



AN TÚDARÁS PÓILÍNEACHTA  
POLICING AUTHORITY

## **Audit and Risk Committee Charter**

**July 2017**

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## 1. Overall Purpose / Objectives

The Audit and Risk Committee ('Committee') is part of the Policing Authority control environment, tasked with providing independent advice to the Accounting Officer and the Authority and supporting them in their responsibilities for issues of risk, internal control and governance. In so doing the Committee will review the comprehensiveness, reliability and integrity of assurances to the Authority and the Accounting Officer, 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, at least one of which shall be a non-executive member of the Authority and at least one an independent external member who has skills and experience in the areas of finance, risk management or other specialist skills judged to be of benefit in conducting the business of the Committee.
- 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 The Committee may co-opt additional members to provide specialist skills, knowledge and experience and may procure specialist ad-hoc advice at the reasonable expense of the Authority subject to agreed budgets.
- 2.7 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.
- 2.8 Induction training will be provided to members on appointment and as required on an ongoing basis to ensure that members keep up to date with best practice and developments in corporate governance.
- 2.9 The external auditor of the Authority is the Comptroller and Auditor General.<sup>1</sup>
- 2.10 In the absence of the Committee Chairperson the remaining members present shall elect one of themselves to chair the meeting. Members of the Committee, including external

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<sup>1</sup> Section 132 of the Garda Síochána 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.

members, will agree to be bound by the Code of Conduct for members and Staff of the Policing Authority and will comply with the provisions of that Code including in relation to conflicts of interests and confidentiality.

### **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.
- 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, the Secretary and persons invited by the Committee 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 Committee, the member concerned 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.
- 5.7 The Authority may ask the Committee to convene further meetings to discuss particular issues on which they seek the Committee's advice.

## **6. Reporting Responsibilities**

The Committee shall:

- 6.1 Regularly update the Authority and the Accounting Officer about Committee activities;
- 6.2 Communicate any internal audit or audit items that relate to the Authority's areas of responsibilities to the Authority as soon as they are identified.
- 6.3 Circulate to the Authority and the Accounting Officer the finalised minutes of Committee meetings as a matter of normal practice.
- 6.4 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.
- 6.5 Within three months following the end of each financial year, the Committee shall formally report to the Authority and the Accounting Officer outlining its activities and summarising its conclusions from its work during the year together with such advice and recommendations as it may deem appropriate. This report shall include:
  - Governance issues;
  - Financial issues
  - An opinion on the adequacy of risk management and internal control systems, and the adequacy of sources of assurance to the Authority and the Accounting Officer;
  - an assessment on the work of the Internal Audit Unit,
  - the supports provided to the Committee; and
  - a self-assessment of the Committee's own effectiveness and how it can be strengthened and developed.

## **7. Roles And Responsibilities**

### **7.1 Internal Controls and Risk Management Systems**

The Committee shall:

- Advise on the strategic processes for risk and internal control;
- 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;
- 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;
- Advise on anti-fraud and anti-corruption policies and arrangements for special investigations; and

- Advise on the management of risk by the Authority.

## **7.2 Financial Reporting**

The Committee shall:

- Advise on the accounting policies, the financial statements, and the annual report of the Authority;
- 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:

- Advise on procurement for the provision of internal audit services or for purchase of non-audit services from contractors who provide audit services;
- 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; and
- Ensure that the Head of Internal Audit (or, where the Internal Audit function is outsourced, the lead partner of the Internal Audit provider) has free and confidential access to the Chairperson of the Committee when required.

## **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.
- Advise on the adequacy of management response to issues identified by external audit;
- Periodically consult with the external auditors regarding the operation of the Internal Audit service with particular reference to the resources and the audit work programme being applied and the testing carried out in relation to the Authority’s compliance with the Code of Practice for the Governance of State Bodies;
- Meet separately with the external auditors to discuss any matters that the Committee or the auditors believe should be discussed privately; and
- ensure that the external auditors have free and confidential 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 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 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 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. Information Requirements**

- 9.1 For each meeting the Committee will be provided with:
- A copy of the corporate Risk Register along with a report summarising any significant changes to the State body's strategic risks;
  - The latest monthly financial and budget variance reports of the Authority;
  - A progress report from the Head of Internal Audit summarising:
    - work performed
    - key issues emerging from the work of internal audit;
    - management response to audit recommendations;
    - progress on the annual Internal Audit plan;
    - proposed changes to the agreed internal audit plan; and
    - any resourcing issues affecting the delivery of the objectives of internal audit;
  - The draft reports of internal audits undertaken together with management comments on the findings are recommendations therein.
- 9.2 As and when appropriate, the Committee will also be provided with:



- A progress report from the external auditor summarising work done and emerging findings (this may include, where relevant, aspects of the wider work carried out by the Comptroller and Auditor General, for example, Value for Money Reports and good practice findings);
- Proposals for amendments to the Internal Audit Charter;
- Reports on the management of major incidents, “near misses” and lessons learned;
- Proposals for undertaking evaluations of Authority effectiveness along with the reports and periodic updates on implementation of the recommendations of such evaluations;
- The Head of Internal Audit’s annual opinion and report;
- Quality assurance reports on the Internal Audit Unit;
- The draft financial statements of the Authority;
- Material relating to the governance or accountability of the Authority;
- Reports on any changes to accounting policies;
- External audit’s management letter;
- Proposals to tender for audit functions;
- Reports on co-operation between internal and external audit;
- Material relating to the Authority’s risk management strategy; and
- Any other documents or information which the Committee may reasonably require or request in relation to the matters for which it has responsibility.

## **10. 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.