



OLLSCOIL NA GAILLIMHÉ
UNIVERSITY OF GALWAY

Audit & Risk Committee Terms of Reference *May 2025*

University
ofGalway.ie



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Part 1: Functions & Duties

1. Purpose of Committee

- 1.1 The Audit and Risk Committee (ARC) is established as a sub-committee of the Governing Authority, Údarás na hOllscoile, to support it in its responsibilities for Risk, Internal Control and Governance by reviewing the comprehensiveness of assurances in meeting the Governing Authority's and Accounting Officer (President)'s assurance needs and reviewing the reliability and integrity of these assurances. The ARC provides independent advice to the Governing Authority regarding the suitability and robustness of the University's internal control systems. It considers the adequacy of the control framework within University of Galway.

2. Authority

- 2.1 The ARC is appointed to provide independent and objective advice to the Governing Authority and is responsible to it for its performance in this regard. The ARC is not responsible for any executive functions and is not vested with any executive powers. The Chairperson has right of access to the Governing Authority, the President and to personnel of the University.

3. Responsibilities of the ARC

The responsibilities of the ARC shall be as follows:

3.1 Internal Control

- Advise on the University's internal control systems as appropriate, including information technology security and control.
- Review the Annual Review of the Effectiveness of the System of Internal Control.

3.2 Risk Management

- Support the Governing Authority in carrying out its responsibilities for ensuring that risks are properly identified, assessed, reported and controlled including advising the Governing Authority in its consideration of the University's overall risk appetite, risk tolerance and risk strategy.
- Review annually compliance with the risk management framework, monitor its effectiveness and make any recommendations thereon to the Governing Authority as considered necessary;
- Keep under continuing review the University's Risk policy and procedures for identifying, assessing and reporting and controlling risks, especially in relation to:
 - High to extreme risks,

- emerging risks,
 - any failure to implement, on a timely basis, recommendations arising from investigated and other incidents/reports, and
 - education sector-wide risks.
- Approve the annual Risk Management report.
- Receive feedback from the Director of Internal Audit on the effectiveness of the systems of control underlying the University's risk management framework and consider such feedback for input into the priorities of the internal audit work programme.

3.3 Governance

- Advise on the University's internal governance systems and frameworks.

3.4 Internal Audit

- Approve decisions regarding the appointment and removal of DIA.
- Review, assess and approve the charter for the Internal Audit Unit (IAU) which clearly defines its mission, authority, roles, responsibilities and other reporting relationships and advise on any changes deemed desirable on an annual basis.
- Review the performance of the IAU, and as necessary discuss with management the IAU charter, audit plans, activities, staffing and organisational status.
- Approve the annual Internal Audit Plan, including making suggestions regarding risk and problem areas the audit plan should address.
- Monitor implementation of the Internal Audit Plan and approve internal reports.
- Consider the adequacy of management responses to issues identified by audit activity.
- Monitor the implementation of audit recommendations arising from approved internal audit reports.
- Protect the independence of the IAU within the University.
- Advise on the effectiveness and adequacy of the expertise and resources available to the IAU.
- Raise any concerns with the Governing Authority regarding the independence of the IAU.
- Advise and make recommendations to the Governing Authority and the University Management Team on any matters pertaining to the IAU within the University that the Committee considers necessary or appropriate including its overall effectiveness, organisation, resources, training, use of technology etc.

- Request special reports from the IAU as considered appropriate.
- Approve the annual Internal Audit Report.
- On a regular basis, meet separately with the Director of Internal Audit to discuss any matters that the ARC or IAU believes should be discussed privately.

3.5 External Audit

- Recommend to the Governing Authority the appointment and removal of the commercial auditors.
- Note the terms of engagement and remuneration of the commercial auditor.
- Meet with the nominee of the C&AG and external commercial auditors at least twice annually.
- Review the planning approach to be undertaken by the C&AG and external commercial auditors in advance of each year-end audit.
- Review the results of external audits by the C&AG and external commercial auditors including management letter and the management's response to the findings.
- Discuss the adequacy of systems including any major findings from audit work.
- Review the Internal Audit working relationship and liaise with the nominee of the C&AG to ensure co-operation, avoidance of duplication and potential gaps in audit coverage.
- Consult annually with the external commercial auditors and C&AG as appropriate, regarding the operation of the IAU. Particular reference to be made to the staffing of the Unit, the audit work programme being applied, and the testing carried out in relation to the university's compliance with the requirements set out in the Code of Practice for the Governance of State Bodies.

3.6 Financial Management

- Advise on the systems of control underlying the financial management processes including considering audit and other reports relating to the procedures and practices associated with financial management and budgeting.
- Review the draft annual financial statements of the University and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles and legal requirements.
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

- Recommend to the Governing Authority whether it should approve any accounts so reviewed by the Committee.

3.7 Annual Report

- Prepare an annual report reviewing the ARC's operations for presentation to the Governing Authority. This report will include an assessment on the work of the IAU, the supports provided to the ARC and results of the self-assessment of the Committee's own effectiveness.
- Within the annual report, confirm that a review of these written Terms of Reference has been completed.
- Confirm annually that all functions outlined in the written terms of reference for ARC have been carried out.
- Follow up on any recommendations from the Governing Authority arising from this report, or in the course of other interactions.

3.8 Protected Disclosures

- In the event that the ARC receives a protected disclosure, it, through the Chairperson, will refer the protected disclosure in line with the University's policy on protected disclosures.

3.9 Reporting

- The ARC will formally report in writing to the Governing Authority.
- Minutes of meetings of the Committee and any relevant reports shall be circulated at the subsequent Governing Authority meeting.
- The Chairperson of the ARC will provide an update to the Governing Authority at each meeting. The Deputy-Chairperson of the ARC will provide an update in their absence.
- The ARC shall present an annual written report on its activities to the Governing Authority within three months after the conclusion of the financial year. The ARC's annual report to Governing Authority should present its opinion on the adequacy of risk management and internal control systems, and the adequacy of sources of assurance to the Board. The annual report should include:
 - governance issues;
 - statutory financial reporting; and
 - quality of internal and external audit.
- The Committee should report its view of its own effectiveness with advice on how it can be strengthened and developed.

- The Committee will report to the Governing Authority on such other occasions as requested.

3.10 Other

- Confirm annually that all functions outlined in the written terms of reference for ARC have been carried out.
- As part of the annual report, each year the ARC will review its own effectiveness and report the results of that review to the Governing Authority.
- Communicate with the Governing Authority in relation to any significant shortfalls in business controls and/or risk management processes.
- As required, review and advise the Governing Authority on University policies and procedures relating to anti-fraud, protected disclosure and arrangements for special investigations. Governing Authority and UMT have first line responsibility for ensuring these policies and procedures are in place.

4. Rights

4.1 The ARC may:

- 4.1.1 co-opt expertise to provide specialist skills, knowledge and experience; and
- 4.1.2 investigate any matter falling within its terms of reference, calling on whatever resources (including external professional or legal services) and information it considers necessary to so do. It shall have access to adequate funding to enable it to discharge its duties.

5. Access

- 5.1 The Director of Internal Audit, Director of Risk Management, the representatives of the Comptroller & Auditor General and the external commercial auditor will have free and confidential access to the Chairperson of the ARC.

Part 2: Membership

6. Composition

6.1 Membership shall consist of seven (7) people as follows;

- One (1) Chairperson,
- Three (3) external members of the Governing Authority, and
- Three (3) members that shall be external to, and independent of, the University.

6.2 The Nominations Committee shall review the membership of ARC and, in consultation with the Chair of ARC, make recommendations to the Governing Authority as to any changes in membership required to ensure that the Committee possesses the necessary capabilities to effectively meet its requirements.

6.3 The ARC shall collectively possess an appropriate range of skills to perform its functions to the required standard.

6.4 The Committee shall accordingly be comprised of at least 40% women and at least 40% men across the totality of the Committee.

6.5 The Accounting Officer (President), Chairperson of the Governing Authority and members of the Governing Authority who hold responsibility within the University shall not be members of the Committee. However, the President may be invited by the Chair of the ARC to attend some or all of the ARC's meetings.

6.6 All members of the ARC are expected to comply with the University's Code of Conduct for Members of Údarás na hOllscoile.

6.7 The membership of ARC will be published on the University of Galway Website.

7. Appointment

7.1 The Nominations Committee, having consulted with the Chair of the ARC, shall assist the Chairperson of Údarás na hOllscoile in keeping the composition of the Audit and Risk Committee under review and leading the appointments process including:

- Conducting an evaluation, prior to any appointment being made, of the balance of skills, knowledge, experience and diversity on, and future needs of the Audit and Risk Committee;
- Agreeing the process and criteria for selection as appropriate, including the use of open advertising or the services of external advisers to facilitate the search as appropriate, ensuring that the agreed process pays due regard to the requirements of skills and competencies matrix;
- Considering candidates on merit and against objective criteria, paying due regard to other interests so as to avoid conflicts and to ensure that appointees are able to devote

sufficient time to the role;

- Oversee the process of appointment through election, selection or nomination as appropriate.
- Making recommendations to Údarás of hOllscoile on the appointment of members of the ARC.

7.2 The appointment process of members to the ARC shall include those external appointees who are not members of Údarás na hOllscoile.

7.3 The role requirements will be clearly communicated to potential members at the outset including time commitments and an indication of frequency of meetings.

8. Term of Office

8.1 Period of appointments will be the following:

- For external members of the Governing Authority, their membership will coincide with their term of membership on Governing Authority.
- For members external to the University, their membership will be for three years with the option to extend for a further three years.

9. Chairperson

9.1 Appointment

9.1.1 The Governing Authority, on the nomination of the Chairperson of Údarás na hOllscoile and in consultation with the Nominations Committee, appoints the Chairperson, who shall be an external member of the Governing Authority.

9.2 Responsibilities

9.2.1 The Chairperson of the ARC has particular responsibility for ensuring:

- that the ARC is appropriately resourced;
- the ARC reviews Internal Audit Reports and management responses and ensures that actions are followed up by University management;
- reports to the ARC contain relevant information and are provided at the right time in an appropriate format;
- absent Committee members are briefed on meetings and attendance records are maintained and reviewed annually;
- they report at Governing Authority meetings and submit regular written reports to the Board containing relevant information;
- matters arising are reported on at each subsequent meeting; and

- they are consulted in the appointment of new Committee members.

9.2.2 The Chairperson should ensure that ARC exercises collective responsibility, that is to say, that decisions are taken corporately by all members acting as a body. The Chairperson shall encourage all members to work together effectively, contributing their skills and expertise as appropriate, and shall seek to build consensus among them.

10. Deputy Chairperson

10.1 Appointment

10.1.1 The Chairperson shall appoint a deputy-Chairperson from among the members of ARC.

12.1.2 The deputy-Chairperson will hold office until they cease to be a member of the ARC.

10.2 Responsibilities

10.2.1 The role of the deputy-Chairperson is to act in the stead of the Chairperson as the occasion arises.

10.2.2 If at any meeting the Chairperson is not present, the deputy-Chairperson if present shall be Chairperson of the meeting. Where the position of deputy-Chairperson is vacant or the appointed person is not present, the ARC members present at the meeting shall choose a member to chair the meeting.

11. Committee Secretariat

11.1 The Secretary of Governance & Academic Affairs shall recommend to the Chairperson of ARC an appropriate Secretary.

11.2 The secretariat to the ARC should:

- commission papers as necessary and support the Chairperson in preparing reports;
- circulate documents and keep and circulate minutes of meetings to Committee members and to internal and external audit as necessary in good time for meetings;
- for any agreed actions, document the owner, deadline and any advice given by stakeholders and monitor between meetings;
- keep the Committee abreast of development in the University; and
- maintain a record of members' appointments and termination / renewal dates and ensure that appropriate appointment procedures are initiated when necessary.

12. Resignation / Removal

12.1 A member of ARC may at any time resign from office as a member by letter addressed to the Chairperson and the resignation shall take effect on the date on which the letter is received.

12.2 A member of the ARC who is absent from all meetings of the ARC for a period of six consecutive months, unless the absence was due to illness, maternity or carers leave or any other family related leave, shall at the expiration of that period cease to be a member of the ARC. Notification of absence for the above reasons should be notified to the Secretary.



- 12.3 The Chairperson may, at any time, resign from office as Chairperson by letter addressed to the Governing Authority and the resignation shall take effect on the date on which the letter is received.
- 12.4 If the Chairperson resigns, they shall cease to be a member of the ARC at the same time.

Part 3: Conduct of Business

13. Meetings

13.1 To facilitate regular engagement with the organisation, the ARC will meet at least four (4) times a year, with the authority to convene additional meetings, as circumstances require.

13.2 The Governing Authority may ask the ARC to convene further meetings to discuss particular issues on which it seeks the Committee's advice.

13.3 Only members of the ARC and the Secretary to the ARC may attend meetings of ARC.

13.4 As necessary, the ARC will invite the following to attend for specific meetings or specific agenda items;

- Office of the Comptroller and Auditor General (C&AG) and external commercial auditors.
- President.
- Bursar.
- Members of UMT as appropriate for the agenda.
- Director of Internal Audit.
- Director of Risk Management.
- Other officials of the University as matters or issues arise.

13.5 The ARC may ask any or all of those who attend for specific meetings or specific agenda items but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

13.6 The ARC (or at least the Chairperson) should meet separately with each of the following without members of management being present at least once a year.

- Director of Internal Audit.
- Director of Risk Management.
- External auditors.
- A representative of the Office of the C&AG.

14 Agenda

14.1 The agenda for meetings of ARC is drawn up by the Secretary in consultation with the Chairperson.

14.2 Members wishing to make an input to the agenda should consult with the Secretary at least two (2) weeks before the meeting in question.

- 14.3 Meeting agendas will be prepared and provided five (5) working days in advance to members, along with appropriate briefing material.

15 Quorum

- 15.1 The Quorum for a meeting shall be as follows:

- if there is an even number of members on the Committee, the attendance of half the number of members, plus one (1) or
- if there is an odd number of members on the Committee, the attendance of half the numbers of members of the Committee rounded down to the nearest whole number, plus one (1).

- 15.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Committee.

16 Decision Making

- 16.1 Where a vote is required, decisions of the Committee will be determined by a majority vote of the members present.

- 16.2 In the event of a tie, the Chairperson holds the casting vote.

- 16.3 Where, in the opinion of the Chairperson, there is urgent business that must be transacted between meetings of the Committee, then the Chairperson may direct a proposal to the Committee by means of a written or electronic procedure.

- For the purposes of this procedure, the text of the proposal shall be circulated electronically or in writing by the Secretary on behalf of the Chairperson to all members, with a reasonable time limit within which members shall make known any reservations they may have or amendments they may wish to make.
- Any member may, before the expiration of the set time limit, require that the proposal be discussed at the next meeting of the Committee, by sending to the Chairperson (with copies to the other members and persons in attendance) a written or electronic notification to that effect.
- A proposal on which no member has made a reservation before the expiration of the set time limit shall stand adopted by the Committee.
- A proposal, or an amended proposal, on which a majority of the members expressly agree at the expiration of the set time limit shall stand adopted by the Committee.
- Proposals adopted in this manner shall be reported at the next meeting of the Committee and recorded in the minutes of that meeting.

17 Minutes of Meeting

- 17.1 The Secretary to the ARC shall minute the proceedings and resolutions of all meetings, including recording the names of those present and in attendance.

- 17.2 Minutes of meetings should give a concise account of points made in the discussion and a clear record of decisions made, while ensuring that an appropriate level of detail is recorded for the purposes of accuracy and accountability.
- 17.3 Draft minutes of the meetings will be sent to the Chairperson for approval within ten (10) working days of the meeting and circulated to the Committee members for adoption at the following meeting.
- 17.4 Once adopted, minutes of meetings shall constitute the only approved record of the meeting and shall be circulated to all members, other than where specific exclusions apply e.g. Conflict of Interest items.

18. Evaluation & Performance

- 18.1 The ARC shall review on an annual basis their terms of reference and recommend any necessary changes.
- 18.2 The ARC shall conduct an annual self-assessment of its own effectiveness.

Prof. Peter McHugh
Interim President
Date:

Ms. Carmel O'Connor
Audit and Risk Committee Chairperson
Date: