

# Suas Audit & Risk Sub Committee Terms of Reference



## Objectives

The key objectives of the Audit & Risk Management Sub Committee are:

To assist the Board of Suas fulfil its fiduciary responsibilities by:

- Reviewing the financial information that will be provided to stakeholders and the public,
- Reviewing the systems of internal financial controls of Suas
- Reviewing Suas's auditing, accounting and financial reporting processes.

To assist the Board of Suas fulfil its governance responsibilities by:

- Ensuring all categories of risk (strategic, financial, operational and compliance) are identified,
- Ensuring all identified risks are assessed, rated and recorded on the risk register, and,
- Ensuring the risk management policy of Suas is being implemented.

## Section 1 - Membership

The Audit & Risk Management Sub Committee shall consist of at least three members.

- The Chairperson of the Board shall be a member (but may not be the chair)
- Two other members of the current Board

Other Members may be appointed by the Board of Suas, from time to time, as needs arise.

Members are usually appointed for a period of three years.

Key requirements of Committee Members

- All members of the Audit & Risk Sub Committee should have a working knowledge of basic financial management, risk management and the principles of good corporate governance
- At least one member of the committee shall have extensive accounting or financial management expertise
- At least one member of the committee shall have extensive risk management expertise
- At least one member of the committee shall have extensive corporate governance expertise

## Section 2 - Meetings & Minutes

A quorum shall be a minimum of two members of the Audit & Risk subcommittee. The Secretary to the Committee shall be appointed by the Chairperson.

### Notice of meetings

Meetings of the committee shall be convened by the Secretary of the Committee at the request of any of its members or at the request of the external audit lead partner or head of internal auditor if they consider it necessary.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend

and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

### **Frequency**

Meetings shall be convened at the discretion of the Chairperson, but shall be held at least twice per annum. The Chairperson may convene additional meetings as deemed necessary.

### **Minutes**

The Secretary shall be responsible for recording the minutes of each meeting. Minutes of meetings will be circulated to all Members of the Audit & Risk Sub Committee in advance of their formal adoption by the Committee.

The Audit & Risk Committee shall provide a report to the Board of Suas at least bi annually.

## **Section 3 - Authority**

In carrying out its responsibilities, the Audit & Risk Management Sub Committee has full authority to investigate all matters that fall within this Terms of Reference. Accordingly the Committee may:

- Obtain independent professional advice in the satisfaction of its duties at the cost of Suas
- Have such direct access to the resources of Suas, as it may reasonably require, specifically including the external and internal auditor(s)
- May require members of management to attend at the Committee and to assist the Committee in its work.

## **Section 4 – Accountabilities and Responsibilities**

The Audit & Risk Sub Committee is accountable to the Board of Suas and is formally a sub-committee of the Board of Suas.

To fulfil its responsibilities the committee shall:

Financial Reporting and internal financial controls:

- Review with the management and the external auditors Suas's Annual Financial Statements
- Review with the Board and the external auditor the accounting policies and practices adopted by the Board of Suas and their compliance with accounting standards and relevant legislation
- Discuss with Suas's management and external auditor the choice of accounting principles and THE material judgements reflected in the Financial Statements
- Recommend to the board that the Annual Financial Statements reviewed by the Committee be approved by the Board

External Auditor

- Following an appropriate competitive process, recommend to the board the appointment of the external auditor
- Review with the external auditor the planned scope of their audit and subsequently their audit findings including any internal control recommendations

- Review the performance of the external auditors and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements
- Review and approve fees to be paid to external auditors and recommend to the board their appointment or reappointment

#### Risk Management

- Review the content and relevance of the Risk Policy on an annual basis and propose any necessary amendments for approval by the Board
- Review the processes for the identification and assessment of risk under each of the five categories – strategic risk, financial risk, operational risk, compliance risk and reputation risk
- Ensure all identified risks are assessed, rated and recorded on the risk register
- Regularly review the rating and management of risks recorded on the risk register
- Examine the process for identifying and rating previously unrecorded or unknown or unanticipated risks
- Require regular periodic reports from nominated managers confirming the operation of the Risk Policy including confirmation that accountable management have confirmed the proper operation of agreed risk mitigation strategies and controls, and detailing material risks
- Review the insurance cover in place across all activities
- Review the health and safety policies in place and the proper operation of these policies
- Review the data protection policies in place and the proper operation of these policies

#### Review

- Annually, review and, if appropriate, recommend that the Board of Suas approves any revisions required to this policy.