Act 1993 applies to the Policing Authority as through it were a Department. Section 3 of that Act provides that the C&AG shall audit the Appropriation Accounts for the previous financial year prepared and submitted to him under S22 of the Exchequer and Audit Departments Act 1866.

- 4.2 A duly convened meeting of the Committee 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 Committee.

5. MEETINGS

- 5.1 The Committee shall meet at least four times every year and shall have the ability to convene additional meetings as circumstances require.
- 5.2 Only Committee members, persons invited by the Committee to attend and the Secretary are entitled to attend meetings of the Committee. The Committee may invite such other persons (including the Chairperson of the Authority, the Chief Executive, Heads of Divisions, the internal auditor, etc.) to attend all or part of its meetings as it deems necessary
- 5.3 The external auditors (i.e. representatives of the Office of the Comptroller & Auditor General) shall be invited to attend meetings of the Committee as necessary and at least annually.
- 5.4 With the approval of the Chairperson, the Secretary shall arrange meetings, circulate the agenda and supporting documentation to the Committee members at a reasonable period in advance of each meeting.
- 5.5 The Secretary will prepare the minutes of meetings, and such minutes shall be circulated promptly to all members of the Committee for their comment before finalisation.
- 5.6 Where a conflict of interest arises in the course of the work of the Audit Committee, the member will bring this to the attention of the Chairperson and, where necessary, leave the room for the duration of the discussion and not take part in any decisions relating to the discussion. A note to this effect will be included in the minutes of the meeting.

6. REPORTING RESPONSIBILITIES

The Committee shall:

- 6.1 Regularly update the Authority and the Accounting Officer about Committee activities.
- 6.2 Circulate to the Authority and the Accounting Officer the finalised minutes of audit committee meetings as a matter of normal practice.
- 6.3 Make any recommendations to the Authority and the Accounting Officer it deems appropriate on any area within its remit where action or improvement is needed.
- 6.4 Within three months following the end of each financial year, the Audit Committee shall formally report to the Authority and the Accounting Officer outlining its activities during the year together with such advice and recommendations as it may deem appropriate. This report shall include an assessment on the work of the Internal Audit Unit, the

supports provided to the Audit Committee and a self-assessment of the Audit Committee's own effectiveness.

7. ROLES AND RESPONSIBILITIES

7.1 Internal Controls and risk management systems

The Committee shall:

- Advise on the scope and effectiveness of the Authority's internal control frameworks implemented by management, including information technology security and control.
- Assess whether internal control recommendations made by the internal and external auditors have been implemented by management.
- In the context of the nascent nature of the Authority and its administrative infrastructure, develop and advise the Authority on an approach to Risk management and developing a stated Risk Appetite.
- Advise on the controls and processes implemented by management to ensure that the financial statements derive from the underlying financial systems, comply with relevant standards and requirements and are subject to appropriate management review.

7.2 Financial Reporting

The Committee shall:

- Advise on the systems of control underlying the financial management processes, including reviewing the results of the external audit and reviewing the procedures and practices associated with financial management and budgeting.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on financial reports.
- Meet with management and external auditors to review the financial statements, the key accounting policies and judgements, and the results of the audit.
- Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the external auditor.

7.3 Compliance with laws, regulations and codes

The Committee shall:

- Review the effectiveness of the system for monitoring compliance with laws, regulations and Codes of Practice for the Governance of State Bodies;
- Review the results of management's investigation and follow-up of any fraudulent acts.

- Obtain regular updates from management regarding any significant non-compliance matters.
- Review and recommend to the Authority any disclosures in the Annual Report in relation to Authority's compliance with the Code of Practice for the Governance of State Bodies.

7.4 Internal Audit

The Committee shall:

- Work with management to develop a proposal to appoint an internal auditor.
- Review and approve the annual internal audit plan in consultation with the Accounting Officer.
- Review promptly all reports on the Authority from the internal auditor.
- Ensure that significant findings and recommendations made by the internal auditor and management's proposed response are received, discussed and appropriately acted upon.
- Meet the internal auditor at least once a year, without management being present, to discuss his or her remit and any issues arising from the internal audits carried out.

7.5 External Audit

The Committee shall:

- Keep under review the relationship with the Authority's external auditor, the Comptroller & Auditor General.
- Review all significant reports received by the Authority from the external auditors and management's responses thereto and to consider the implications of the issues raised.
- Meet separately with the external auditors to discuss any matters that the Committee or the auditors believe should be discussed privately and to ensure that the external auditors have access to the Chairperson of the Committee when required.

7.6 Protected Disclosures

The Committee shall review and approve the Authority's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters (including arrangements to allow proportionate and independent investigations of such matters).

The role of the Audit Committee in relation to receiving protected disclosures shall be agreed in line with the Authority's policy.

7.7 Governance

The Committee shall keep under review governance and accountability arrangements of the Authority and the effectiveness of same.

8. AUTHORITY

- 8.1 The Committee operates under delegated authority from the Authority.
- 8.2 The Audit Committee shall provide independent advice to the Accounting Officer, who is ultimately responsible for all matters relating to the presentation of financial statements and all issues arising from internal and external audits of the Authority.
- 8.3 The Audit Committee shall have devolved authority to:
 - approve the internal audit annual plan;
 - approve the terms of engagement with the External Auditors in respect of the provision of audit services to the Authority; and
 - perform activities within the scope of this Charter.
- 8.4 The Committee shall not be subject to any external direction in the performance of their duties within the scope of this Charter.
- 8.5 The Committee may investigate any matter falling within its terms of reference.
- 8.6 The Committee is authorised to seek any information it requires from any employee of the Authority to enable it discharge its responsibilities and shall have made available to it on a timely basis all information requested from any employee in a clear, concise and well organised manner.
- 8.7 The Committee may obtain, at the Authority's expense, outside legal or other professional advice on any matter within its terms of reference.

9. REVIEW OF THE CHARTER

The Committee shall, at least once a year:

- Confirm that the functions outlined in this Charter have been carried out.
- Review the Charter and report its conclusions and recommend any changes it considers necessary to the Authority and the Accounting Officer.
- Arrange for a review of the Committee's performance.