

## **Terms of Reference of Sub Committees**

### **Cycling Ireland Audit Finance & Risk Committee**

#### **Constitution**

The Board of the Irish Cycling Federation CLG (T/A Cycling Ireland), (hereinafter the “**Board**” and “**CI**” respectively) has approved the establishment of an Audit Finance & Risk Committee as a sub-committee of the Board (the “**Committee**”) of 21 March 2022.

#### **Role**

The role of the Committee is to support the Board in their responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge.

#### **Membership**

Members of the Audit Risk and Finance Committee are appointed by and from the Board. The Audit Finance & Risk Committee comprises a minimum of two (2) Board members and two (2) further independent members, with the requisite skills and experience.

Committee membership terms are aligned with Board membership terms.

- The Chairperson of the Committee shall always be a director of CI and will be appointed by the Board. They shall have experience of being on or chairing audit and risk, finance and/or legal committees and/or have significant experience in one or more of the following areas: finance, accounting, audit, risk management, law, business management.
- Another director of CI shall be appointed by the Board. Where the Chairperson of the Committee is not an independent director of CI, then the second director shall be an independent director.
- The two Board nominated persons (who may also be directors of CI) will be appointed as members of the Committee and shall have recent and relevant experience in one or more of the following areas: finance, accounting, audit, risk management, insurance, law, business management.
- In the event of an increase in Committee members, above 4 membership of the Committee should be balanced between nominated and independent directors of CI.
- The Committee is open to all members of the CI Board to attend. They will not have a vote.
- The Audit, Risk and Finance Committee will be provided with a secretariat support service by CI.

#### **Rights**

The Committee may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- procure specialist ad-hoc advice at the expense of CI, subject to budgets agreed by the Board;
- investigate any activity within its Terms of Reference.
- seek any information that it requires from any Commission, officer or representative of CI, any employee of CI and all employees are directed to cooperate with any request made by the Committee.

The CI Board has the authority to amend the Terms of Reference for the Committee.

The Committee does not have any delegated financial approval powers.

#### **Access**

- Representatives from internal audit (IA) and external audit (EA) will have free and confidential access to the Chairperson of the Committee.

- Individual private meetings should take place, at least once per annum, between the Committee members (excluding Executive Management), EA and IA.

#### **Reporting**

- The Committee will present a summary of matters of importance arising from each meeting to the next full Board meeting.
- The Committee will present the draft minutes of its meetings to the next full Board meeting, and make recommendations to the Board, as appropriate.
- The Committee will provide the Board with an annual report timed to support finalisation of the Annual Report & Financial Statements, summarising its conclusions from the work it has done/ overseen during the year.

#### **Meeting Frequency**

- Meetings shall be held as a minimum five (5) times a year (to coincide with key dates in the company's financial reporting cycle). The Chairperson of the Committee may convene additional meetings as deemed necessary.
- The Board may also ask the Committee to convene further meetings to discuss specific issues on which they require the Committee's advice.
- Agendas and papers will be circulated digitally at least one week in advance of Committee meetings. Committee members may at any time request the addition of agenda items via the Chairperson of the Committee.

#### **Quorum and Attendance**

- A minimum of two (2) members of the Committee, one of whom must be the Chairperson, and one must be an independent director be present (either in person or by phone or video conference) for the meetings to be deemed quorate. If the Chairperson is also an independent director the second member can be any other member of the Committee.
- If only the Chairperson is available, the Chair of the Board, or any other Board member, may deputise as the 2nd member.
- Committee meetings will normally be attended by the CEO and CFO (or most senior member of the finance team)
- Committee meetings will be attended at least once per year but ordinarily twice per year by a senior representative of the appointed IA, and a senior representative from the appointed EA.
- The Committee may require other employees or officials of CI to attend, to assist it with its discussions on any specific matter.
- The CI Company Secretary may attend meetings.
- Any member of the CI Board – not being a formal member of the Committee may attend a Committee meeting.

#### **Procedure**

- Where circumstances dictate, the meetings of the Committee may be held by telephone conference, video call or if this is not practical, by e-mail to be concluded the same day.
- the Committee may ask any or all of those who normally attend but who are not members to withdraw, to facilitate open and frank discussion of specific matters.

#### **Responsibilities**

##### Core

The Audit Finance & Risk Committee will advise the CI Board on;

- the strategic processes for risk mitigation and management, control assurance and governance, and on the governance statement included within the Annual Report and Financial Statements. This advice will be

informed by review of risk management reviews and registers, and of management and auditors' reports on the effectiveness of systems for internal control and governance. Where such registers or procedures have yet to be put in place or require updating, these actions shall be a priority of the Committee.

- the accounting policies, the annual report and financial statements of CI, including the process for review of the financial statements prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- any major issues which arose during the audit, any accounting and audit judgements; the levels of errors identified during the audit; and the effectiveness of the audit.
- the adequacy of management responses to issues identified by audit activity, including the review of the external auditor's management letter/report;
- the effectiveness of the internal control environment; [considering operation of the 'three lines of defence' model.]
- the effectiveness of internal and external audit and the audit fees;
- assurances relating to the management of risk and corporate governance requirements;
- the effectiveness of the internal control systems of CI; and
- anti-fraud policies, whistle-blowing and malpractice processes, controls for the prevention of bribery, and arrangements for special investigations.

In all cases the Audit Finance & Risk Committee's primary duty is to report and make recommendations on the matters outlined above for the Board's consideration, and to raise any additional issues as it sees appropriate. The Committee's role remains one of monitoring and review, rather than one of day-to-day management.

The Committee will annually review these Terms of Reference and its own performance and effectiveness. The Committee will report the results of that review to the Board.

#### Additional

The Committee will also advise the Board on:

- the processes which produce the annual plans and reporting of performance against those plans;
- its oversight of the adequacy of the procedures and processes that control the activities and resources of the organisation;
- an annual review of the quality, independence and effectiveness of both IA and EA;
- ensuring that the IA and EA report directly to the Committee.

The Committee will prepare a planner to outline pertinent agenda items for discussion for the year ahead.

#### **Information Requirements**

The CI Executive shall provide the administrative support to the Committee. The secretary to the Committee shall be approved in consultation with the Chairperson of the Committee.

To achieve the above role functions, the Committee will be provided with, at the appropriate meeting:

- the minutes of the previous meeting for review and approval as a correct record.
- a report on the organisation's performance relating to risk management, including a summary of any changes to the organisation's Corporate risk register and project risk registers.
- a progress report from IA summarising, as appropriate:
  - work performed (and a comparison with work planned).
  - key issues emerging from IA work.
  - management responses to audit recommendations.
  - significant changes to that audit plan.

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- any resourcing issues affecting the delivery of IA objectives.
- a progress report from EA summarising work done and emerging findings.
- Management assurances and evidence to demonstrate effective governance and operation of key controls.
- [Specific point relating to the financial aspects of the Code of Good Governance in Sport]
- any other reports from management as necessary to inform the Committee of developments in the CI universe. Including but not limited to
  - Business Continuity
  - Health and Safety
  - Cyber Resilience
  - Data Protection
- an update on any new and emerging legal, regulatory and financial reporting requirements.

As and when appropriate the Committee will also be provided with:

- business update reports from the CEO
- finance update reports, management accounts, annual accounts, cashflows, risk management measures and reporting from the CFO
- proposals for the terms of reference of IA.
- the IA strategy.
- the IA annual plan for approval.
- the IA annual opinion and report.
- quality assurance reports on the IA function.
- the draft Annual Report & Financial Statements of the organisation.
- a report on any changes to accounting policies.
- EA plans, management letters, and reports to the Board
- a report on the co-operation between IA and EA.
- an annual performance report on arrangements to counter both Fraud and Bribery within the organisation.
- the major findings of Oireachtas Committee, Sport Ireland and external Audit reports.
- appropriate EA wider scope reports

Recommended by AFRC 17 January 2024

Before the Board on 29 January 2024

Approved by the Board 11 March 2024