

**Deaf Village Ireland Audit Committee Terms of Reference**  
*Approved at the board meeting on 19 November 2019*

Board of Directors of the Deaf Village Ireland (DVI) set up the Audit Committee with the purpose of monitoring the financial and risk management and ensuring the organisational efficiency of DVI. The committee will also endeavour to ensure DVI complies with the financial aspects of the Memorandum and Articles of Association, the Charities Act 2009, the Companies Act 2014.

The terms of reference of the DVI Audit Committee are as follows:

1. Rationale and Role of the Audit Committee

- The role of the Audit Committee is to oversee the effective financial and risk management of DVI, including the raising, collection, investment, borrowing and outlay of all monies required to fund its activities, and to report and make recommendations to the board thereon.
- The terms of reference for the Committee shall be reviewed regularly by the Board to ensure continuing appropriateness with all applicable legislation.
- Recommendations on revisions shall be provided to the Board. Such reviews shall be documented and shall take place at least annually.
- The Committee is authorised by the Board to investigate any activity within its terms of reference and may require information and attendance at meetings of any employee.
- The Committee is authorised to obtain outside legal or other independent professional advice at the expense of the DVI.
- Deaf Village Ireland has an obligation to keep “proper accounting records” that-
  - Enable the directors to ensure that any financial statements of the company, comply with the requirement of Companies Act 2014 and accounting standards.
  - Correctly record and explain the transactions of the company.
  - Enable, at any time, the assets, liabilities, financial position / profit and loss of the company to be determined with reasonable accuracy.
  - Keep Records for 6 plus 1 year retention rule.
  - Give a true and fair view of the assets, liabilities and financial position.

Deaf Village Ireland has an obligation with The Charities Act 2009-

- Duty to keep proper books of accounts (S47)
- Annual Statements of Accounts (S48)
- Annual Audit (S50)

2. Membership, Appointment and Meeting Arrangements

- The committee will be comprised of at least two Directors with discretion to co-opt up to three additional non-director members with relevant skills and experience. Members of the committee shall be appointed by the board.
- One of the Directors will chair the Committee.
- The attendance by the DVI Manager at the Committee meeting shall be by invitation.
- The DVI Manager or any staff shall not be eligible for the membership of the Committee.
- The membership term of the Committee will be three years. Members may be asked to serve a second term, however the practice will be to encourage renewal of its membership.
- The quorum necessary for the transaction of business shall be any two members. At least one of whom shall be a member of the DVI board of directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee
- The Committee may require other parties to attend its meetings, including Directors, the Manager and the external auditor.
- Committee meetings will be at least six times per year and where appropriate coincide with important financial reporting dates and the audit cycle and otherwise as required.
- Meetings of the Committee shall be called giving reasonable notice, at the request of any of its members or at the request of the Board if considered necessary.
- The external auditors may request to meet the Committee if they consider it necessary.
- The proceedings of all meetings of the Committee, including recording the names of those present and in attendance shall be minuted. Draft minutes of committee meetings shall be circulated promptly to all members of the Committee and approved for signing by the Chairperson after review.
- Reporting to the Board will be in the form of approved minutes of the meetings, unless it would be inappropriate to do so in the opinion of the committee chairperson.

### 3. Conflicts of Interest

- Members must notify conflicts of interest and ensure they are recorded in the minutes.
- The Committee will decide if conflicted members must leave the meeting for the duration of discussions on such matters or if they may remain as guests

### 4. Key Responsibilities

The key responsibilities of the Audit committee will be to:

- Annual Audit of Financial Statements
  - Review the draft annual financial statements, including SORP accounting policies and Management Accounts and related reports of the DVI and recommend their approval to the Board.
  - Make recommendations to the Board on the appointment of external auditors, and approve their remuneration.
  - Monitor the external auditor's independence, objectivity and effectiveness.
  - Review the findings of the audit and make recommendations to the Board in respect of matters raised by the external auditor in the post audit report.
  - Advise the Board, whether the DVI is receiving a cost-effective and high quality professional service from its external auditors. This advice will be based on an evaluation of the auditor's performance.
  - Invite the Auditor to meet with the board to go through the AGM Financial Reports (using FRS 102 CSORP).
  
- Financial Management and Controls
  - Review the effectiveness and operation of the accounting policies, financial management processes and internal controls in place throughout the DVI.

Receive the monthly management accounts pack presented by the Manager. This should comprise of

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  - Profit and loss statement with comparison to budget,
  - Explanations of variances
  - Bank account reconciliations
  - List of debtors and creditors over €2,500 including aging
  - Community Employment Financial accounts
  - Review and report to the Board on the management accounts pack on at Board meetings.
  - Review the annual budget and its underlying assumptions, as presented by the Manager and recommend its approval to the Board.
  - Develop and assess long-term financial strategy, in collaboration with the board.
  - Review and report to the board on significant capital expenditure proposals.
  - Meet such requests from the Board for assistance, concerning finance related matters, as may arise from time to time.
  - Ensure that for parties wishing to communicate information of a sensitive nature to the DVI, there is a confidential access channel in place through the chair of the Audit Committee.
  
- Risk Management

- Conduct formal risk assessment and make recommendations to the Board on an annual basis.
- Ensure there are appropriate risk management and risk avoidance measures in place.

5. Resources

- The Board of the DVI will provide sufficient resources to enable the Audit Committee to perform its functions satisfactorily.
- The Committee, following notification to the Chairperson of the Board, may seek such external professional advice as it deems necessary to discharge its responsibilities.

6. Reporting Relationships

- The Committee will report to the Board on the outcome of its meetings and following each meeting, forward a copy of the minutes to the Secretary of the Board.