

<b>Policy</b>	<b>GUF Audit Committee Terms of Reference</b>
<b>Version</b>	<b>1</b>
<b>Prepared By</b>	<b>Company Secretary</b>
<b>Reviewed By</b>	<b>Board</b>
<b>Approved by Board</b>	<b>22 Sept 2020</b>

## **1. Purpose**

1.1. The Board of Directors of Galway University Foundation (“the Foundation”) has constituted an Audit Committee (“the Committee”) the purpose of which is to assist the Board of the Foundation (the “Board”) in fulfilling its responsibilities in relation to risk management, internal control and financial reporting, and carries out certain oversight functions on behalf of the Board.

## **2. Membership**

2.1. The Committee shall comprise at least two members. Members of the Committee shall be appointed by the Board in consultation with the Chair of the Audit Committee.

2.2. All members of the Committee shall be independent non-executive directors at least one of whom shall have recent and relevant financial experience and with competence in accounting and/or auditing.

2.3. The Chair of the Board may not be a member of the Committee

2.4 Only members of the Committee have the right to attend Committee meetings. However, the Company Secretary and external audit lead partner will be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

2.5. The Board shall appoint the Committee Chair.

## **3. Secretary**

The Foundation Company Secretary or his or her nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner (no later than five working days prior to a meeting) to enable full and proper consideration to be given to the issues.

## **4. Quorum**

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

4.2. Participation in person or via video or telephone conferencing shall qualify as attendance for the purpose of quorum.

## **5. Meetings**

5.1. The Committee shall meet at least twice a year and otherwise as required.

5.2. Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will be available as required to maintain a dialogue with key individuals involved in the Foundation’s governance, including the Board Chair, the Company Secretary and the external audit lead partner.

## **6. Notice of Meetings**

6.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of its members.

6.2. . 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. Supporting papers shall be sent to Committee members at the same time.

## **7. Minutes of Meetings**

7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.

## **8. Duties**

The Committee should carry out the duties detailed below for the Foundation.

### **8.1. Financial Reporting**

8.1.1. The Committee shall monitor the integrity of the financial statements of the Foundation, including its annual reports and review and report to the Board on significant financial reporting issues and judgements having regard to matters communicated to it by the auditors. In particular, the Committee shall review and challenge where necessary all material information presented with the financial statements including the annual report and corporate governance and risk management statements.

### **8.2. Internal Controls and Risk Management Systems**

The Committee shall:

- 8.2.1. view the principal risks identified by senior management and the statements on the Foundation's internal controls and risk management framework;
- 8.2.2. review the adequacy and effectiveness of the Foundation's internal controls including the systems established to identify, assess, manage and monitor risks and receive reports from management on the effectiveness of these, including the conclusions of any internal testing or external auditors reports and other assurance providers;
- 8.2.3. review and approve the risk management policy and reviewing the Foundation's risk register prior to submission to the Board for its approval
- 8.2.4. oversee and advise the Board on the Foundation's current risk exposures and future strategy for managing such risks.
- 8.2.5. review relevant risk reporting, including incident and breach reporting in order to assess the effectiveness of the Foundation's risk management process.

### **8.3. Compliance Reporting**

The Committee shall:

- 8.3.1. review the adequacy and security of the Foundation's arrangements for its employees, support service personnel, stakeholders and other individuals to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 8.3.2. review the Foundation's procedures for detecting fraud;
- 8.3.3. review the Foundation's processes in place for managing fundraising in line with good practice.
- 8.3.4. review the Foundation's systems and controls for the prevention of bribery and receive reports on non-compliance.

## **8.4 Internal Controls**

The Committee shall:

- 8.4.1. review the internal control checking procedures in place in the Foundation
- 8.4.2. have the option to from time to time commission an external review of specific areas of internal control;
- 8.4.3. monitor the overall effectiveness of internal control checking carried out to ensure it is adequate in the context of the scale of the Foundation and in the context of the Foundation's risk management system and the work of internal compliance, finance and the external auditor;
- 8.4.4. ensure any external assessment has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, and the required skills to provide a professional and independent service
- 8.4.5. meet with the external service provider without the presence of management to discuss its overall conclusions;
- 8.4.6. review the actions taken by management to implement the recommendations of internal audit reviews.
- 8.4.7. monitor and assess the role and effectiveness of the internal review process.

## **8.5. External audit**

The Committee shall:

- 8.5.1. consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the Foundation's external auditor;
- 8.5.2. if the external auditor resigns, investigate the reasons leading to this and consider whether any action is required;
- 8.5.3. oversee the relationship with the external auditor
- 8.5.4 meet periodically with the external auditor and, at least once a year, meet with the external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit;
- 8.5.5 review the findings of the audit with the external auditor.
- 8.5.6 review the management letter and management's response to the auditor's findings and recommendations.

## **9. Reporting responsibilities**

- 9.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **10. Other matters**

- 10.1. The Committee shall have access to sufficient resources in order to carry out its duties.
- 10.2. The Committee shall consider other functions, as defined by the Board.

10.3 The Committee shall review at least annually its terms of reference and recommend any changes necessary to the Board for approval.

**11. Authority**

11.1. The Committee is authorised to seek any information it requires from any employee or support service personnel member of the Foundation in order to perform its duties.

11.2 The Committee is authorised to obtain, at the Foundation's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so.