



Audit and Risk Committee Terms of Reference (October 2025)

The VSS Board has established an Audit and Risk Committee as a Committee of the Board to support them in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Accounting Officer's and Board's assurance needs and reviewing the reliability and integrity of these assurances.

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1. Membership

1.1 The members of the Audit and Risk Committee (ARC) should be:

ARC Members:

ARC Chair

3 nominated VSS Board Members

Minimum of 1 Accountant Member (required if no other member satisfies the requirement a 1.3 below)

Current members are listed at Annex 1.

Other Officers in attendance:

VSS Accounting Officer and CEO

VSS Head of Corporate Services

VSS Finance Manager

VSS Risk and Governance Manager

ARC Secretary, (VSS Business Support Officer)

TEO Representative

NIAO Representative (External Audit)

Internal Auditor

1.2 The Committee and its Chair shall be appointed by the Board. The maximum term of office is normally 4 years, and each member/chair may serve a maximum of 2 terms.

1.3 At least one member should be a qualified accountant.

2. Reporting

2.1 The Audit and Risk Committee will provide a verbal report to the Board after each meeting. This will be provided by a nominated Board Member. Any significant issues arising will be notified in writing and this report tabled at the next Board Meeting.

2.2 The Audit and Risk Committee will provide the Accounting Officer and Board with an Annual Report, timed to support finalisation of the Annual Report and Accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

2.3 The minutes of meetings will be circulated to all members of the Board. The minutes will also be copied to TEO as sponsoring department, the head of

Internal Audit and to the External Auditors. Summary minutes will also be published on the VSS website.

3. Role

- 3.1 The Audit and Risk Committee is responsible for providing advice and support to the Board and Accounting Officer on corporate governance matters. The Committee supports the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the internal control environment and the integrity of financial statements and the Annual Report. Specifically, the Audit and Risk Committee will advise the Accounting Officer and Board on:
- 3.2 The strategic processes for risk, control and governance, including assessment of the Governance Statement contained within the Annual Report and Accounts for the Board.
- 3.3 The accounting policies, and the Annual Report and Accounts of the organisation, including the process for review of the Accounts prior to submission for audit, levels of error identified, and management's letter of representation to the External Auditors.
- 3.4 The planned activity and results of Internal Audit, including:
- The appointment, terms of reference, resignation or dismissal of the Internal Audit services and the internal audit charter;
 - Review and approve the annual Internal Audit plan;
 - Receive reports from Internal Audit on progress, key findings and management responses and receive the Annual Report, including confirmation of the completion of an external quality assessment and compliance with Global Internal Audit Standards.
- 3.5 The planned activity and results of External Audit, including:
- Discuss with the External Auditor the nature and scope of their audit;
 - Review and consider the results of the External Audit, its cost effectiveness and the audit fee;
 - Review and consider adequacy of management response to issues identified by audit activity, including External Audit's management letter;
 - Review and discuss with management and auditors, the Annual Report and Accounts;
 - Discuss any difficulties, reservations or other matters arising from the External Auditor's review of the final Annual report and Accounts.
- 3.6 Assurances relating to the management of risk and corporate governance requirements for the organisation, including:
- Provide support to the Board in ensuring that an effective risk management framework is in place and is regularly reviewed;
 - Review the Organisational Risk Register on a quarterly basis;
 - Review the Code of Conduct Policy every three years.

- 3.7 Consider anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.
- 3.8 Receive any relevant reports from the Northern Ireland or National Audit Office, and other organisations.
- 3.9 Consider the findings of any relevant internal and external reviews which have significant implications for VSS.
- 3.10 The Audit and Risk Committee can request any employee of VSS to report on the management of risk or on the control environment within their area of responsibility.

4. Meetings

- 4.1 The Audit and Risk Committee will meet at least four times a year. The Chair of the Audit and Risk Committee may convene additional meetings, as they deem necessary.
- 4.2 A minimum of 3 members of the Audit and Risk Committee will be present for the meeting to be deemed quorate.
- 4.3 Audit and Risk Committee meetings will normally be attended by the CEO/Accounting Officer, Head of Corporate Services, Finance Manager, Risk and Governance Manager, Internal Auditor, a representative of External Audit and representatives of TEO.
- 4.4 The Audit and Risk Committee Members will meet 30 minutes prior to the scheduled commencement of the Audit and Risk Committee meeting.

Other officers will join at the scheduled commencement of the Audit and Risk Committee meeting.
- 4.5 The Audit and Risk Committee may ask any other officials of VSS to attend to assist it with its discussions on any particular matter.
- 4.6 The Audit and Risk 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 particular matters.
- 4.7 The Accounting Officer or Board may ask the Audit and Risk Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- 4.8 At least once a year the committee shall meet with the external and internal auditors without any officers present.

- 4.9 At least once a year the ARC Chair will hold a bi-lateral meeting with the Board Chair, the VSS Accounting Officer, internal audit and external audit.
- 4.10 If arranged by TEO, the Chair will attend, at least once, an audit workshop hosted by TEO.
- 4.11 The annual workplan for the Committee comprises all standing items, plus the specific points included at Annex 2.

5. Rights

- 5.1 The Audit and Risk 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 the VSS, subject to budgets agreed by the Accounting Officer/Board.

6. Access

- 6.1 Representatives of Internal Audit and External Audit will have free and confidential access to the Chair of the Audit and Risk Committee.

7. Information requirements for meetings

For each relevant meeting the Audit and Risk Committee will be provided, sufficiently in advance, with:

- 7.1 An Accounting Officer (Chief Executive Officer) Report to include:
- Progress Against Corporate and Business Plan;
 - Progress against Budget.
- 7.2 A report summarising any significant changes to the organisation's strategic risks and a copy of the Strategic Risk Register.
- 7.3 A progress report from the Internal Audit provider to include final audit reports.
- 7.4 An annual assurance report from the Internal Audit provider.
- 7.5 Update reports from VSS with respect to outstanding audit recommendations; the gifts and hospitality register; compliance and suspected fraud; procurement; and policies and procedures.
- 7.6 The draft and final Annual Report and Accounts presented by VSS.
- 7.7 The draft and final Report to Those Charged with Governance by External Audit.

- 7.8 A copy of these Terms of Reference.
- 7.8 As and when appropriate the Committee may request any other update reports as required.
- 7.9 The Secretariat will provide appropriate support to the Chair as necessary, which should include meeting in advance of the Audit and Risk Committee where appropriate to confirm the agenda and discuss the papers.

8. Review/Self-Assessment

- 8.1 The Chair will carry out an annual appraisal of ARC members.
- 8.2 The Audit and Risk Committee will also review its own effectiveness annually and report the results of that review to the Board.
- 8.3 The Audit and Risk Committee Terms of Reference will be subject to an annual review.

9. Other

- 9.1 In the event of the merger or dissolution of VSS, the Audit and Risk Committee will ensure that the necessary actions are completed, including arranging for a final set of Accounts to be completed and signed.

Annex 1 – Current ARC Members

Chair

John Cahill - (appointed 18/10/2022)

Committee Members

Briege Lafferty - (appointed 06/08/2019)

Brian Gilfedder - (appointed 23/08/2023)

This annex will be updated regularly with any changes to individual members. The TOR will not require re-adoption for such changes.

Annex 2 – Agenda Items

In addition to the normal standing agenda items, meetings will customarily consider specific items as follows:

- **April meeting**
 - Review of prior year Annual Assurance Report (Internal Audit)
 - Review of Internal Audit Plan for the incoming year
 - Committee Review of own effectiveness

- **July meeting**
 - Review of NIAO Audit Strategy
 - Audit & Risk Committee Annual Report
 - Annual Review of Risk Management Framework

- **October meeting**
 - Review of TOR

- **December meeting (if required)**
 - Single item agenda meeting to consider the outcome of the annual audit and the Report to Those Charged with Governance (RTTCWG)

- **January meeting**
 - Bi-lateral meetings between ARC Chair, Board Chair, VSS Accounting Officer, Internal Audit & External Audit to be scheduled alongside this meeting