



AUDIT & FINANCE SUB COMMITTEE

TERMS OF REFERENCE

1. Constitution

- 1.1. The Audit Committee is constituted as a Committee of the Board of Carriglea Cairde Services.
- 1.2. The Committee's terms of reference may be amended at any time by the Board.
- 1.3. The Committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board.

2. Authority

- 2.1. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 2.2. The Committee is authorised by the Board to obtain external legal or other professional advice and to secure the attendance of anyone it considers has relevant experience, expertise or knowledge.
- 2.3. The objective of the committee is to assist the Board in carrying out its duties in regard to financial reporting and legal compliance.

3. Membership

- 3.1. The Committee shall be appointed by the Board from amongst its members and shall consist of not less than three members.
- 3.2. The Chairman of the Committee shall be appointed by the Board.
- 3.3. The Company Secretary is Secretary to the Committee and a member of the Committee where the Company Secretary is a member of the Board. A recording secretary may be appointed by resolution of the committee.

4. Attendance at Meetings

- 4.1. The quorum necessary for the transaction of the business of the Committee shall be at least two Committee members.
- 4.2. At least once a year the Committee shall meet with the external auditor without the Chief Executive Officer & Financial Officer or any other employee being present.
- 4.3. At the request of the Committee a representative of the external auditors shall attend meetings.
- 4.4. At the request of the Committee any members of the senior management team shall attend meetings and part thereof.

5. Frequency of meetings

- 5.1. Meetings shall be held at least four times a year.
- 5.2. Meetings may be called by the Board, or the Chairman of the Board acting for the Board, by the Chairman of the Committee or by the external auditors.

6. Functions & Duties

Services User Property

- 6.1. To review policy on Service Users' Assets.
- 6.2. To review the segregation of duty and the effectiveness of the Client Ledger System.
- 6.3. To review policy in conjunction with the Services quality system on the constitution and management of Service Users' expenditure.

External Auditors

- 6.4. To make recommendations to the Board concerning the appointment, re-appointment or dismissal of the external auditors.
- 6.5. To consider any questions regarding the fees, terms of appointment or resignation of the external auditors.
- 6.6. To review and monitor the external auditor's independence, objectivity and the effectiveness of the audit process.
- 6.7. To develop and implement a policy on the engagement of the external auditor to supply non-audit services – and to report to the Board, identifying matters in respect of which the committee considers that action or improvement is needed, together with recommendations as to the steps to be taken.
- 6.8. To discuss with the external auditors before any audit commences the nature and scope of the audit. (May be informal contact)
- 6.9. To review the external auditor's management letter and management's response.

Control Procedures

- 6.10. Keep under review the company's internal control procedures and risk management systems. Reviewing authorised signatory levels, ensuring segregation of duty.
- 6.11. To monitor and review the Services' requirement for an internal audit function and the management responses to the recommendations.
- 6.12. To monitor and review the Services purchasing policy.
- 6.13. To monitor the skill mix quantum in the context of quality of service on both day and residential services whilst remaining within overall staff ceiling levels.
- 6.12. To reflect that the Audit Committee must ensure that executive management maintains and promotes a control culture that enables compliance with best practice in corporate governance.
- 6.15. The Audit & Finance Committee review of the Carriglea Cairde Services Fraud and Good Faith Reporting procedures.
- 6.16. The Audit & Finance Committee receive reports, on a timely basis, of concerns raised under the Policy on Good Faith Reporting relating to fraud.
- 6.17. The Audit & Finance Committee periodically review and, if necessary, propose changes to the Carriglea Code of Standards and Behaviour; Policy on Fraud and Policy on Good Faith Reporting.
- 6.18. The Audit & Finance Committee is to assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and related risks.
- 6.19. The Audit & Finance Committee are updated in relation to Internal Audit and the following areas are considered by the Committee.
 1. The Audit & Finance Committee review and monitor the adequacy of the annual internal audit programme and ensure that the internal audit function is adequately resourced and has appropriate standing within Carriglea Cáirde Services.
 2. The Audit & Finance Committee is to review reports, at least annually, produced by management and the Internal Audit and Quality and Risk functions on the effectiveness of the systems for internal financial control, financial reporting and financial risk management.
 3. To ensure that Internal Audit is accountable to the Audit & Finance Committee.
 4. To ensure that internal audit has due regard for value for money in its audits.
 5. To receive other reports (internal or external) on any topic(s) that the Audit & Finance Committee considers relevant to its work
- 6.20. The Audit & Finance Committee is to assess the qualification, expertise, resources, effectiveness and independence of the external auditors.
- 6.21. The Audit & Finance Committee is to review the audit representation letters before consideration by the Board.

- 6.22 The Audit & Finance Committee is to annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

Management Information System

- 6.23 The Audit & Finance Committee is to review and interrogate the Financial Report and Accounts.
- 6.24 The Audit & Finance Committee To review and interrogate the annual Budget in comparison to sector standards and the operation of the budgeting process. To review the effectiveness of the budgeting process.
- 6.25 The Audit & Finance Committee is to review the effectiveness of the Services' value for money policy.
- 6.26 The Audit & Finance Committee is to review the effectiveness of the Services' policy & procedures on asset protection. (Insurance, Asset Register, Physical Safeguards, Security, Stocktake).

Statutory Compliance

- 6.27 The Audit & Finance Committee is to monitor arrangements for and the achievement of compliance with the Services' statutory and other requirements governing financial reporting.
- 6.28 The Audit & Finance Committee is to monitor and review significant accounting policies.

7 Reporting Procedures

- 7.1 The minutes of the Audit & Finance Committee meetings shall normally be considered at the Board meeting following the Committee meeting.
- 7.2 Where the Chairman of the Board considers this to be impractical the minutes shall be circulated to all members of the Board as soon as possible.
- 7.3 The Chairman shall present an annual report to the Board summarising the committee's activities during the year and any related significant results and findings.