



Working To Save Lives

Údarás Um Shábháilteacht Ar Bhóithre

Road Safety Authority

Road Safety Authority

Audit & Risk Committee Charter

September 2018

1.0 Introduction

The Audit & Risk Committee is formally established and appointed by the Board of the RSA. The Committee reports to the Board on the discharge of its functions. ¹The Committee will consist of at least three non-executive members, including at least two Board members, one of whom will Chair the Committee. Appointments to the Committee shall be for a period of three years. A quorum shall be established with at least two members. The RSA Board Secretary or his/her nominee shall act as Secretary to the Committee.

The Chairperson of the Board may participate as an Audit & Risk Committee member but may not assume the position of Chairperson of the Committee. At least one member of the Committee must be qualified in the field of finance or accounting. The Committee can, however, co-opt a person of such experience and qualification should none exist on the Committee.

2.0 Purpose

The Road Safety Authority will endeavour to deliver value for money across all its activities by utilising effective financial management practices backed up by efficient working arrangements for staff of the organisation. The Board of the Road Safety Authority recognises the vital contribution made by an effective Audit & Risk Committee function in helping to identify, establish and maintain best governance practice. The Committee has oversight for internal and financial controls, and oversight for all risk, including all non-financial risk.

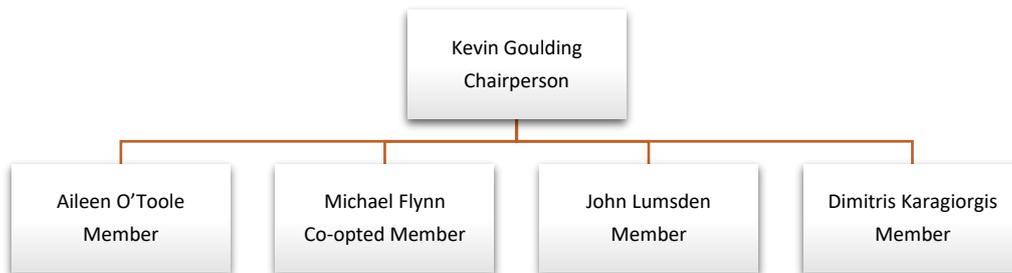
The Board further recognises the independence of the Audit & Risk Committee in the discharge of its duties and will make adequate resources available to enable the Committee to discharge its functions.

¹ Per code provision 1.2 of the 2016 Code of Practice – Audit & Risk Committee Guidance

3.0 Membership of the Committee

The Audit & Risk Committee was reconstituted in November 2017 with the following membership;

Audit & Risk Committee



4.0 Formation & Constitution

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The Chairperson of the Board may participate as an Audit & Risk Committee member but may not assume the position of Chairperson of the Committee. It is desirable that at least one member of the Committee be qualified in the field of finance or accounting. The Committee can, however, co-opt a person of such experience and qualification should none exist on the committee.

5.0 Functions/Scope of the Committee

The Audit & Risk Committee will undertake its work having regard to best practice and in particular to the guidance provided by the new Code of Practice for the Governance of State Bodies 2016.

The Audit & Risk Committee, with the assistance of the Authority's appointed Internal Auditors has agreed an Internal Audit Programme for 3-year cycles. In implementing this programme, the Audit & Risk Committee reviews the Authority's audit universe and reviews the current

status of all recommendations contained in the Authority's prior internal audit reports in order to inform each new three year audit programme.

Scope of Responsibilities

²The Audit & Risk Committee will advise the Board of the RSA on:

- the strategic processes for risk and internal control;
- the accounting policies, the financial statements, and the annual report of the RSA, including the process for review of the financial statements prior to submission for audit, levels of error identified, and management's letter of representation to the Comptroller & Auditor General;
- the planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity, including the Comptroller & Auditor General's management letter of representation;
- assurances relating to the management of risk and corporate governance requirements for the State body;
- (where appropriate) proposals for tendering for either internal audit services or for purchase of any required non-audit services from contractors;
- systems of internal financial controls and reporting, anti-fraud policies, protected disclosure processes, and arrangements for special investigations; and
- the statement of internal control;
- the Audit and Risk Committee's annual review of its own effectiveness and report the results of that review to the Board;
- the adequacy of the Corporate Procurement Plan as set out and as required under code provision 8.20 of the 2016 Code of Practice;
- Risk Management relating to the strategic goals of the Authority, including risk appetite and risk reporting;
- the adequacy and effectiveness of the systems for managing all non-financial risk;
- Audits of any Operational Area of the Authority;
- Cyber Security/Threat;
- Data Protection & Records Management including the Authority's compliance with the new EU General Data Protection Regulation;
- Any other matter that may be referred to it by the Board.

² Consistent with responsibilities as defined under Appendix A of the Audit & Risk Committee Guidance document from the 2016 Code of Practice

6.0 Authority of the Committee

The Board will provide the Committee with complete authority to request internal audits to be conducted on its behalf. The committee shall retain the right to engage and consult with such outside expertise, as it deems necessary for the discharge of its functions.

The Audit & Risk Committee has the authority to require audit to take place on all parts of The Road Safety Authority and shall have full and complete access to any records, physical properties, and personnel relevant to the performance of an audit. Documents and information given to internal auditors during a periodic review will be handled in the same prudent manner as by those employees normally accountable for them.

The Audit & Risk Committee will have no direct responsibility or authority for any of the activities or operations they review. While the Audit & Risk Committee may make recommendations they should not jeopardise their independence by developing and installing procedures, preparing records, or engaging in activities that would normally be reviewed by internal audit.

7.0 Meetings & Reporting

The Committee shall normally meet at least four times each year with scope to meet at any time should the need arise. The meetings will be attended by the Secretary to the Board, the Finance Manager and a representative of the externally appointed internal auditors.

Following each Audit Committee meeting, the Chairperson of the Audit Committee will present a paper on the meeting to the next Board meeting.

Attendance by non-committee members at meetings shall be at the discretion of the Committee. The Audit & Risk Committee may require the attendance of the Authority management, externally appointed Internal Audit Function, the external auditor or others to attend meetings and provide pertinent information as necessary.

8.0 Responsibilities for Reporting of Audit Recommendations & Findings

The Committee shall review the recommendations and findings of all Internal Audit Reports and Special Investigation Reports brought before them and the Chairperson of the Audit & Risk Committee will present a paper on the recommendations and findings at the next Board meeting.

The Audit & Risk Committee review of audit report recommendations and findings will consist of discussion with the relative management and the internal auditors.

The Committee will review and assess the completeness and accuracy of the Authority's Annual Financial Statements before presentation to the Board.

9.0 Responsibilities for Internal Control, Fraud, Risk Management, Internal & External Audit

Responsibility for Internal Control

The Committee will monitor the effectiveness of the Road Safety Authority's suite of Internal Control systems. The Committee will monitor systems that are in place to identify, assess and monitor financial and non-financial risks. The Committee will report to the Board any such risk identified. The Committee will monitor the implementation by management of any audit recommendations.

Responsibility for Risk Management

The Committee shall facilitate the Risk Management process in the Authority and can call the Chief Risk Officer before it to present the most up to date Risk Register and the Risk Management policy.

Internal Audit Reports on Risk Management will be brought before the Audit & Risk Committee first and then presented to the Board by the Chairman of the Audit & Risk Committee.

The Committee will advise the Board on the adequacy and effectiveness of the RSA's Risk Management Framework and Risk Policy.

Responsibility for the Internal Audit Process

The Committee shall assess and monitor the function and effectiveness of the externally appointed internal auditors including review of its strategic direction, approval of internal audit work programme, other work plans as appropriate and activities and terms of reference.

The Committee will ensure there is a fit-for-purpose Internal Audit Activity Charter in place.

Responsibility for the External Audit

Section 29 of the Road Safety Authority Act 2006 provides that the external auditor for Authority is the Comptroller and Auditor General (C&AG).

In relation to the annual external audit, The Committee will review the C&AG findings and the response from the Road Safety Authority. They are also responsible for:

- Timely production of audited accounts;
- Review of management letter and any issues arising from the audit and preparation of a response to same;
- Review the internal audit working relationships with the C&AG to ensure co-operation, avoidance of gaps or duplication in audit cover;
- ³Establish procedures for maintaining an appropriate relationship with the C&AG.

³ Per code provision 1.12 of the 2016 Code of Practice

Other

The Authority's Audit & Risk Committee must regularly report to the RSA Board about their activities, any relevant issues and related recommendations. On an annual basis they should provide an overview of the work of the committee to the Board. The Committee must also provide and ensure an open line of communication between internal audit, the external auditors and the Board of the Road Safety Authority.

Administration

The Committee has the right to meet in the absence of the executive.

The Secretary of the Board may be invited to attend Committee meetings. The Secretary of the Board will record minutes of the meetings on behalf of the Chairperson and he/she will prepare a report of the meeting for the Chairperson to be brought to the next Board meeting. The Secretary of the Board will be available to the Chairperson and the members to assist in the performance of their responsibilities.

10.0 Charter Review Date and Board Approval

This Charter was last updated on the 5th September and approved by the Board of the Road Safety Authority on the 26th September 2018.

11.0 Next Charter Review Date

This Charter will be reviewed again on the 5th September 2019.