

	Gasóga na hÉireann/Scouting Ireland			
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	Category: NMC Sub Committee Terms of Reference			
	Scouting Ireland: Audit & Risk Management Committee – Terms of Reference			
Revision	Date	Description		
D	09/01/2019	Updated to reflect Company Structure		
C	09/07/2016	Section 2 (Composition) Amended		
B	09/01/2016	Minor Revisions to Section 1.1 & 3		
A	21/11/2015	Minor Revisions		
#	28/03/2015	Document Issued		

1. SCOPE AND AUTHORITY

The Board of Directors of Scouting Ireland (BOD) has established an Audit & Risk Management Committee and approved its Terms of Reference (ToR). Various regulatory authorities have laid down guidelines for the composition of audit committees and the work to be undertaken by them. Likewise, the role of risk management in organisations has been addressed by various oversight and advisory bodies. These requirements, where not self-evident, together with the requirements set out in this ToR have been used as the basis for the preparation of this ToR.

The primary function of the Audit & Risk Management Committee is twofold:

- 1.1. To assist the BOD fulfil its responsibilities by:
 - 1.1.1. Reviewing the financial information that will be provided to stakeholders and the public;
 - 1.1.2. Reviewing the systems of internal financial controls that the BOD and Scouting Ireland management have established;
 - 1.1.3. Reviewing Scouting Ireland's auditing, accounting and financial reporting processes.
- 1.2. To assist the BOD fulfil its governance responsibilities by:
 - 1.2.1. Reviewing all categories of risk are identified;
 - 1.2.2. Reviewing whether all identified risks are assessed, rated and recorded on the risk register;
 - 1.2.3. Reviewing whether the risk management policy is being implemented across and within all levels of Scouting Ireland.
- 1.3. In carrying out its responsibilities, the Audit & Risk Management Committee has full authority to investigate all matters that fall within this ToR. Accordingly, the committee may:
 - 1.3.1. Obtain independent professional advice in the satisfaction of its duties at the cost of Scouting Ireland;
 - 1.3.2. Have such direct access to the resources of Scouting Ireland, as it may reasonably require, specifically including the external and internal auditor(s);
 - 1.3.3. May require members of management (whether paid or volunteer) to attend at the Committee and to assist the Committee in its work.

2. COMPOSITION

- 2.1. The Audit & Risk Management Committee shall comprise at least five, but not more than eight members.
- 2.2. The BOD will determine which, if any of the Directors shall be members of the Committee.
- 2.3. Members are appointed by the BOD for a period not to exceed three years.
- 2.4. Members who resign will be eligible for reappointment as a member of the Committee by the BOD.
- 2.5. All members of the Committee should have a working knowledge of basic financial management, risk management and the principles of good corporate governance.
- 2.6. At least one member of the Committee shall have extensive accounting or financial management expertise, as determined by the BOD.
- 2.7. At least one member of the Committee shall have extensive risk management expertise, as determined by the BOD.
- 2.8. At least one member of the Committee shall have extensive corporate governance expertise, as determined by the BOD.

3. MEETINGS

- 3.1. The Committee shall meet not less than four times each year.
- 3.2. Committee Minutes will be confirmed at the following meeting of the Committee.
- 3.3. A written report from the Audit and Risk Management Committee will be made to the BOD's.
- 3.4. Audit Committee minutes will be available to the BOD as required.
- 3.5. The quorum for meetings shall be four members of whom one must be members of the BOD.
- 3.6. Scouting Ireland's Financial Controller should be available to participate in all meetings as should the employee responsible for risk management.
- 3.7. The committee may invite to its meetings any person (including staff and volunteers), who may be of assistance to the committee in the exercise of its responsibilities.
- 3.8. As part of its responsibility to foster communication, the Committee should provide the opportunity for Scouting Ireland's Management, the External Auditor and the Internal Auditor (if one is appointed), at least annually, to discuss any matters that are best dealt with privately with the Committee.

4. ACCOUNTABILITIES AND RESPONSIBILITIES

- 4.1. The Audit Committee is accountable to the BOD and is formally a sub-committee of the Board of Directors.
- 4.2. The Internal Auditor (if one is appointed) is accountable to the Audit Committee and will liaise with the Chairperson of the Committee. The Internal Auditor shall report to the Chief Executive for administrative and logistical purposes on a day-to-day basis.

5. To fulfil its' responsibilities the Committee shall

- 5.1. Review the Terms of Reference for the Committee and, if appropriate, recommend that the BOD updates this ToR at least annually.
- 5.2. Review with the management and the external auditors Scouting Ireland's Annual Financial Statements;
- 5.3. Review with Scouting Ireland's Management and the External Auditor the accounting policies and practices adopted by Scouting Ireland and their compliance with accounting standards and relevant legislation.
- 5.4. Discuss with Scouting Ireland's Management and the External Auditor the Management's choice of accounting principles and material judgments, including whether they are aggressive or conservative and whether they are common or minority practices;
- 5.5. Recommend to the BOD that the Annual Financial Statements reviewed by the

Committee (or the Chairperson representing the Committee for this purpose) be adopted by the BOD;

- 5.6. Review the regular reports prepared by the Internal Auditor including the effectiveness of the Internal Control Systems of Scouting Ireland.

6. External Auditor

- 6.1. Following an appropriate competitive process recommend to the BOD the appointment of the External Auditor.
- 6.2. Review with the External Auditor the planned scope of their audit and subsequently their audit findings including any internal control recommendations;
- 6.3. Periodically consult with the External Auditor, out of the presence of Scouting Ireland's Management, about the quality of Scouting Ireland's accounting principles, material judgments, internal audit process, and any other matters that the committee deems appropriate;
- 6.4. Review the performance of the external auditors and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;
- 6.5. Review and approve fees and other compensation to be paid to external auditors, and to recommend that the BOD seeks the approval of Annual General Meeting for their appointment or reappointment.

7. Internal Auditor

- 7.1. Review the qualifications, organisation, strategic focus and resourcing of Internal Audit;
- 7.2. Review the Internal Audit plans;
- 7.3. Periodically consult privately with the Internal Auditor about any significant difficulties encountered including any unreasonable restrictions on the scope of work, access to required information or any other matters that the committee deem appropriate.

8. Risk Management

- 8.1. The Committee shall consider Risk and shall review and understand the significant and key risks identified by Scouting Ireland that could significantly impact Scouting Ireland and the key controls and mitigation activities that have been put in place by the BOD and management. The Committee shall report their findings to the BOD. Subject to available resources and staff support the Committee shall:
 - 8.1.1. Review the content and relevance of the Risk Policy and propose any necessary amendments for approval by the BOD;
 - 8.1.2. Review the processes for the identification and assessment of and including such risks on the Scouting Ireland Risk Register using a suitable protocol (e.g under each of the five categories – governance risk, financial risk, environmental risk, operational risk and compliance risk);
 - 8.1.3. Examine the process for identifying and rating previously unrecorded or unknown or unanticipated risks;
 - 8.1.4. Require regular periodic reports from nominated senior managers (including volunteer managers) confirming the operation of the Risk Policy including confirmation that accountable management have confirmed the proper operation of agreed risk mitigation strategies and controls, and detailing material risks;
 - 8.1.5. Evaluate the process in place for assessing and continuously improving internal controls, particularly those related to areas of material risk.
 - 8.1.6. Review the insurance cover in place across all activities and operations.
- 8.2. The CEO shall ensure that all risks and evolving risks known to the CEO are communicated to the Committee on a timely basis.
- 8.3. The BOD shall ensure that all risks and evolving risks known to the BOD are communicated to the Committee on a timely basis

9. OTHER MATTERS

- 9.1. The Audit & Risk Management Committee shall also perform any other activities consistent with this ToR that the Committee or the BOD deems appropriate;
- 9.2. The scope of the Audit & Risk Management Committee include;
 - 9.2.1. The operations of Scouting Ireland's associated companies and any established/sponsored pension funds;
 - 9.2.2. The Scouting Ireland taxation practices.
 - 9.2.3. The Scouting Ireland expenditure and controls over expenditures.
 - 9.2.4. General Scouting Ireland Governance or Internal Control Systems.