

## Board Committee – Terms of Reference

### Finance, Audit and Risk Committee

#### 1. Establishment

- 1.1. This Committee is established by the Board of MS Ireland for the better governance of the Society.
- 1.2. The Board may at any time alter or revoke the composition or terms of reference of the Committee.
- 1.3. The Board shall annually review or confirm the terms of reference of this Committee

#### 2. Membership

- 2.1. **Appointment of committee members:** The Board shall annually appoint or re-appoint the members of the Committee
- 2.2. **Size of the committee:** The Committee shall consist of at least three members.
- 2.3. **Composition of the committee:** The majority of the Committee shall be members of the Board.
- 2.4. **Permitted term and re-election:** The term of the Committee is three years. Members may be elected for a further two terms. An extension of this period would be at the Board's discretion.
- 2.5. **Co-option:** With the consent of the Board, the Committee may co-opt members on an annual basis to supplement the skill and knowledge of the Committee in line with the nature of applications
- 2.6. **Disqualification from membership:** If a Committee member fails to attend three consecutive Board Committee meetings without a valid reason, this may result in being disqualified from the Committee by the Board
- 2.7. **Resignation:** Members who wish to resign can do so through written communication with the Chairperson of the Committee
- 2.8. **Committee Chair:** The Board shall appoint one of the members of the Committee, other than the chairperson of MS Ireland, to serve as chairperson of the Committee.

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#### 3. Proceedings of the Committee

- 3.1. **Procedures:** The Committee will determine its own procedures
- 3.2. **Meeting Frequency:** This Committee shall meet at least four times a year
- 3.3. **Quorum:** The quorum for a meeting of the Committee shall be two of its members.
- 3.4. **Meeting location:** The Committee will determine the locations of its meetings
- 3.5. **CEO Attendance:** Unless otherwise decided by the Committee, the Chief Executive/staff member will attend meetings of the Committee to provide relevant information and ensure that minutes are kept of the proceedings
- 3.6. **Reporting to the Board:** The Committee will make a report to the Board at Board meetings, whenever requested to do so by the Board
- 3.7. **Minutes:** The minutes of the Committee will be made available to the Board to which it will report in whatever manner is deemed most convenient and appropriate
- 3.8. **Authority:** The Committee will have the authority to investigate any matters within its terms of reference and to obtain external professional advice and invite experts to attend meetings if it considers it necessary
- 3.9. **Board approval:** All recommendations of the Committee shall be subject to Board approval
- 3.10. **Confidentiality:** The proceedings of the Committee are confidential and a member shall not, without the consent of the Board, disclose confidential information obtained by that member in the course of their duties
- 3.11. **Conflict of interest:** Where a conflict of interest arises, the respective Committee member must inform the meeting of the conflict and abstain from the decision-making process with regard to the conflict of interest
- 3.12. **Casting Vote:** Questions arising at any meeting shall be determined by a majority of votes of the members present, and when there is an equality of votes, the Chairperson shall have a second or casting vote as per Article 68 of the Constitution.

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#### **4. Committee's Terms of Reference**

On behalf of the Board, the Committee will do the following:

- 4.1. Consider, evaluate, monitor and report its recommendations to the Board in respect of all matters broadly relating to the Financial and Risk management of MS Ireland
- 4.2. Ensure that effective systems, financial controls and procedures are in place and functioning to enable the Society to operate in an orderly and efficient manner
- 4.3. Advise on compliance with statutory requirements regarding financial reporting and risk
- 4.4. Ensure the timely preparation of the annual budget and, after examining it in detail, will recommend it for adoption by the Board
- 4.5. Review actual/forecast income and expenditure throughout the year and, where appropriate, recommend corrective action to the Board
- 4.6. Review and recommend approval of the statutory financial statements to the Board
- 4.7. Consider and make recommendations regarding the introduction of Value for Money principles in the operations of MS Ireland as a whole
- 4.8. Review and comment on any other matters of a financial nature which may be referred to it by the Board.
- 4.9. The Committee is required to give an opinion on all major capital projects proposed for MS Ireland over €30,000
- 4.10. In relation to auditors, the Committee shall:
  - Oversee the audit tender process every 5 years;
  - Recommend the appointment of new auditors where relevant;
  - Consider and recommend approval of the audit fees;
  - Review and follow up on any management letter issues raised by the auditors;
  - Meet the auditor during the course of the annual audit
  - Meet the auditor on an annual basis to evaluate the service provided.
  - Oversee the internal audit process which includes annual audit, branch audits, spot checks of outdoor branch collections and e-docs
- 4.11. In relation to Financial Assistance, the Committee shall:

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- Advise the Board on the Financial Assistance regulations of MS Ireland.

- 4.12. In relation to Risk, the Committee shall:
- Work with the Chief Executive, Director/expert responsible for the risk register and the Corporate Services Manager to understand the process for identifying and responding to the risks in MS Ireland that could potentially threaten or adversely affect the Society
  - Ensure that the risk register is reviewed on a regular basis.
  - Ensure that internal controls are established to mitigate these risks.
  - Ensure reasonable steps are taken for the prevention and detection of fraud and other irregularities.
  - Access appropriate external legal and other professional advice in order to fulfil the Committee's financial responsibilities to the Board.