

DCU Commercial DAC Audit Committee

Terms of Reference

1. Constitution

The Board of DCU Commercial DAC shall establish an Audit Committee, as a sub-committee of the Board.

2. Membership

- 2.1** The Committee shall consist of a minimum of three members, at least two of whom shall be external members of the Board of DCU Commercial DAC. Appointments to the Committee shall be made by the Board in consultation with the Chairperson of the Audit Committee. In appointing members, consideration shall be given to the skills and independence of members and at least one member shall have recent and relevant financial and risk management experience.
- 2.2** The Chairperson of the Committee shall be appointed by the Board of the company.
- 2.3** Appointments to the Committee shall be for a period of up to three years, which can be extended for additional periods up to a maximum of 6 years, so long as members continue to meet the criteria for membership of the Committee.
- 2.4** Members of the Board of DCU Commercial DAC who hold responsibility within the University, subsidiaries or associated companies of the University and any other body controlled or funded by the University, should not be members of the Audit Committee. Neither the President nor the Chancellor of the Governing Authority shall be a member of the Audit Committee.
- 2.5** In addition to these terms of reference the Committee may draw up its own working procedures.

3. Secretary

- 3.1** The Secretary to Board shall act as secretary of the Committee with his/her office providing secretarial services. The Secretary shall have responsibility for ensuring the timely provision of papers to enable proper consideration to given to issues.

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 for the duration shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of meetings

- 5.1** The Committee shall meet at least two times a year at appropriate times in the reporting and audit cycle and otherwise as required.

6. Attendance at meetings

- 6.1** Only members of the Committee have the right to attend meetings. The Director of Finance, the University Internal Auditor, the University Risk Officer, a representative of the external auditors engaged by Governing Authority 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.
- 6.2** At least once a year the Committee will meet with each of the following: (a) the external auditors, (b) the University Internal Auditor, (c) the University Risk Officer, without members of management being present.

7. Minutes

- 7.1** The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2** The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3** Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved to all other members of the Board, unless it would be deemed inappropriate by the Committee Chairperson.

8. Decisions and voting

- 8.1** 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.

9. Authority

- 9.1** The Committee is authorised by the Board to investigate any activities within its terms of reference and to seek any information it may require from any employee of the company or its subsidiaries. All employees

of the company and its subsidiaries are directed to co-operate with any request made by the Committee.

- 9.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice, if it considers this necessary.

10. Responsibilities

- 10.1 The responsibilities of the Committee are as follows and are carried out in respect of the Company and, where appropriate, includes its subsidiaries and the group as a whole:

Financial statements

- To review the draft annual consolidated financial statements of the company before submission to the Board, focusing particularly on:
 - (i) The consistency of, and any changes in accounting policies or practices year on year;
 - (ii) Major judgemental areas and methods used to account for significant or unusual transactions;
 - (iii) Significant audit adjustments;
 - (iv) Compliance with appropriate accounting standards;
 - (v) Compliance with legal requirements; and
 - (vi) All material presented with the financial statements and its consistency with the financial results.
- To recommend to the Board whether, it should approve the consolidated accounts of the company so reviewed by the Committee.

University Appointed External auditors

- To discuss problems and reservations arising from the audits, and any matters the auditor may wish to discuss. This may be performed in the absence of management where necessary.
- To review the external auditor's management letter and all other correspondence to the Audit Committee and consider the adequacy of management's responses.

Comptroller and Auditor General

- To consider, where relevant, matters raised in any report by the Comptroller and Auditor General and the adequacy of management's response.

Internal Audit

- To consider, where relevant, matters raised in any report by the University Internal Auditor and the adequacy of management's response.

Internal controls and risk management

- To consider the system of internal controls and to satisfy itself that the control environment is adequate and that controls are operating effectively.
- To review and report on the operation and effectiveness of the the risk management systems in place in the company and its subsidiaries.

Other

- To consider and advise on the Company's anti-fraud policies, protected disclosures processes, and arrangements for special investigations.
- To periodically review its own effectiveness and report thereon to the Board.
- To consider other topics, as requested by the Board, the Governing Authority of the University or initiated by the Committee.

11. Reporting arrangements

- 11.1** The Committee shall report at least annually on its activities to the Board and on such other occasions as requested.
- 11.2** The Committee shall report annually in writing to the Audit Committee of the University's Governing Authority. The report will include the Committee's opinion on the adequacy of the systems of internal controls and risk management and will be timed to support the finalisation of the University's Annual Statement of Governance and Internal Control.
- 11.3** Minutes of meetings of the Committee shall be circulated to the Board.
- 11.4** The Committee shall arrange for the regular review of its terms of reference and shall report any changes necessary to the Board.

12. Other Matters

- 12.1** The Committee shall have access to sufficient resources in order to carry out its duties and be provided with appropriate and timely training.