



**HSI Audit & Risk Committee
Terms of Reference**

1. Principle

- 1.1 The Horse Sport Ireland Board shall establish an advisory committee known as the Audit & Risk Committee. While the Board has a duty to act in the interests of the Company, the Audit and Risk Committee has a particular role, acting independently of the management of the Company, to ensure that the interests of the Members, Government and other stakeholders are fully protected in relation to business, risk, financial reporting and internal control.

2. Membership

- 2.1 The membership of the Audit Committee shall be appointed by the Horse Sport Ireland Board.
The Committee shall consist of two Horse Sport Ireland Board members and at least three members, whom shall be external members of the Horse Sport Ireland Board. In appointing members, consideration shall be given to the skills and independence of the members and at least three members shall have recent and relevant financial and/or risk management/corporate governance experience.
- 2.2 The Chairperson of the Committee shall be appointed by the Horse Sport Ireland Board.
- 2.3 Horse Sport Ireland executive/staff members should not be members of the Audit Committee. Neither the Chairperson of HSI, Chairperson of the HSI Finance Committee, or members of the HSI Finance Committee shall be a member of the Audit Committee.
- 2.4 In addition to these terms of reference the Committee may draw up its own working procedures.
- 2.5 It is recommended for an Audit and Risk Committee to have members drawn from outside the Board. An Audit and Risk Committee is more likely to have the broad range of skills and experience necessary where its membership is not restricted to the Board. The Audit and Risk Committee is empowered to co-opt members to provide specialist skills at a particular time and to procure specialist advice at reasonable and approved expense (subject to a budget approved by the Board) to the organisation to assist the Committee with specific areas of the Committee's business.
- 2.6 Appointments of members including the Chairperson to the Audit and Risk Committee shall be made by the Board in consultation with the Chairperson of the Audit and Risk Committee (in relation to the other members).
- 2.7 The duration of appointment of Audit and Risk Committee members is for three years from the date of appointment, which can be renewed for up to three years, to a maximum of six years in total.

3. Frequency of meetings

The Committee shall meet at least three times a year.

4. Quorum

- 4.1 The quorum required for the transaction of business shall consist of at least two members of the Committee. 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.

5. Attendance at meetings

- 5.1 The HSI CEO, the HSI Head of Finance, the External (Statutory) Auditor, Head of Sport, Legal & Governance, the Chief Risk Officer, a representative of the external auditors engaged and any employee or external person relevant to the work of the Committee may attend for all or part of the meetings at the invitation of the Committee.
- 5.2 The Company Secretary to HSI shall act as secretary of the Committee with his/her office providing secretarial services.
- 5.3 At least once a year the Committee will meet with each of the following: (a) the external auditors, (b) the Internal Auditor.
- 5.4 The Committee will seek to meet with the HSI Finance Committee on an annual basis or as mutually agreed by the Chairpersons of each these Committees.

6. Decisions and voting

- 6.1 Each question at a meeting of the Audit Committee shall be determined by consensus, but where in the opinion of the Chairperson, consensus is not possible, the question shall be decided by a majority of the members present and voting on the question and, in the case of an equal division of votes, the Chairperson shall have a second and casting vote. All votes taken shall be referred to Horse Sport Ireland Board for noting.

7. Authority

- 7.1 The Committee is authorised by Horse Sport Ireland Board to investigate any activities within its terms of reference and to seek any information it may require from any employee of the Company. All employees are directed to co-operate with any request made by the Committee. At any stage the Board of Horse Sport Ireland can stand down the Committee and assume its functions until a new committee is appointed.

8. Reporting

- the Audit and Risk Committee will formally report in writing to the Board; and
- the Audit and Risk Committee will provide the Board with an Annual Report, timed to support finalisation of the annual report and financial statements, summarising its conclusions from the work it has done during the year;

9. Responsibilities

The Audit and Risk Committee will advise the Board on the key pillars within Audit & Risk which are strategic, operational, reputational and financial, that include, but are not limited to:

- 9.1.1 advise on the appointment of the external auditors, the audit fee and any questions of resignation or dismissal of the external auditors;
- 9.1.2 to discuss and agree the nature and scope of the audit with the external auditors in advance of the audit;
- 9.1.3 the accounting policies, the financial statements, and the annual report of the organisation, including:

- the process for review of the audited financial statements 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;
- adequacy of management response to issues identified by audit activity, including external audit's management letter of representation;
- The consistency of, and any changes in accounting policies or practices year on year;
- Major judgemental areas and methods used to account for significant or unusual transactions;
- Significant audit adjustments & compliance with appropriate accounting standards and legal requirements;
- All material presented with the financial statements and its consistency with the financial results.
- To recommend to Horse Sport Ireland Board whether, it should approve the financial statements (annual audit accounts).
- To determine at least annually whether, in the Committee's opinion, the Company has kept proper books of account;
- to consider that the arrangements made for and resources available to Internal Audit are adequate and to monitor the performance of Internal Audit;
- to consider the Internal Audit annual audit programme, to review reports of Internal Audit and to consider major findings and management's response
- to consider the system of internal controls and to satisfy itself that the control environment is adequate and that controls are operating effectively;
- (where appropriate) proposals for tendering for either internal or external audit services or for purchase of non-audit services from contractors who provide audit services;

9.1.4 The Audit and Risk Committee will advise the Board on the strategic processes for risk, internal control and governance that include, but are not limited to:

- assurances relating to the management of risk and corporate governance requirements for the Company;
- Processes and systems for identifying and reporting risks and risk-management deficiencies, including emerging risks, on an organisation-wide basis;
- Monitoring of compliance with the company's risk limit structure and policies and procedures
- relating to risk management governance, practices, and risk controls across the organisation;
- Effective and timely implementation of corrective actions to address risk management deficiencies;
- Specification of management and employees' authority and independence to carry out risk management responsibilities, and
- Integration of risk management and control objectives in management goals;
- Anti-fraud policies, protected disclosure processes, and arrangements for special investigations; and the Audit and Risk

Committee will also periodically review its own effectiveness and report the results of that review to the Board.

9.1.5 The Audit & Risk committee will advise on the organisation's adherence to the CVC Code's recommended practices and consider reports which are conducted annually including but limited to:

- driving consistency in respect of governance and regulatory conduct matters across Horse Sport Ireland receiving management information on significant themes and agreeing proposed actions;
- overseeing compliance with the corporate governance principles, culture and ethical values of Horse Sport Ireland in line with strategic priorities, including the provision of approvals where required;

10. Access

10.1 The representative of external audit, the representative of any internal auditor, the Chairperson of the HSI Finance Committee, the Director of Finance, and HSI Head of Sport, Legal & Governance shall have confidential access to the Chairperson of the Audit and Risk Committee.

11. Meetings

11.1 The Audit and Risk Committee shall meet at least three times a year. The Chairperson of the Audit and Risk Committee may convene additional meetings, as they deem necessary;

- a minimum of two members of the Audit and Risk Committee will be present for the meeting to be deemed a quorum present.
- In carrying out its responsibilities To ensure at least one meeting is held jointly with the HSI Finance Committee and
- The CEO, the Director of Finance, the External (Statutory) Auditor, Head of Sport, Legal & Governance, a representative of the internal auditors engaged by HSI and any employee or external person relevant to the work of the Committee may attend for all or part of the meetings at the invitation of the Committee.
- the Audit and Risk Committee may ask any other persons such as volunteers/officials who serve on the various HSI Sub Boards/ Committees to attend to assist it with its discussions on any particular matter;
- the Audit and Risk Committee may ask any or all of those who normally attend but who are no members to withdraw to facilitate open and frank discussion of particular matters;
- the Board may ask the Audit and Risk Committee to convene further meetings to discuss particular issues on which they seek the Committee's advice.

12. Information Requirements

12.1 As required the Audit and Risk Committee will be provided with:

- a report summarising any significant changes to the Company's strategic risks and a copy of the strategic/corporate Risk Register;

- a progress report from Internal Audit summarising:
 - work performed (and a comparison with work planned);
 - key issues emerging from the work of internal audit;
 - management response to audit recommendations;
 - changes to the agreed internal audit plan; and
 - any resourcing issues affecting the delivery of the objectives of internal audit.
- a progress report (written/verbal) from the external audit representative summarising work done and emerging findings
- external audit's management letter
- management assurance reports; and
- reports on the management of major incidents, "near misses" and lessons learned.
- proposals for the terms of reference of internal audit work and the internal audit strategy;
- reports/advisory notifications from the HSI General Counsel – Legal & Governance
- the draft financial statements of the organisation;
- the draft governance statement;
- a report on any changes to accounting policies;
- a report on any proposals to tender for audit functions, where appropriate
- a report, if appropriate, on any co-operation between internal and external audit ;
- the organisation's risk management strategy.

13. Reporting arrangements

- 13.1 The Committee shall report at least annually on its activities to Horse Sport Ireland Board. The report will include the Committee's opinion on the adequacy of the systems of internal controls and risk management. The Committee will report to meetings of Horse Sport Ireland Board on such other occasions as requested.
- 13.2 A report of the Audit & Risk Committee together with minutes of meetings of the Committee shall be circulated to Horse Sport Ireland Board after each meeting.
- 13.3 Each member agrees to keep all deliberations at the committee strictly confidential.
- 13.4 The Committee shall arrange for the regular review of its terms of reference and shall report any changes necessary to Horse Sport Ireland Board.

14. Conflicts of Interest

- 14.1 Each member of the Committee should take personal responsibility to declare any potential conflict of interest arising in relation to any items on the agenda for Audit and Risk Committee meetings.

15. Travelling and expenses

- 15.1 This committee is a voluntary committee.
- 15.2 Members shall be entitled to out-of-pocket expenses for their travel to and from official meetings at the standard rate agreed by HSI on the approved expenses form.