# Audit Committee ("the Committee") Charter and Terms of Reference (Revised Jan 2020 - v.5)

This document sets out the Charter and terms of reference of the Committee of the Department of Employment Affairs and Social Protection ("the Department") as agreed between the Department and the Committee.

**Role and purpose of the Committee**

1. The role of the Committee shall be, as part of the ongoing systematic review of the business control and corporate governance environment within the Department, to advise on matters relating to (a) the operations and development of the internal audit function; and (b) the business control, risk management and governance environment.
2. The Committee is not responsible for any executive functions and is not vested with any executive powers.
3. The Committee shall exercise an advisory role in relation to its duties and functions within the Department.

**Membership**

4. The Committee shall consist of a Chairperson and not less than four ordinary members who shall be appointed by the Secretary General (Accounting Officer) by virtue of their experience in fields of expertise relevant to the functions of the Committee. At least half of the members shall be external to the Department.
5. Appointments to the Committee shall be, unless otherwise decided by the Secretary General, for a period of three years with the option to extend by three years.
6. The Chairperson will be appointed by the Secretary General of the Department from the external members of the Committee. An acting Chairperson shall be appointed by the members present when the Chairperson is not present.

**Reporting**

7. Within three months following the end of each calendar year, the Committee shall formally report in writing to the Secretary General outlining its activities during the year together with such advice and recommendations as it may deem appropriate.
8. The Chairperson will meet with the Secretary General of the Department at least on an annual basis.

**Duties of the Audit Committee**

9. The duties of the Committee shall be:

- To review and approve the draft annual Internal Audit plan.
- To monitor implementation of the plan throughout the year.
- To review any significant findings and recommendations arising from internal audits and to review the system in place to monitor the action taken by management to resolve any issues that have been identified.
- To approve a charter for the Internal Audit Unit which clearly defines its mission, authority, roles, responsibilities and reporting relationships.
- To advise and make recommendations to the Secretary General and senior management on any matter pertaining to the internal audit function within the Department that the

Committee considers necessarv or appropriate including its overall effectiveness, organisation, resources, training, use of technology, liaison with C&AG etc.

- To communicate with the Secretary General and senior management in relation to any significant shortfalls in the business control and/or risk management environments that come to the attention of and are of concern to the Committee.
- 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
- To raise any concerns with the Secretary General regarding the independence of the Internal Audit Unit.
- To evaluate the Committee's performance on a regular basis.

**External Audit**

- On at least an annual basis, meet with the Comptroller and Auditor General management team with responsibility for the Departments audit.
- Review the Internal Audit Unit working relationship and liaison with the Comptroller and Auditor General audit team to ensure co-operation, avoidance of duplication and potential gaps in audit coverage.

  Review the external audit management letter and the Departments response.

**Meetings**

**10.** Not less than four meetings of the Committee shall take place in each calendar year.

**11.** A quorum of three shall be required for each meeting and, in the absence of the Chairperson, the acting Chairperson will chair the meeting.

**12.** If a vote is required on any issue, a simple majority of all members present, including the Chairperson, will carry the motion, with the Chairperson having a casting vote in the event of a tie.

**13.** The Head of Internal Audit, and such other officials from the Department as the Committee may require, shall attend Committee meetings.

**14.** Draft minutes of the meetings of the Committee shall be circulated as early as possible after each meeting to the members of the Committee for their review, approved by the Committee members and signed by the Chairperson at the next Committee meeting. The final minutes will be then made available to the Committee and to senior management of the Department and the Secretary-General. The signed hardcopy minutes will be held by the Head of Internal Audit.

**15.** In addition to ongoing contact, the Chairman will formally meet with the Head of Internal Audit annually to discuss any issue of concern.

**Authority/Independence**

**16.** The Committee's remit covers all areas over which the Department has operational control. It excludes certain agencies or other bodies who administer this Department's funds on its behalf. In these cases, oversight is a matter for the governance structures of the organisations concerned.

**17.** The Committee may, following agreement with the Department, obtain external legal or other independent professional advice and secure attendance at Committee meetings of individuals outside the Department with relevant experience and expertise, if it considers this necessary.

**18.** The Committee shall be independent in the performance of its functions and its members shall not be subject to the direction of any other person in the performance of their duties. A member shall avoid the potential for conflict of interest and ensure the independence of the Committee. A statement of member's interest will be prepared on an annual basis.

**19.** Where a conflict of interest arises, or a member is in doubt as whether there may be a conflict of interest, in the course of the work of the Committee, the member 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.

**20.** The members of the Committee shall be fully briefed and kept up to date on any significant matters relating to their role and duties.

**21.** The Chairperson or any other person acting with the authority of the Chairperson shall have right of access to the Secretary-General.

**Protected Disclosures**

**22.** The role of the Committee in relation to protected disclosures is agreed with the accounting officer, in line with organisational policy and any relevant guidelines. In the event that the Committee receives a protected disclosure, it will refer the disclosure made to it to the Protected Disclosures Group.

**Review of Charters**

**23.** The Committee charter may be amended or updated in joint consultation between the Secretary-General and the Committee. The Committee will review this charter every three years or as required in accordance with any changes in governances practice.

**24.** The Committee will review with the Head of Internal Audit the Internal Audit Unit's charter on a regular basis.

***John McKeon***
*Secretary General*
*Department of Employment Affairs*
*& Social Protection*

Date January 2020

***Noel O'Connell***
*Chairman, Audit Committee*
*Department of Employment Affairs*
*& Social Protection*

Date 10 January 2020

*[Signed original hard copy is filed on Audit Committee Minutes file in HIA office]*