

# The Audit and Risk Committee

## Terms of Reference

### 1 - Duties of the Audit and Risk Committee

- 1.1 The Audit and Risk Committee shall review in depth the annual financial statements of the Olympic Council of Ireland (OCI), monitor the integrity of the OCI's business' financial reporting system and internal controls, review the statutory accounts and consider accounting issues arising in respect of the OCI's affairs and recommend them to the Executive Committee for approval.
- 1.2 The Audit and Risk Committee shall review and consider the organisation's risk within the OCI and overseeing the professional and other operational business risk issues affecting the OCI and management of those risks (including ethics and independence) to ensure that they remain robust, appropriate, effective and assessing the effectiveness of the various risk, independence and quality compliance programmes operating within the OCI
- 1.3 The Audit and Risk Committee shall meet at least once a year with the OCI's auditors and recommend to the Executive Committee the appointment, removal and remuneration of the statutory auditors.
- 1.4 In addition the Audit and Risk Committee will be responsible for overseeing the internal audit function (should this be required).

### 2 - Composition and membership of the Audit and Risk Committee

2.1 - The Audit and Risk Committee shall comprise of at least four members;

- (i) At least 1 non Executive Committee member, ideally 2
- (ii) At least 2 Executive Committee members and 3 when only 1 non

Executive Committee member is available

The preference is that at least one of the above will have relevant audit financial experience.

2.2 - The members of the Audit and Risk Committee shall be appointed by the Executive Committee. Additional individuals shall be invited to attend any Audit and Risk Committee meeting as required by the Audit and Risk Committee Chair (including but not limited to, the Treasurer, the CEO and any third party with expertise that may required).

2.3 - The members of the Audit and Risk Committee shall be appointed for a three year term, as shall be determined by the Executive Committee, with the option for this to be renewed for an additional three year period (or as otherwise determined by the Executive Committee).

2.4 - The members of the Audit and Risk Committee may be removed at any time by the Executive Committee.

2.5 - The Audit and Risk Committee will meet a minimum of four times a year (in person) and at other times in the year as considered appropriate by the Audit and Risk Committee Chair. Meetings will always be held prior to the announcement of any financial or performance results of the OCI.

2.6 – At least once a year, the Audit and Risk Committee will meet with the Governance Committee to agree any required amendments to policies and procedures of the OCI. In such meetings the Audit and Risk Committee will form

their own separate conclusions on matters raised and may adjourn for private deliberations if thought necessary.

### **3 – Chair of Audit and Risk Committee**

The preference is that the Audit and Risk Committee Chair, shall be a non-Executive Committee member who will be appointed by the President and ratified by the Executive Committee.

### **4 - Quorum**

4.1 - The quorum for any meeting of the Audit and Risk Committee shall be two thirds of the members of the Audit and Risk Committee.

4.2 - The members of the Audit and Risk Committee may participate in a meeting of the Audit and Risk Committee from separate locations by means of conference telephone or other communication equipment which allows those participating to hear each other, and shall be entitled to vote or be counted in the quorum accordingly.

### **5 - Audit and Risk Committee procedures**

Except as otherwise stated in these Provisions, the Audit and Risk Committee shall determine its own procedures

### **6 - Audit and Risk Committee Resolutions**

6.1 - The Audit and Risk Committee shall reach decisions by a simple majority of those voting on the issue in question. If the numbers of votes for and against a certain proposal are equal, the Audit and Risk Committee Chair shall have a casting vote.

6.2 - Any resolution evidenced in writing or by electronic or voice recognition means, by such member or members of the Audit and Risk Committee as would have been necessary to pass such resolution had all members of the Audit and Risk Committee been present at a meeting to consider such resolution, shall be valid and effective as if it had been passed at a meeting of the Audit and Risk Committee duly convened and held, provided that notice and details of the proposed resolution have been given in advance to each member of the Audit and Risk Committee.

### **7 - Matters dealt with by the Audit and Risk Committee**

7.1 - The Audit and Risk Committee is responsible for the following matters, or as delegated by the Executive Committee:

#### **7.1.1 - Financial reporting**

(i) Review and challenge the actions and judgements in relation to the full financial statements before submission to the Executive Committee, paying particular attention to:

- (a) Accounting policies, systems, controls and practices;
- (b) Areas involving significant judgement, estimation or uncertainty and the provisions in the financial statements;
- (c) Methods used to account for significant or unusual transactions;
- (d) Compliance with accounting standards;

- (e) Significant adjustments resulting from the audit;
- (f) Compliance with legal and regulatory and financial reporting requirements; and
- (g) Consider whether the controls established to prevent fraud and illegal acts are adequate and to ensure all major cases of fraud/illegal acts are reported to Audit and Risk Committee Chair.

#### 7.1.2 - Statutory Audit

- (i) Recommend to the Executive Committee for the appointment, reappointment, removal and remuneration of the statutory auditors;
- (ii) Oversee and at least annually review the relationship with statutory auditors;
- (iii) Discuss problems and reservations arising from the interim and the final audits and any matters the statutory auditor may wish to discuss;
- (iv) Discuss the nature and scope of the audit and initiate an internal audit if required; and
- (v) Review any findings and recommendation of the Statutory Auditors and monitor progress in implementing recommendations.

#### 7.1.3 - Risk management

- (i) Act as a sounding board for the CEO on any professional risk matters, reviewing any significant risk management judgement calls made by him/her and receive from him/her periodic reports on the risk management activities of the OCI including the below:
  - (a) Review of the OCI's key policies and processes for identifying and assessing business risks (including quality and ethics and independence), the management of these risks and an assessment of their robustness, appropriateness and effectiveness;
  - (b) Review the annual professional risk management business plan;
  - (c) Review the outcome of the various quality, risk and independence compliance programmes operating across the OCI and any proposed remedial actions;
  - (d) Any significant risk management judgement calls made within the OCI;
  - (e) Review the status of, and significant findings from, any regulatory inspections or regulatory violations that have occurred in the period;
  - (f) An assessment of the adequacy of the levels of professional indemnity insurance and other insurance cover maintained for the OCI
  - (g) A summary of matters reported to the OCI's whistle-blowing procedure and conduct of investigations into any significant matters reported;
  - (h) The OCI's commercial risk appetite;
  - (i) Internal audit (when initiated) reports related to professional risk management;
  - (j) Financial position and risk;
  - (k) Oversight of the culture of quality and integrity with in the Executive Committee and monitoring the 'tone at the top' set across the OCI by the President and the Executive Committee; and
  - (l) Review the content of, and the adherence to, the OCI's code of conduct.

#### 7.1.4 - Internal audit (when initiated)

(i) Oversee the effectiveness of the internal audit function, including the appointment of the member in charge of the function and the adequacy of resources available;

(ii) Review and approve the work programme of the internal audit work plan including in particular with respect to organisational risk;

(iii) Review and consider any reports issued by the internal audit;

(iv) Ensure the appointed internal auditor has direct access to the Audit and Risk Committee Chair and is accountable to the Audit and Risk Committee; and

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(v) Consider the major recommendations of the internal audit investigations, management responses and any recommendations for improvement made by the statutory auditors.

Changes to the Audit and Risk Committee's duties are subject to approval by the Executive Committee.

## **8 - Notice of meetings**

The Audit and Risk Committee meeting agenda and papers should be circulated at least 5 working days prior to the Audit and Risk Committee meeting.

## **9 - Documentation, communication and reporting**

9.1 - Minutes of the Audit and Risk Committee to be kept and electronically filed in a limited access folder, on a secure IT system, by the Audit and Risk Committee Secretary.

9.2 - The Audit and Risk Committee reports to the Executive Committee, and to the Members at the annual general meeting in relation to statutory matters.

9.3 – Should the Audit and Risk Committee discover a breach of a legal matter; the Chair of the Audit and Risk Committee will bring this to the attention of the President and the relevant statutory body.

Approved: x day of y month of 2017