

The Audit and Risk Committee is established by the Barnardos Board. Its function is to keep under review the adequacy, scope and effectiveness of accounting and internal control systems of all activities carried out by Barnardos.

1. Membership

The Committee should consist of at least four members, at least two of whom are a member of the Barnardos Board. The Committee must contain at least one member with childcare experience and one other with financial experience. This experience should be recent and relevant.

Appointment to the Committee must be via the Nominations Committee.

The CEO and the Finance Director are fixed attendees. Other members of Management and staff may attend as deemed appropriate by the Chairperson.

2. Meetings

To be held at least four times a year in advance of Board meetings and at whatever times the committee deems appropriate. A quorum is two members of the Audit & Risk Committee. The agenda will be approved by the Chairman of the Committee in advance of the meeting.

3. Reporting

The Director of Finance, HR, IT & Governance circulates reviewed minutes to the Chairman of the Audit & Risk Committee for his/ her approval. A final version is then circulated to all Audit & Risk Committee members and the CEO. The Chairman of the Audit & Risk Committee or in his/her absence the CEO or Director of Finance, HR, IT & Governance, presents the findings/ recommendations of the Committee to the members of the Board.

4. Duties of the Audit & Risk Committee

i. Review of external audit function

The Audit and Risk Committee will have responsibility for:

- Agreeing with the external auditor the nature and scope of the external audit.
- Reviewing the statutory accounts and audit reporting, focussing on significant adjustments arising from the audit.
- Reviewing the auditor's management letter and management's response.
- Reviewing changes in accounting policies and practices.
- Reviewing major judgmental areas in the statutory accounts.
- Reviewing the going concern assumption, the compliance with accounting standards, and compliance with legal obligations.
- Monitoring and reviewing the independence, objectivity and effectiveness of the external auditors.
- Recommending of any change in external audit provider to the Board and approving the remuneration and engagement of the external auditor.

- Developing and recommending policy on the supply of non-audit services by the external auditor, taking account of ethical guidelines in this regard.
- Recommending the accounts to the Board for signing by the Directors.

The Audit and Risk Committee meet with the External Auditors and Management annually for the Audit closing meeting. The Audit and Risk Committee will invite representation from the Finance Committee to attend this meeting with the External Auditors. The Finance Committee attend this meeting for information purposes only. The Audit Committee will ensure the Finance Committee is aware of the auditor's management letter, organisation response and other relevant issues which may arise.

ii. Internal audit

To review the effectiveness of the organisation's internal control framework. Internal controls encompass both operational and financial controls.

To approve the annual internal audit plan – this plan incorporates Health and Safety.

To review the findings of the internal audit activities and report on these to the Board.

To review the findings of the internal audits carried out by external auditors (on behalf of funders) and to consider management's response to any recommendations.

To gain assurance that service provision is delivered appropriately and of requisite quality.

To review, with the external auditor, any fraudulent or illegal acts, deficiencies in internal control or other similar issue, including reviewing the results of any related internal investigation.

iii. Risk and risk management

To ensure that appropriate procedures are in place for identifying and mitigating the significant risks to which the organisation is exposed.

To review and approve the risk register of Barnardos.

To review the approved register, at least once during the year, to ensure that the risks identified are still relevant and that they are being adequately managed.

To review the insurance arrangements of the organisation on an annual basis to ensure that the cover in place is adequate.

To ensure that the organisation has adequate procedures in place in relation to complaints mechanisms and protected disclosures and that these policies are both appropriately implemented and effective.

iv. Compliance

To review established systems to ensure compliance with external legislation / regulations and the organisation's objectives, policies, plans and procedures.

To review the organisations compliance with relevant Governance Codes.

To review the organisations Directors Compliance Statement report annually.

v. Other

Oversight of significant projects, working with IT Strategy Group

5. External/Specialist Advice

The Committee may seek any legal or other independent advice, with prior permission from the Chairperson of Barnardos, or in his/her absence, from the Company Secretary, which it considers necessary to discharge its obligations. If it is felt that such advice is required it will be sourced in conjunction with the Company Secretary function within Barnardos.

6. General

The existence of the Audit and Risk Committee does not in any way diminish the overall responsibility of the Board for risk management within the organisation. However, the Committee provides the Board with a significant level of assurance that the important issues in each key area have been rigorously examined.

All items on the Agenda for the Audit and Risk Committee meeting shall be reviewed by relevant members of the Senior Management Team in advance of each meeting. Management are responsible for providing the committee with resources to carry out their functions.

7. Conflict of Interest

Members are expected to declare any potential conflicts of interest and in this context, if appropriate, absent themselves from decision making.

8. Confidentiality

The discussions and deliberations of the Audit and Risk Committee are confidential to the Committee and Barnardos.