Audit Committee Terms of Reference

Role of Audit Committee

The Audit Committee shall advise the Council in relation to the financial reporting process, the adequacy and effectiveness of internal control, and all key areas of risk arising from the activities for which the Academy is responsible.¹

The Audit Committee shall also:
• Monitor the integrity of the Academy’s financial statements and review significant reporting judgements contained within them.
• Advise whether or not to approve the accounts.
• Advise, as appropriate, on corporate governance issues.
• To appoint the Academy’s internal auditors

The advice of the Audit Committee shall be provided to the Executive Committee as well as to Council.

At the discretion of the President, and subject to budgetary approval, the Audit Committee may engage external advisors to assist it in fulfilling its role.

Composition of Audit Committee

The Audit Committee shall consist of a maximum of six persons, at least one of whom shall be qualified and/or experienced in financial affairs and not a member of the Academy. The chairperson of the Audit Committee shall be appointed by the Council. The chairperson shall hold office for four years and be eligible for re-appointment. The Academy Secretary shall be a member of the Audit Committee ex officio, and shall act as secretary to the Audit Committee. Two ordinary members shall be appointed by the Council and the names of any co-opted members shall be reported to the Council. Ordinary members, and any co-opted members, shall hold office for a maximum of four years and be eligible for further appointment or co-option.²

A quorum of the Committee shall be three members.³

Responsibilities of the Audit Committee

Financial Reporting
1. To review the Academy’s financial statements, before submission to, and approval by, the Council, and before clearance by the auditors.
2. To determine whether the financial statements have been prepared following appropriate accounting standards.
3. To make a recommendation to Council as to whether to approve the financial statements.

Internal control and risk management
4. To review the Academy's procedures for detecting fraud and waste, and ensure that arrangements are in place by which staff may, in confidence, raise concerns about matters of financial reporting, financial control or any other related matters;
5. To review reports of management and the internal auditor on the effectiveness of the systems for internal financial control, financial reporting and risk management;
6. To oversee the Internal Audit process.
7. To review the arrangements for maintaining books of account and to assess, on an annual basis, whether in the committee’s opinion, proper books have been maintained in the manner required by law;
8. To monitor the integrity of the Academy’s internal financial controls;
9. To review the statement in the annual report and accounts on the Academy’s internal controls and risk management framework;
10. To assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks including the security of the assets of the Academy.
11. To review the Risk Register annually.

Internal Audit
12. To determine, agree and review the internal audit programme and ensure that the internal audit function is adequately resourced and has appropriate standing within the Academy;
13. To ensure that the internal auditor has direct access to the President of the Academy and the Audit Committee and is accountable to the Audit Committee;
14. To receive a report on the results of the internal auditors’ work on a periodic basis;
15. To review and monitor management’s response to the internal auditor’s findings and recommendations;
16. To monitor and assess the role and effectiveness of the internal audit function in the overall context of the Academy’s risk management system;

External Audit
17. To oversee the Academy’s relations with the external auditor
18. Invite the Comptroller and Auditor General, or his nominee, to meet with the Audit Committee at least once a year.
19. Review and make recommendations on issues raised, and recommendations made, by the Comptroller and Auditor General.
20. Review and monitor the response of management to the findings and recommendations of the Comptroller and Auditor General.

Other Responsibilities
21. Advise Council and the Executive Committee on corporate governance issues, as appropriate.
22. Approve changes in accounting policies.
23. Review procurement procedures and review compliance with the Code of Practice for the Governance of State Bodies.
24. Review policies and procedures in relation to the acquisition and disposal of fixed assets and investments, liaising, as appropriate, with the Finance and Investment Committee.
25. Review the banking arrangements of the Academy.
26. **Immediately after the close of each financial year, the Audit Committee shall advise the Council on the appointment of a firm of accountants to assist the Academy in the preparation of the accounts.**
27. Review recommendations on appointments of staff or external contractors to internal audit roles, and approve the internal audit fees.
28. Advise the Executive Committee and Council on policy and procedures and other initiatives in relation to value for money.
29. To consider other topics, as defined by the Executive Committee or Council.
Reporting to the Executive Committee and Council of the Academy

1. The secretary shall circulate the minutes of meetings of the Committee to all members of Executive Committee and Council, and the Chairman of the Committee shall, as a minimum, attend the Council meeting at which the accounts are approved.

2. The Audit Committee shall annually review its terms of reference and its own effectiveness and recommend any changes.

3. The Audit Committee will complete a review on the effectiveness of the system of internal financial controls, each year, and report on this review to the Executive Committee.

4. The Audit Committee shall report to the Executive Committee and Council on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual report and accounts.

5. The Committee shall report in writing to the Executive Committee and Council, as appropriate, on all other matters arising from these terms of reference.

6. The Audit Committee will meet four times per year.

Under these terms of reference the Council of the Academy indemnifies each member of the Audit Committee of any and all liabilities arising out of their position on the Audit Committee as per the conditions of the Academy’s insurance policy.

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1. The By-Laws of the Royal Irish Academy, Chapter IX, Paragraph 8
2. The By-Laws of the Royal Irish Academy, Chapter IX, Paragraph 10
3. The By-Laws of the Royal Irish Academy, Chapter I, Paragraph 4
4. The By-Laws of the Royal Irish Academy, Chapter IX, Paragraph 9