



## Terms of Reference: Group Audit Committee

### 1. Name of Committee

Group Audit Committee.

### 2. Purpose

The RCN Council has resolved under the Rules to the Charter to establish a Group Audit Committee.

The purpose of the Committee is to oversee the Group's risk management, financial reporting, internal control systems, and the internal and external audit programmes.

### 3. Delegated responsibilities

#### 3.1 The responsibilities of the Committee are;

- a) To review the Group's internal control systems and to review the policies and processes for identifying and assessing business risks and the management of those risks by the management of the Group.
- b) To seek assurance that management has adequately considered the key risks to the Group and developed appropriate alternative strategies.
- c) To recommend the annual internal audit programme to Council and ensure the internal audit function is adequately funded and is given appropriate standing across the Group.
- d) To consider periodically the effectiveness of the internal audit contract, reporting findings and recommendations to Council for decision.
- e) To review the internal audit reports on the effectiveness of the systems for internal financial control, financial reporting and risk management.
- f) To consider management's responses to major external and internal audit recommendations.
- g) To review the Group's procedures for handling allegations from whistle-blowers to ensure that the arrangements allow

proportionate and independent investigation of possible wrong doing and appropriate follow-up action.

- h) To agree the process for the annual reporting of whistleblowers. Further, to receive reports of the numbers of whistleblowing incidents and to review the response to such incidents
- i) To give consideration to laws and regulations of all applicable regulators.
- j) To consider other topics as defined by RCN Council and the Boards of RCN Foundation and RCNi.
  
- k) To oversee the tender process for, and appointment of, external auditors for the Group and review their performance and the effectiveness of the external audit process.
- l) To recommend the appointment of the external auditors to RCN Council and the Boards of RCN Foundation and RCNi; monitor and annually review their performance and recommend their audit fee.
- m) To pre-approve any fees in respect of non-audit services provided by the external auditor to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity
- n) To discuss and agree with the external auditors, before the audits commence the audit plan and review the auditors quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements.
- o) To review with the external auditors the audit and their findings
- p) To assure themselves of the external auditor's independence and objectivity
- q) To review the external auditor's management letter and management response
  
- r) To review and challenge where necessary the actions and judgements of management in relation to the annual financial statements before recommending them to Council as a true and fair view
- s)



(including the Chair).

- 5.4 The Chief Operating Officer (or a designated deputy from the Executive team), and/or the Director of Finance (or a designated deputy) must be in attendance.
  - 5.5 Other members of the Executive Team shall attend meetings as appropriate.
  - 5.6 The RCN Honorary Treasurer is invited to attend the Committee as an observer.
  - 5.7 The rules and procedures in the apply to this Committee.
6. Membership
    - 6.1

Council members on the Committee shall be appointed on agreement with the Chair of Council.

9. Terms

- 12.3 In the unlikely situation where key professional advice presented by staff is not accepted by the Committee, the advice and reasons for not accepting the professional advice will be fully documented in the minutes of the meeting. Should the responsible director conclude this position poses a risk to the organisation and its members, the circumstances will be brought to the attention of the General Secretary/Chief Executive who will assess the seriousness of the position and advise the Chair of Council accordingly. Should a resolved position not be reached the matter will be escalated to Council for a determination on the way forward.
- 12.4 The Governance directorate will ensure Secretariat support is provided.
13. Removal from the Committee
- 13.1 A Committee member may be removed before the end of their term of office on the grounds if they:
- a) have exceeded their powers in a way that is detrimental to the RCN
  - b) have failed to discharge their duties
  - c) have acted in breach of the RCN's Code of Conduct and/or Respect Charter
  - d) have acted in a manner likely to bring the RCN into disrepute
  - e) they have failed to attend three consecutive meetings (excluding special ad hoc meetings)
  - f) have any active NMC cautions against their name, are currently subject to any NMC sanction, and/or they are subject to any ongoing disciplinary proceedings with any of their employers or professional disciplinary proceedings before the NMC. are subject to ongoing disciplinary proceedings in respect of any role they hold at the RCN and/or currently subject to any RCN disciplinary sanction.
- 13.2 The processes for such removal will be in accordance with the Member Resolution policy.

Approved by:  
RCN Council in April 2021  
RCN Council on 22 June 2023.

These Terms of reference will be reviewed annually.