



MTU

Ollscoil Teicneolaíochta na Mumhan
Munster Technological University

Audit & Risk Committee

Terms of Reference

1. Purpose

- 1.1 The Audit & Risk Committee is a committee of Governing Body. Its role is to assist the Governing Body in fulfilling its oversight responsibilities as set out in the MTU Code of Governance January 2021 and in the Technological Universities Act 2018.

2. Authority

- 2.1 The Audit & Risk Committee has authority to conduct or authorise investigations into any matter within its scope of responsibility. It is empowered to:
- 2.1.1 Investigate any matter within its terms of reference and the Governing Body will provide it with the resources that it needs to do so.
 - 2.1.2 Have full access to all information. Seek any information it requires from employees (all of whom should be directed to cooperate with the committee's requests) or external parties.
 - 2.1.3 Retain outside professional advice to advise the committee or assist it in the conduct of an investigation.
 - 2.1.4 Invite outsiders with relevant experience to attend Audit & Risk Committee meetings.
 - 2.1.5 Meet with Institute officers and external auditors.
- 2.2 Any proposed change to the Audit & Risk Committee terms of reference will require the approval of the Governing Body.
- 2.3 Whilst the Governing Body has delegated the authority to monitor and review its responsibilities set out in Section 5 of this document, the Governing Body remains accountable for all Audit & Risk Committee actions.

3. COMPOSITION

- 3.1 The Audit & Risk Committee will consist of three members of the Governing Body, three of whom should be external.
- 3.3 The Governing Body will appoint the Audit & Risk Committee members and Chair.
- 3.4 In selecting the Audit & Risk Committee members, regard should be given to the skills and experience required to fulfill the role of the Audit & Risk Committee. Where the Audit & Risk Committee members do not have sufficient knowledge or experience in a particular area, it may invite outsiders with the relevant experience to attend meetings. With the approval of Governing Body, they may also be invited to become a member of the Committee.

- 3.5 In making appointments, the Governing Body shall have regard to the gender balance requirement.
- 3.6 The term of office of the Audit & Risk Committee is that of the Governing Body that established it.

4. MEETINGS

- 4.1 The Audit & Risk Committee shall meet at least four times a year.
- 4.2 All Audit & Risk Committee members are expected to attend each meeting in person.
- 4.3 A quorum shall be two members of the committee.
- 4.4 The Audit & Risk Committee will meet with the external auditors at least once a year.
- 4.5 The Audit & Risk Committee will request members of management, auditors or others to attend meetings and provide pertinent information, as necessary.
- 4.6 The Audit & Risk Committee may ask any or all of those who are not members to withdraw from a meeting to facilitate open and frank discussion of particular matters.
- 4.7 The President or Chairman of the Governing Body may ask the Audit & Risk Committee to convene further meetings to discuss particular issues on which they want the committee's advice.
- 4.8 The Audit & Risk Committee will meet with Internal Auditors as appropriate and at least once a year hold a private meeting with the Internal Auditors as required by the MTU Code Governance January 2021.
- 4.9 The Audit & Risk Committee will invite the external auditors (Comptroller & Auditor General) to a meeting at least once a year to discuss the outcome of the external Audit & Risk and to discuss the internal Audit & Risk plan and resourcing. During this time the Audit & Risk Committee will also ask the Executive to leave to facilitate an open and frank discussion between the Audit & Risk Committee and the external auditors.
- 4.10 The Audit & Risk Committee will review the findings of any audits or examinations by regulatory agencies, and any auditor observations.
- 4.11 Meeting agendas will be prepared in consultation with the Chair of the committee and provided in advance to members, along with appropriate briefing materials by the Vice Presidents (Corporate).
- 4.12 Meeting minutes will be prepared and issued in a timely manner to committee members by the Vice Presidents (Corporate).

5. RESPONSIBILITIES

The Audit & Risk Committee will carry out the following responsibilities:

5.1 Financial Management

- 5.1.1. Matters arising in relation to the Management Letter from the Comptroller & Auditor General will be dealt with by the Audit & Risk Committee;
- 5.1.2. Ensure format of accounts (University, Institute & Subsidiary Companies) are in line with that agreed with the Higher Education Authority;
- 5.1.3. Ensure suitable accounting policies and standards are used and applied consistently to meet legal requirements. Any changes to them should be applied or deviations should be justified by management;
- 5.1.4. Ensure Revenue Commissioner updates/amendments have been implemented where appropriate;
- 5.1.5. Review judgements and estimates that are reasonable and prudent;
- 5.1.6. Ensure proper accounting records are maintained;
- 5.1.7. Review significant and unusual transactions, especially where the accounting treatment is open to different approaches;

- 5.1.8. Make enquiries of management, especially as regards the appropriateness of the Institute's accountancy policies;
- 5.1.9. Understand management's responsibilities and representations;
- 5.1.10. Assess whether the financial statements are complete and fairly represented;
- 5.1.11. Recommend to the Governing Body the approval of the accounts when satisfied.
- 5.1.12. Review financial accounts of MTU subsidiary companies.
- 5.1.13. Review allocations to be made to the capital reserves.
- 5.1.14. Review of capital projects to include funding.
- 5.1.15. Review of banking and treasury arrangements.
- 5.1.16. Review of major tenders, lease commitments and capital asset management. In this context major may be defined as over €200,000 in value.
- 5.1.17. Review of fixed assets
- 5.1.18. Review of university budgets.
- 5.1.19. Review of unit costing, resource allocation model, staffing levels; management reports; debtors and outstanding fees.
- 5.1.20. Review of major expenditure proposals as they arise. In this context, major may be defined as over €200,000 in value.

5.2 Internal Control / Internal Audit

The Audit & Risk Committee will:

- 5.2.1 Comply with requirements of section 7 of the MTU Code of Governance January 2021 in respect of Risk Management, Internal Control and Internal Audit;
- 5.2.2 Comply with section 7.7 of the MTU Code of Governance January 2021 regarding internal Audit & Risk services;
- 5.2.3 Review with management and the internal Audit & Risk service, the Institutes risk register and internal Audit & Risk plan; set out clear and formal reporting structures for Internal Audit;
- 5.2.4 Approve the annual internal Audit & Risk plan;
- 5.2.5 Meet with internal Audit & Risk to obtain feedback on the areas reviewed and to discuss any matters that the committee or internal Audit & Risk believes should be raised;
- 5.2.6 Seek assurance regarding compliance with guidelines, legislation and regulations
- 5.2.7 Review and approve reports (management / internal audit) relating to their review of the Institute's Key Internal Control Checks;
- 5.2.8 Ensure that the Internal Audit & Risk Committee Terms of Reference remains up to date and relevant and submit same to Governing Body for approval.
- 5.2.9 Review annually progress reports prepared by management on the effective implementation of internal Audit & Risk report recommendations.
- 5.2.10 Review the effectiveness of the internal Audit & Risk function.
- 5.2.11 Review subsidiaries in accordance with the Code of Governance for Subsidiaries.

5.3 Risk Management

The Audit & Risk Committee will:

- 5.3.1 Keep under regular review, and advise on, the operation and effectiveness of the Institute's Risk Management Framework;
- 5.3.2 Ensure that assurance provided by management and external/internal auditors is appropriate;
- 5.3.3 Monitor the effectiveness of Risk Management in relation to risks identified as fundamental to the success or failure of the Institute's strategic objectives;

- 5.3.4 Report to the Governing Body on its findings in relation to risk management and the adequacy of the Risk Management Framework on an annual basis.

5.4 Other

- 5.4.1 Keep under review the level of insurance cover in place and that required based on risk exposure;
- 5.4.2 Review, monitor and provide guidance on issues appearing on the Institute Case Management system.

6. Reporting

- 6.1 The Audit & Risk Committee will make an annual written report on its activities available to Governing Body. This report will be made within three months after the financial year end.
- 6.2 The Audit & Risk Committee will regularly report to the Governing Body the committee's activities, issues, and related recommendations. The Audit & Risk Committee will communicate to the Governing Body as soon as possible any internal Audit & Risk issue that relates to the Governing Body's area of responsibility.
- 6.3 Approved meeting minutes will be furnished to Governing Body for approval.
- 6.4 The Audit & Risk Committee will perform a periodic self-assessment of its effectiveness and will report on the outcome of this self-assessment to the Governing Body.

7. Review of Terms of Reference

- 7.1 These terms of reference will be reviewed on an annual basis.

Document Information

1. Document Details

Title:	MTU Audit & Risk Committee - Terms of Reference
Author(s):	P Gallagher /C Looney / B Coughlan / C Hayes
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Important Note: If the 'Status' of this document reads 'Draft', it has not been finalised and should not be relied upon.

2. Revision History

Version Number	Revision Date	Summary of Changes	Changes tracked?
0.1	1 May 2020	Redrafting of IoT ToR	N
1.0	22 Dec 2020	Revision of Draft to reflect MTU Code of Gov	N
1.1	22 Jan 2021	Revision to include expanded financial remit	Y

Version Number 0 = first draft, 0.1,0.2 tracked changes, Version 1 = 1st approved, version 2 = 2.0

3. Relevant Existing/Related Documents

Title	Status	Relevance to this Document
MTU Code of Governance	1/1/2021	Implementation

4. Consultation History

Name	Date	Details of consultation

5. Approvals

This document requires following approvals (in order where applicable):

Name	Date	Details of Approval Required
MTU Governing Body	20 Jan 2021	

6. Dissemination

Who needs to know about this document?

Name	Date	Details of Communication
Governing Body	22 Jan 2021	Presented and discussed for approval
Finance & Corporate Offices	25 Jan 2021	Send pdf of approved ToR
Public	25 Jan 2021	Publish on Website