

Business & Risk Committee

Terms of Reference

1. Role

The Business and Risk Committee (BRC) will assist and provide advice to the Board in fulfilling its responsibilities to members and other stakeholders in relation to the adequacy of the systems of internal control and risk management of financial and non-financial risks and reporting of results

2. Accountability

The BRC committee is accountable to the Cara Board.

The committee will be mindful of all compliance requirements specific to the Governance Code for Sport

3. Membership

- The Committee will consist of a maximum of X members which may, in addition to Board members, include external members to provide specialist skills, knowledge and experience.
- All appointments to the Committee are ratified by the Board. The quorum for a meeting of the committee shall be greater than half of the number of members of the Committee.
- The Chairperson of the Committee shall be nominated / selected, and this appointment will be formally ratified by the Board.
- Some members of the Audit and Risk Committee should have recent, relevant financial experience and other members should have experience in risk management, internal audit, governance, legal and the core areas of the entities business.
- The Board may co-opt further external members to the Committee to fill skills and expertise gaps.
- Each Committee member will be appointed for a term of 2 years.
- Final determination on the number of members on the Committee is a decision for the Board.

4. Secretary to the Committee

- The Committee will be provided with a secretariat function by management.
- The Secretary will ensure that the Committee members receive information and papers in a timely manner to enable full and proper consideration to be given to issues.
- Together with the Chairperson, the Secretary is responsible for the formal induction of new members of the Committee and organising mentoring for Committee members where required.
- The Committee Secretary, in conjunction with the executive leads, will also have a role in facilitating overall co-ordination of the work of the Committees and their reporting to the Board.

Version Control:

Approved at Board: June 2021

Reviewed: June 2022

5. Meetings

- The Committee will meet at least 4 times a year. The Chairperson of the Committee may convene additional meetings, as deemed necessary.
- The Chairperson of the Committee together with the executive lead and Secretary will consider the agenda for the meeting. Members may also propose items for the agenda to the Chairperson.
- Notice of each meeting confirming the venue, time, format and date together with the Agenda, minutes of the previous meeting, actions log and relevant papers should be circulated to Committee members and to the extent relevant and necessary to any other person required to attend, five working days in advance of the meeting.
- A minimum of 4 members of the Committee will be present for the meeting to be deemed quorate.
- The Secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- As the business of the Committee requires, the Chief Executive, Head of Finance, Internal Audit, and a representative of external audit may be invited to attend for specific meetings or agenda items at the Committee's request.
- The committee will meet with the external auditor without the executive present at least once a year.
- The committee will meet with the Chief Executive without other managers or staff present at least once a year.
- The Committee may ask any other managers and staff to attend to assist it with its discussions on any particular matter.
- The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open discussion of particular matters; and
- The Board may ask the Committee to convene further meetings to discuss particular issues on which they seek the Committee's advice.

Duties and Responsibilities

In overall terms, the role of the BRC is to provide advice to the Board across a range of its key control, risk and audit areas, including governance and management obligations as follows:

1. Financial Reporting

The Committee shall advise the Board on the accounting policies and monitor the integrity of the statements, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain.

In particular, the Committee shall review and challenge where necessary:

- the consistency of, and any changes to, accounting policies
- the methods used to account for significant or unusual transactions
- whether the entity has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor
- the clarity of disclosure in the reports
- all material information presented with the financial statements

Version Control:

Approved at Board: June 2021

Reviewed: June 2022

- The Committee shall advise the Board on the process for review of the financial statements prior to submission for audit levels and on the letter of representation to the external auditors,
- Where requested by the Board, the Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the organisations performance and strategy.

2. Governance Policies and Procedures

The Committee will:

- Review and oversee, as required, the development of new policies relating to governance obligations and good practice and recommend them to Board for approval.
- Receive briefings on relevant legislative and regulatory issues and review arrangements to be established for compliance with relevant legislative, regulatory obligations and consider policy issues in the context of legislative and regulatory requirements.

3. Internal Controls and Risk Management Systems

- The Committee shall review the adequacy and effectiveness of the internal control systems, including the control environment, control procedures and risk management systems;
- The Committee shall advise the Board on the risk management framework and its effectiveness in supporting the arrangements for risk management, internal control and governance;
- The Committee will consider and advise the Board in relation to the statements to be included in the annual report concerning internal controls and risk management;
- The Committee shall consider the strategic / corporate risk register, including an assessment of its principal risks and the mitigating controls in place or being put in place;
- The Committee shall consider updates from management in relation to the organisations risk profile, risk appetite and/or risk tolerance.

4. Whistleblowing and Fraud and Special Investigations

- The Committee shall review the adequacy and security of the arrangements for staff to raise concerns in confidence about possible wrongdoing in financial reporting or other matters, and ensure appropriate follow-up action;
- The Committee shall review the policies, procedures and controls for the detection of fraud;
- Note that the Committee shall not undertake special investigations itself, but rather defer to the agreed protected disclosure process.

5. Compliance

The Committee shall consider reports and updates from management in relation of the adequacy and effectiveness of the organisations policies and compliance management systems and their consistency with compliance programmes. The Committee will consider the Directors’

Version Control:

Approved at Board: June 2021

Reviewed: June 2022

Compliance Statement to be included in the annual report and provide a recommendation to the Board in relation to this statement.

6. Internal Audit

- The Committee shall monitor and review the effectiveness of the internal audit function in the context of the organisations overall risk management system;
- The Committee shall consider and approve the remit of the internal audit function and ensure it has necessary resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;
- The Committee shall review and assess the annual internal audit plan;
- The Committee shall review periodically reports on the results from the internal auditor's work;
- The Committee shall review and monitor management's responsiveness to the findings and recommendations of the internal auditor; and
- The Committee shall meet the internal auditor, at least once a year, without management being present.

7. External Audit

- The Committee shall consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor.
- The Committee shall oversee the selection process for new auditors and if an auditor resigns the committee shall investigate the issues leading to this and decide whether any action is required;
- The Committee shall oversee the relationship with the external auditor including (but not limited to):
 - 1) endorsement of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an effective and high-quality audit to be conducted (note that if the organisation is a company it is one of Company Law requirements that the AGM approves auditors remuneration);
 - 2) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 3) assessing annually their performance, independence and objectivity and the effectiveness of the audit process taking into account relevant Irish professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - 4) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners,
 - 5) assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
 - 6) seeking to ensure co-ordination with the activities of the internal audit function;
- The Committee shall meet with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The committee shall meet

Version Control:

Approved at Board: June 2021

Reviewed: June 2022

the external auditor at least once a year to discuss their remit and any issues arising from the audit;

- The Committee shall review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
- The Committee shall review the findings of the audit with the external auditor.

This shall include but not be limited to, the following: -

- a discussion of any major issues which arose during the audit;
- any accounting and audit judgements;
- levels of errors identified during the audit; and
- the effectiveness of the audit process.
- a discussion of any major issues which arose during the audit;
- any accounting and audit judgements;
- levels of errors identified during the audit; and
- the effectiveness of the audit process.
- The Committee shall review any representation letter(s) requested by the external auditor before they are signed by management;
- The Committee shall review the management letter and management's response to the auditor's findings and recommendations; and
- The Committee shall develop and implement a policy on the supply of non-audit services by the external auditor.

8. Other

- The Committee will work and liaise with all other Committees as necessary.
- The Committee will provide advice to the Board and undertake reviews, research or related work on areas or issues within its remit, if requested by Board
- The Committee will work to an annual work programme approved by the Board.
- The Committee will also periodically review its effectiveness (including reviewing its terms of reference) and report the results of that review to the Board.
- The Committee's duties and responsibilities can be amended and updated by the Committee (with the approval of the Board) as and when required.
- The Committee shall advise the Board on assurances relating to the management of risk and governance requirements and consider the organisation's overall assurance processes. This work will be undertaken in conjunction with the GEC.

Conflict of Interest

- The process for recording declarations of conflicts of interest of the Committee members will be the same used at Board level. Each member of the Committee will take personal responsibility to declare any potential conflict of interest arising in relation to any items on the agenda for Committee meetings.
- The Committee will specify its procedures where a conflict of interest arises in the context of a particular agenda item, including a requirement that the relevant member brings the potential conflict of interest to the attention of the Chairperson and, where necessary, leaves the room for the duration of the discussion of the item and does not take part in any decisions relating to the item. Similar arrangements should apply in relation to meeting documentation, with documentation relating to the item not being made available to the member. This should be noted in the minutes of the meeting.

Version Control:

Approved at Board: June 2021

Reviewed: June 2022

Confidentiality

- The agenda, papers, reports and documentation provided in the context of the work of the Committee are confidential and will contain sensitive material and information necessary to allow members to carry out their duties. Members and those in attendance, shall not, without the approval of the Chair, discuss with or disclose, directly or indirectly, information to third parties.

Reporting Responsibilities

- The Committee will report to, and is ultimately accountable, to the Board.
- At all Board meetings, the Committee will provide an update to the Board (including updating the Board on any previous Committee meeting, Committee business and any recommendations, advice and any relevant matters that should be brought to the Board's attention). This update is in the form of a formal written report for those Board meetings subsequent to a Committee meeting.
- The Committee must advise the Board between Board meetings if a matter is urgent and/or serious.
- The Board will be provided with all minutes of Committee meetings;
- The Committee shall make a statement and provide an overview of its activities in the Annual Report.
 - The committee will report back to Board on areas or issues requested by Board.
 - The Committee will provide the Board with an Annual Report summarising its conclusions from the work it has done during the year, progress with the work programme and the outcome of its self-effectiveness review. This Report will be timed to support finalisation of the organisation's annual report and financial statements.

Other matters

The BRC will:

- a) have access to sufficient resources to carry out its duties;
- b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- c) oversee any investigation of activities which are within its terms of reference; and
- d) at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Cara Board for approval, and
- e) Members of the BRC will be reimbursed for any reasonable expenses, in line with Cara policy on expenses.

Version Control:

Approved at Board: June 2021

Reviewed: June 2022