

Audit Committee

## **Terms of Reference**

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**Approved by Council (previously Board) of the ACOI  
on 11/01/2017**

## The Audit Committee

The Association of Compliance Officers in Ireland (ACOI) aspires to be a centre for thought leadership and a balanced and authoritative voice on matters relating to regulatory compliance and business ethics in the financial services industry in Ireland.

The Association aspires to have in place internal organisational, Council, and governance structures which meet with best-practice standards of corporate governance, having regard to the size and nature of the Association.

The Audit Committee (the “**Committee**”) is a Committee set up by the Council of Directors of the ACOI (the “**Council**”) to contribute to and oversee aspects of good corporate governance, and this document contains its terms of reference (“**Terms of Reference**”). The Terms of Reference shall be approved by the Council.

### **1. Introduction**

The primary function of the Committee is to provide for governance and oversight of financial accounting, financial reporting, the internal control framework, and the risk-management framework of the Association.

The Committee provides a link between the Council and the external auditors, and is independent of the Association’s day to day executive management.

### **2. Terms of Reference**

2.1 To examine the audit report of the External Audit firm on the annual financial statements and to meet with a representative of the External Auditors to discuss the report.

2.2 To consider whether adequate processes are in place to identify and manage the Association’s key operational and financial risks.

2.3 To review the Association’s annual report and financial statements.

- 2.4 To keep under review the effectiveness of the Association's internal control systems and risk management processes.
- 2.5 To make recommendations to the Council with regard to the appointment / re-appointment of the External Auditors.
- 2.6 To review the External Auditor's management letter, and to monitor management's implementation of any actions arising from the letter.
- 2.7 To keep under review the need for any additional (to the external audit review) annual or once-off audits of any aspects of the Association's operations which the Committee considers to be appropriate from time to time, and to make recommendations accordingly to the Council.
- 2.7 To provide as source for any staff member, officer, or director to communicate any matter of concern with regard to the governance or financial control of the Association, where such person feels that, in good faith, a matter of such concern may have arisen which cannot be reported through normal reporting channels (or having been so reported through such channels, the person remains concerned that it has not been appropriately dealt with).

### **3. *Membership of the Committee***

- 3.1 The Council shall appoint the Audit Committee and the Chairperson of the Committee.
- 3.2 Members of the Committee shall be comprised of members of Council or other persons co-opted to the Committee.
- 3.3 The Committee shall be comprised of a Chairperson and at least two other members.
- 3.4 The quorum for a meeting of the Committee shall be two.
- 3.5 The Chairperson will be appointed for a period not exceeding two years. The Chairperson, may, on the approval of the Council, be appointed for one (but not more) further two-year period.

- 3.6 In the absence of the Committee Chairperson for a Committee meeting, the other members present shall agree a Chairperson to chair the meeting.
- 3.7 Members of the Committee are expected to always act in the best interests of the ACOI in carrying out their duties as Committee members. If a Committee member feels they may have a conflict of interest in meeting this expectation they should discuss this at the earliest opportunity with the Chairperson of the Committee and, if appropriate, absent themselves from all discussions and decisions relevant to the issue in question or, if appropriate, offer their resignation from the Committee. If the Committee Chairperson feels he/she has a conflict of interest, similar interaction should take place with the Council.
- 3.8 The ACOI President shall not be a member of the Committee.
- 3.9 The ACOI President, Vice President, CEO, and other Council members may attend a Committee meeting at the request of the Committee.
- 3.10 The Committee shall have at least one member who has relevant financial and / or audit experience.
- 3.11 An employee or Officer of the Association shall act as Secretary to the Committee.
- 3.12 The Council of the ACOI will be empowered to remove any member (including the Chairperson) from the Audit Committee following 14 days notice.

#### **4. Meetings**

##### **Frequency**

- 4.1 The Committee shall hold not less than two meetings each year and such additional meetings as may be deemed appropriate from time to time by the Committee.

## **Attendance**

- 4.2 The Chairperson of the Committee may invite or allow other persons to attend meetings of the Committee (for all or any part thereof) where he/she considers the attendance of such persons to be necessary or helpful to the Committee in its deliberation.
- 4.3 The Committee shall meet at least annually with the external auditors in confidential session without management being present.

## **Minutes**

- 5.1 Minutes of each meeting shall be prepared by the Secretary or such other member as elected secretary for the time being of the meeting.
- 5.2 The minutes shall be circulated to each member of the Committee.
- 5.3 The minute book for the Committee shall be kept in the custody of the Secretary, for the time being, of the Committee.
- 5.4 A copy of all minutes of the Committee shall be copied to the President of the Council and shall be included in the Council pack for the Council.

## **6. Reporting to the Council**

- 7.1 The Chairperson of the Committee shall report, at least annually, to the Council on the deliberations of the Audit Committee and all decisions made by the Audit Committee.

## **7. Data Privacy**

All Output of the Audit Committee shall remain the property of the Audit Committee and the ACOI and may not be transmitted to or used by any non-ACOI member(s) (either past or present) without the prior written consent of the Chairperson for the time being of the Audit Committee who shall have consulted in advance with the President of the Council in respect of any such request received by him/her as the case may be.

Any marketing and/or advertising material or material offering services or any other similar approach from any third party to any member of the Audit Committee must be referred to the Chief Executive Officer prior to circulation/notification of same to any Audit Committee members or other ACOI members.

**8. Review**

These Terms of Reference will be subject to annual review by the Council