



## **NURSING AND MIDWIFERY BOARD OF IRELAND**

### **AUDIT AND RISK COMMITTEE**

#### **COMMITTEE TERMS OF REFERENCE**

**Approved by the Board on 27 March 2024**

#### **1. ROLE AND MANDATE**

- 1.1** The role of the Audit and Risk Committee is to perform certain Board's delegated functions regarding audit and risk management and as set out in these terms of reference, and to make recommendations to the Board, where required.
- 1.2** The Committee is to assist the Board so that the Board is effective and able to operate in the best interests of the public and the members of the professions of nursing and midwifery; and in doing so, the Committee shall work and liaise with other Board committees, as appropriate.

#### **2. MEMBERSHIP**

- 2.1** The Committee shall consist of no more than six members, three Board members and three non-Board members, appointed by the Board.
- 2.2** The President may not be a member of the Committee but may attend meetings of the Committee.
- 2.3** The Board may appoint suitably qualified external members (i.e. non-Board members) to the Committee, subject to para. 2.2 above.
- 2.4** The Board should satisfy itself that at least one member has recent, relevant financial experience, and that at least one member has recent, relevant risk management experience. Generally, the Committee membership should also comprise experience in other core areas such as governance, internal audit and the public sector accounting environment.<sup>1</sup>
- 2.5** New members will be appointed for a three year term (or part thereof), which may be renewed for a further and final three years by the Board.<sup>2</sup> No new member shall serve longer than two terms (i.e. six years) continuously on the Committee.

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<sup>1</sup> The Board should consider a formal assessment criteria approach to Chair and member selection and appointment, as outlined in the Code of Practice for the Governance of State Bodies, 2016.

<sup>2</sup> A member appointed to the Committee whilst a member of the Board will cease to be a member of the Committee on the expiry of his/her term on the Board – i.e. Committee membership cannot outlast Board membership.



### **3. CHAIR**

- 3.1** The Chair of the Committee must be a member of the Board (other than the President) and is appointed by the Board from amongst its members.
- 3.2** The term of office of the Chair appointed by the Board shall be three years (or part thereof), which may be extended to five years by the Board.<sup>3</sup> No newly appointed Chair shall serve longer than five consecutive years as Chair of the Committee..

### **4. SECRETARY**

- 4.1** The Secretary to the Committee shall be a member of staff of either the Office of the Chief Executive or the Corporate Services Directorate, and shall be appointed by the Chief Executive Officer.

### **5. MEETINGS**

- 5.1** The Committee shall hold as many meetings as it deems necessary to fully and properly execute its functions, but shall, in any event, meet no fewer than 4 times per annum.
- 5.2** The Chair will consult with the Head of Operations and Secretary in determining the dates and frequency of Committee meetings. Where possible, a schedule of meeting dates shall be agreed by the Committee in advance of the start of each calendar year.
- 5.3** Only members of the Committee shall be to attend Committee meetings. They will typically be joined by the Chief Executive Officer, the Head of Operations, the internal auditor and the Secretary to the Committee. At the discretion of the Chair, other individuals may be invited to attend all or part of a meeting when appropriate and necessary – including members of NMBI staff and external advisers.
- 5.4** The Chair has the discretion to hold part of a Committee meeting in ‘private session’, whereby only Committee members have the right to attend. The Chair may determine that the Secretary attends for the purpose of minuting proceedings of the private session.
- 5.5** The Chair shall seek declarations of conflicts of interest at the start of every meeting and the Secretary shall record these in the minutes.
- 5.6** Meetings of the Committee will be conducted with all members physically or virtually present – either by video or teleconference – or a combination of both, this to be decided in advance of each meeting by the Chair. Members participating virtually are considered to be present at the meeting and shall be counted in the quorum.

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<sup>3</sup> Subject to his/her term of office on the Board not having expired before that time.



- 5.7** The Committee may act in the absence of members if a quorum is achieved. If members cannot attend all or part of a meeting, they should notify the Secretary to the Committee in advance of the meeting.
- 5.8** The quorum for meetings is 39% of Committee members, which shall include at least one Board member and one non-Board member, and meetings shall start on time when a quorum is present. Should a quorum not be present within 15 minutes of the scheduled start time, the Chair may postpone the meeting.
- 5.9** Members must use their best endeavours to attend all Committee meetings each year. All members must attend a minimum of 50% of meetings in a rolling twelve month period, and that save for exceptional circumstances, a member who fails to meet this minimum attendance requirement may be removed from the Committee by the Board. The Secretary will support the Committee Chair and President in monitoring member attendance.
- 5.10** Meetings are chaired by the Chair. If the Chair is not in attendance or is prevented from acting as Chair by virtue of a conflict of interest, the members present shall nominate another member to act as Chair – subject to the requirement that the member is also a member of the Board.
- 5.11** Decisions will typically be reached by consensus. In the event that a vote is required or sought, each member present shall have one vote. If there is an equal division of votes, the Chair shall have a second and casting vote.
- 5.12** It may be necessary for the Committee to take urgent decisions between Committee meetings. With the agreement of the Chair, this may be done by either a) convening an extraordinary meeting of the Committee or b) using the written decision procedure as approved by the Board. In either case, a quorum must be reached. A report on the urgent matter and the decision reached must be recorded in the minutes of the meeting or, in the case of a written decision, presented in a report at the next meeting of the Committee.

## **6. MINUTES OF MEETINGS**

- 6.1** The Secretary shall minute the proceedings of all Committee meetings reflecting information presented, decisions taken and action items, or the conclusions reached by the Committee. The minutes shall include the names of those present, apologies (where received) and details of any conflicts of interest.
- 6.2** Draft minutes are prepared by the Secretary and submitted to the Chair for review as soon as practicable. The Chair will review and revert with any comments and suggested changes. Thereafter, the Secretary will circulate the revised draft to the members for review. Members should review and revert with any comments within five working days on receipt. Any material changes by members will require the approval of the Chair. The draft minutes, as reviewed by the Chair and members, shall be circulated with the papers for the next meeting of the Committee, where they shall be formally adopted – subject to any suggested changes at that point – and signed by the Chair. Approved minutes can be signed using either a “wet



signature” or electronically. If an electronic signature is used, the prior agreement of the Chair must be obtained. A straightforward e-signature can be used i.e. a simple scanned copy of the signature, and “Signed electronically” noted on the signing line.

**6.3** The Secretary shall be responsible for securely storing the minutes of all meetings.

## **7. AGENDA AND MEETING PAPERS**

**7.1** An agenda of the business proposed for the meeting shall be circulated with the papers for the meeting. The Chair, in consultation with the Secretary (and the Chief Executive Officer and Head of Operations), shall determine the items for the agenda.

**7.2** Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, no later than 5 working days before the date of the meeting. Late papers will not be accepted, unless in exceptional circumstances and with the approval of the Chair. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **8. COMMITTEE FUNCTIONS**

### **Internal Audit**

**8.1** To advise the Board and the CEO (as the Accountable Officer) on the appointment of internal auditors and proposed fees; on the removal of the internal auditor; and on the Charter for Internal Audit.

**8.2** To approve the internal audit work plan, review reports from the internal auditor and monitor the implementation of audit action points.

**8.3** To meet with the internal auditor at least once each year without the Executive present.

### **External Audit**

**8.4** To represent the Board, without prejudice, in its relationship with the Comptroller & Auditor General, as the external auditor of NMBI, and to review the OCAG’s management letters and any other reports and report on these to the Board, as appropriate.

**8.5** To review the first draft of NMBI’s annual statutory financial statements before the Board approves for submission to the OCAG.



- 8.6** To seek to ensure that cooperation is occurring between internal and external audit, with a view maximising efficiency and reducing duplication of efforts (and information provision from the Executive).
- 8.7** To meet with representatives of the OCAg at least once each year without the Executive present, which will include seeking an opinion on the effectiveness of internal audit.

### **Internal Controls**

- 8.8** To keep under review and advise the Board on the effectiveness of NMBI's internal control systems and environment.
- 8.9** To review and advise the Board on the annual Statement of Internal Controls.

### **Annual Financial Statements**

- 8.10** To support the development and approval of the Annual Financial Statements by the Board. This will include reporting to the Board on whether:
- Proper books of accounts have been kept by the organisation;
  - There is a robust process in place in preparing the financial statements;
  - The accounting policies adopted comply with relevant requirements;
  - The financial statements present fairly the financial position of NMBI for the financial year;
  - The Letter of Representation for issue to the auditors is accurate.

### **Fraud and Protected Disclosures**

- 8.11** To keep under review NMBI's policies, processes and controls in respect of anti-fraud and protected disclosures.
- 8.12** To oversee the conduct and results of any special investigations arising from instances of potential fraud and protected disclosures, and advise the Board accordingly.

### **Risk Management**

- 8.13** To keep under review NMBI's risk management framework and processes with a view to ensuring that they are adequate and effective, including that all material risks have suitable and monitored mitigations in place. This will include:
- Reviewing and keeping under review the Risk Management Policy and NMBI's risk appetite, and providing advice to the Board;
  - Reviewing the Principal Risks and Directorate Risk Registers;



- Reviewing the adequacy of resources in place to manage risk;
- Providing advice to the Board on the appointment of a Chief Risk Officer (CRO) and engaging with the CRO on an ongoing basis;
- Ensuring that an external, independent review of NMBI's risk management framework is undertaken on a periodic basis.

#### **Other**

- 8.14** To advise the Business, Strategy and Finance Committee and the Board on any corporate governance issues arising from the work of the auditors, which will require subsequent work and monitoring.
- 8.15** To carry out other assigned functions or tasks as prescribed by Board from time to time.
- 8.16** The work of the Committee shall be supported by an annual work plan agreed by the Committee prior to 1 January each year.

### **9. CONFLICTS OF INTEREST AND CODE OF CONDUCT**

- 9.1** Members of the Committee will be required to meet their obligations under the Code of Conduct for Board and Committee Members, and the Code of Practice for the Governance of State Bodies, 2016. This includes declaring any real or potential conflict of interest in a matter before the Committee, and safeguarding confidential information received whilst a member of the Committee.
- 9.2** At the commencement of each meeting, members will declare any real or potential conflict of interest in any agenda item. A written declaration regarding the conflict shall be submitted to the Secretary for safekeeping. The member will withdraw from the meeting while the item is considered and will not vote or act on the matter.
- 9.3** The Secretary will support the Secretary to the Board in maintaining the register of members' interests, to include Audit and Risk Committee member interests.
- 9.4** Members of the committee are required not to disclose any information received by them while performing their duties, even after their duties have ceased. Members are reminded that the disclosure of confidential information (which may be either particular information or information of a particular class or description) is an offence under the Nurses and Midwives Act 2011, as amended.

### **10. REPORTING RESPONSIBILITIES**

- 10.1** The Chair shall report, either verbally or in writing, to the Board on the Committee's recent meeting(s) and key outcomes. A report in writing will be on an agreed Committee update template and should reflect the key points in the minutes of the Committee's meeting(s). The



agreed minutes of all Committee meetings shall be made available to the members of the Board.

- 10.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit and/or where required.
- 10.3** The Committee shall produce a report to be included in the Board's annual report about its activities.

## **11. WORKING GROUPS**

- 11.1** The Committee may, in exceptional circumstances, and with the approval of the Board, appoint working groups from time to time to perform a function or functions under its remit.
- 11.2** The Board may, if it considers it appropriate, appoint additional persons to be members of any such working group; and it shall approve the terms of reference and appoint the Chair of any such working group.
- 11.3** Any duly established working group should report on progress to each meeting of the Audit and Risk Committee.
- 11.4** The Committee may at any time dissolve a working group, with the approval of the Board.
- 11.5** The acts of a working group are subject to confirmation by the Committee.

## **12. GENERAL PROVISIONS**

- 12.1** The Committee shall have access to sufficient resources to carry out its duties, including access to the employees of NMBI for assistance as required, and access to independent professional advice where the Board agrees that such advice is necessary for the Committee to discharge its responsibilities.
- 12.2** The Committee may have access to independent legal or professional advice where the committee agrees that such advice is necessary for the committee to discharge its responsibilities. Any such advice can only be sought in line with the procedures approved by the Board in May 2020.
- 12.3** The Committee shall ensure that all members undertake an appropriate induction programme to ensure that they are fully informed about the strategic and key issues affecting the Board and the regulation of the professions of nursing and midwifery. The Committee shall ensure that new members shall receive guidance as to their duties and responsibilities as a Committee member.
- 12.4** The Committee should review its own performance annually at the last meeting of the Committee in the calendar year. This review should be led by the Head of Operations and



Chair of the Committee. Any recommended changes following this review should initially be considered by the Board at its end-of-year meeting. Any actions/recommendations agreed by the Board, should be brought should be placed on the agenda at the first meeting of the following year with specified timelines for completion. Any recommendations for changes to the committee's functions/terms of reference arising from the Committee's review of its own effectiveness must be approved by the Board.

**12.5** A review of the Chair's performance will be overseen by the President.

### **13. AUTHORITY**

**13.1** The Board authorises the Committee to carry out the functions set out in these terms of reference, to have unrestricted access to the NMBI documents and information Any request by the Committee for legal advice or other professional advice shall be channelled through the Office of the Chief Executive and shall be approved by the Board.

**13.2** The Board authorises the Committee to seek any information it requires relating to its functions from any employee of NMBI, and all such employees will be directed to co-operate with any request made by the Committee.

**13.3** The internal auditor and the lead representative of the external auditor shall have free and confidential access to the Chair of the Committee.

Adopted by the Board on 27 March 2024.