



DEPARTMENT OF FINANCE AUDIT COMMITTEE CHARTER

1. Policy Statement

Management and staff are committed to the development and implementation of effective governance and control arrangements within the Department. As part of these arrangements, it is the policy of the Department to implement effective internal control and risk management systems, including internal audit and assurance systems.

In accordance with the civil service governance arrangements, the Audit Committee, comprising a majority of non-executive members, is part of the control environment of the Department. It provides advice and assurance to the Accounting Officer regarding the suitability and robustness of the Department's internal control systems and procedures.

2. Role of the Audit Committee

The role of the Audit Committee is:

- a. To consider the adequacy and effectiveness of the Department's internal control systems, control environment and control procedures.
- b. To oversee the work of Internal Audit and to provide advice and professional guidance.
- c. To provide advice and guidance in relation to the systems of risk management and internal control within the Department.



3. Audit Committee Duties and Responsibilities

The Audit Committee will carry out the following functions:

3.1 Internal Control

- a. Advise on the Department's internal control systems, including information technology security and control.
- b. Obtain and review internal audit reports, significant findings and recommendations together with management responses.
- c. Monitor management's implementation of audit recommendations from internal audit, external audit and other sources.

3.2 Internal Audit

The Audit Committee shall be responsible for reviewing the implementation of best practice in relation to the service level agreement, plans, activities, and resources and skills of the internal audit function and for advising the Accounting Officer in relation to these matters. This shall include:

- a. Reviewing and advising on the internal audit work programme and monitoring implementation of the programme.
- b. Considering the results of completed internal audit reports, audit findings, recommendations and management responses.
- c. Quarterly, reviewing reports on the status of recommendations made in internal audit reports, and assessing the implementation of agreed corrective actions by management.
- d. Requesting, if considered necessary, any special reports from Internal Audit.
- e. Advising the Accounting Officer on the adequacy and effectiveness of the internal audit function.
- f. Fostering the development of best practice in internal audit.
- g. Annually, reviewing the Audit Committee Charter and the Service Level Agreement for provision of internal audit services by the Internal & EU Audit Unit of the Department of Public Expenditure and Reform, to ensure that they clearly define the authority, roles and responsibilities, and reporting relationships of the Audit Committee, Internal Audit and relevant management areas.



3.3 Risk Management

The Audit Committee shall consider, review and monitor risk management arrangements within the Department and, as appropriate:

- a. Advise the Accounting Officer on the extent and operation of the risk management process
- b. Advise on the systems of control underlying the risk management framework and processes, including:
 - Receiving feedback from the Head of Internal Audit and management on the effectiveness of the risk management process; and
 - Considering such feedback for input into the priorities of the Internal Audit function's work programme.

3.4 External Audit / Financial Management

- a. On at least an annual basis, meet with the nominee of the Comptroller and Auditor General
- b. Review the Internal Audit working relationship and liaison with the nominee of the Comptroller and Auditor General to ensure co-operation, avoidance of duplication and potential gaps in audit coverage.
- c. Review the external audit management letter and the Department's response.
- d. Advise on the systems of control underlying the financial management processes, including:
 - Reviewing the results of external audit; and
 - Reviewing the procedures and practices associated with financial management and budgeting.

4. General

The Audit Committee:

- a. Shall not be responsible for any executive functions.
- b. Shall report to the Accounting Officer.
- c. Shall advise the Accounting Officer, through its Chairperson, on the adequacy and effectiveness of internal audit resources and skills provided to the Department.



5. Authority

The Audit Committee is appointed to provide independent advice to the Accounting Officer and is responsible to him / her for its performance in this regard. As such, the Audit Committee is authorised:

- a. To seek such information or documents, which, in its opinion, are relevant to matters falling within its terms of reference.
- b. To receive information from management on significant changes in risk management and control systems.
- c. To carry out such actions as arise out of or are consequential to the functions and responsibilities assigned to it.
- d. To meet with external auditors or consultants as appropriate.
- e. To meet the external auditor, the Comptroller and Auditor General, at least on an annual basis.
- f. To meet senior management and staff and to receive presentations and briefings on business priorities, risk management systems and current activities within the Department.

6. Independence

- 6.1 The Audit Committee shall be independent in the performance of its functions.
- 6.2 Where a member of the Audit Committee has an interest, whether material or professional, (e.g. relating to a matter for which the member has an executive responsibility), in any matter considered by the Committee, he / she must make a statement of the interest to the members of the Committee. Where necessary, he / she must 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.
- 6.3 While all information provided to the Audit Committee is confidential in nature, the Head of Internal Audit will give advance notice of sensitive information to be communicated to the members of the Audit Committee.
- 6.4 Where a member of the Audit Committee has any executive responsibility, he / she shall not be involved in the sign off or approval of reports by Internal Audit. In such cases, the report may be sent for approval to a more senior level in the Department.



7. Composition

- 7.1** The Audit Committee shall consist of not less than five members comprising a Chairperson and four ordinary members who shall be appointed by the Accounting Officer. The members shall be appointed by virtue of their experience in fields of expertise relevant to the functions of the Committee.
- 7.2** The Chairperson and at least two other members of the Audit Committee shall be non-executive members, with at least one member from the private or semi-state sector.
- 7.3** Each member shall be appointed for such term (not exceeding three years) as shall be specified by the Accounting Officer and on such terms and conditions as the Accounting Officer determines. A member whose term of office expires shall be eligible for re-appointment.
- 7.4** A member of the Audit Committee shall be paid such remuneration, if any, and any such allowances for expenses, if any, as the Accounting Officer may determine.
- 7.5** A member of the Audit Committee may resign from office by letter addressed to the Accounting Officer.
- 7.6** The Accounting Officer may at any time, remove any member of the Audit Committee from office if he / she has committed stated misbehaviour or if his / her removal is necessary for the effective performance by the Audit Committee of its functions.

8. Reporting

- 8.1** The Audit Committee shall report to the Accounting Officer on an annual basis, as soon as possible after the end of a calendar year and, in any event, no later than the end of February. The report shall be in the form of a written report from its Chairperson, having been approved by the Committee.
- 8.2** The Annual Report shall include:
 - a. Details on audit reports completed,
 - b. Any appropriate concerns of the Audit Committee
 - c. An assessment of the work of the Internal Audit function, the supports provided to the Audit Committee and a self-assessment of the Audit Committee's own effectiveness.
- 8.3** The Audit Committee shall meet annually with the Accounting Officer. The Chairperson of the Audit Committee shall have a right of access to the Accounting Officer to report any significant issues that arise.



- 8.4 The Audit Committee shall have a right of access to reports prepared in the course of the annual work programmes by Internal Audit or any consultant auditors.
- 8.5 The Audit Committee shall respond to any special reporting requests, on matters relevant to the Committee, made by the Accounting Officer.

9. Meetings

- 9.1 The Audit Committee shall meet at least four times a year. The quorum necessary for the transaction of business shall be three members. In the absence of the Chairperson, those present shall select a Chairperson for the meeting. A copy of the agreed minutes shall be forwarded to Senior Management.
- 9.2 If a vote is required on any issue, a simple majority voting system of all members present, excluding the Chairperson, shall be used. The Chairperson shall exercise a casting vote only in the event of a tie.
- 9.3 The Chairperson of the Audit Committee shall approve the agenda for Committee meetings and members of the Committee shall be entitled to put forward matters for inclusion on the agenda.
- 9.4 The agenda and supporting papers will ordinarily be circulated to all Committee members at least one week prior to a meeting.
- 9.5 Each member of the Audit Committee shall be entitled to attend and contribute at meetings, subject to any declarations of interest made relating to matters being considered by the Committee. In addition, such other persons as are from time to time invited by the Chairperson may attend.
- 9.6 Internal Audit shall act as the secretariat for the Audit Committee.
- 9.7 Draft minutes of Audit Committee meetings will be circulated to members for their observations within three weeks of the date of the meeting. Following their formal approval at the next Audit Committee meeting, the minutes will be forwarded to the Accounting Officer within two weeks of the date of the meeting at which they were approved.



10. Protected Disclosures

- 10.1** The Audit Committee does not have an executive role in relation to Protected Disclosures for the Department.
- 10.2** In the event that the Audit Committee receives a Protected Disclosure, the Audit Committee will refer the Protected Disclosures made to it to the relevant area in line with Department Policy.
- 10.3** In the event of the receipt of a Protected Disclosure by the Head of Internal Audit (HIA), the HIA will contact the Department of Finance Audit Committee Chair to schedule a meeting of the Audit Committee. The Audit Committee will discuss the Protected Disclosure and determine the most appropriate manner of review / investigation.
- 10.4** The HIA shall provide, on a quarterly basis, details of all disclosures brought to his/her attention to the Audit Committee.

11. Working Procedures

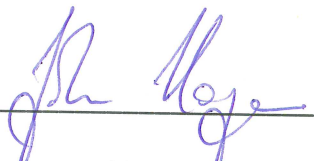
The Audit Committee will adopt its own working procedures including the right to receive independent professional advice.

12. Review of the Audit Committee Charter

This Charter will be subject to review by 31 December 2023.



13. Approval of the Audit Committee Charter



Approved by Accounting Officer

Date: 27/2/23



Approved by Chairperson of Audit Committee

Date: 2nd February 2023