Concern Worldwide – Audit and Finance Committee

Terms of Reference – April 25, 2026

Introduction

The Audit and Finance Committee ("The Committee") has been established by the Board of Concern Worldwide to provide independent oversight of the organisation's financial management, internal controls and audit processes. Taking on many of the responsibilities previously assigned to both the previous Finance Committee and Audit and Risk Committee, this Committee serves as a forum for structured review, with a focus on transparency and accountability, and for consideration of all matters related to the long-term financial sustainability of Concern Worldwide.

1. Role

1.1. The role of the Audit and Finance Committee is to provide structured, systematic oversight of the adequacy and effectiveness of:

- financial management and performance, both present and future.
- the internal audit function, external audit processes, and other providers of assurance.
- Day-to-day operational risk management and internal control systems.

1.2. The Committee reviews the items noted above and reports to the Board, providing independent advice and guidance on whether funds are appropriately reported, effectively controlled, and utilised in accordance with donor requirements, as well as on the adequacy and effectiveness of management's practices, the internal control environment, and potential improvements to those practices.

1.3. The Committee shall work collaboratively with the leadership of Concern Worldwide to ensure that assigned risks are being managed in a manner that takes account of legislation, good practice, and the organisation's risk appetite.

2. Membership

2.1. The Committee shall include at least two members of the Board of Directors of Concern Worldwide.

2.2. The Board may co-opt a maximum of three additional individuals with relevant expertise to join the Committee. Such co-optees do not need to be members of Concern Worldwide.

2.3. Committee members shall be appointed to the Committee at the Board meeting immediately following the AGM and at other times as and when vacancies are identified.

2.4. Board members shall be permitted to serve on the Committee for two consecutive three-year terms plus, on approval of the Board, a further term of three years.

2.5. Board members serving on the Committee shall be deemed to have retired from this committee upon their retirement or resignation from the Board of Concern Worldwide.

2.6. Co-optees shall be permitted to serve on the Committee for a three-year term plus, on approval of the Board, a further term of three years.

2.7. The Chief Operating Officer, Finance Director and Head of Internal Audit and Investigations are fixed invitees. Other members of Concern Worldwide management and staff may attend as deemed appropriate by the Chair.

2.8. The Chief Operating Officer will lead on the Senior Management Team's engagement with the Committee. They shall work with the Chair to prepare a suitable rolling agenda and coordinate management and staff to ensure that papers and briefings are prepared and delivered one week in advance of the meeting, or later with the approval of the Committee Chair. In their absence, the Finance Director will deputise.

2.9. The Head of Internal Audit and Investigations and the representatives of the external auditor will have free and confidential access to the Chairperson of the Committee or another member of the Committee as may be nominated by the Chairperson (i.e. an Audit Focal Point). The Committee will meet, at least once a year, with the Head of Internal Audit and Investigations alone, and will meet, at least once a year, with the Head of Internal Audit and Investigations and the representatives of the external auditor, without management present, to facilitate open and frank discussions of any relevant issues.

3. Meetings

3.1. The Committee is expected to meet at least five times a year, ahead of each scheduled Concern Worldwide Board meeting, and on an ad-hoc basis to consider particular issues arising.

3.2. The members of the Committee will select a Chair from amongst their number on the recommendation of the Board of Concern Worldwide. The Chair of the Committee must be a member of the Board of Concern Worldwide.

3.3. The quorum for meetings is three Committee members, one of whom must be a member of the Board of Concern Worldwide.

3.4. The Committee may adopt the use of a consent agenda to group routine items for consideration.

If adopted, no time will be allocated for presentations on any of the individual items included on the consent agenda. Time will, instead, be allocated on the agenda for the Committee to consider the consent agenda as a whole. Committee members may use this time to comment or raise questions on any item contained in the consent agenda package. Otherwise, unless the Committee requests the removal of an item, all items for decision are voted on at once without any further comment.

Only those items supported by a paper, circulated with sufficient time for review and reflection, one week in advance of the meeting, or later with the approval of the Committee Chair, may be included on a consent agenda.

4. Responsibilities:

4.1. **Policies:** The Committee shall consider core and draft policies related to new areas of work and/or related to a significant risk to the organisation and make recommendations to the Board with respect to same.

Assigned Policies: 1) *Treasury Management Policy*; 2) *Reserves Policy;* 3) *Whistleblowing Policy;* 4) *Anti-Fraud Policy;* 5) *Internal Audit Charter*; and 6) *Staff Expense Policy*

4.2. **Strategy:** The Committee shall provide oversight, on behalf of the Board, of key strategic enablers and actions undertaken related to ensuring the long-term financial health and resilience of Concern Worldwide.

Assigned Strategies and Strategic Objectives: Strategies and strategic objectives related to audit and finance that may be recommended by the Board or by Management from time to time.

4.3. **Risk:** The Committee shall monitor, on behalf of the Board, assigned risks and provide oversight on the key controls and additional actions to mitigate against these as detailed in the Risk Register.

Assigned Risks: As per the Risk Register.

4.4. **Standards:** The Committee shall, on behalf of the Board, gain satisfaction that Concern Worldwide is in full compliance with all applicable statutory obligations, regulatory requirements and recognised sector standards, relevant financial reporting standards, and key donor and humanitarian accountability frameworks, and that any identified corrective actions are effectively addressed.

Regulations and standards: Companies Act (2014)[1], FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland)[2], Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing as promulgated by the Institute of Internal Auditors (IIA).

4.5. **Finance (Planning and Reporting):** The Committee shall critically review and form an opinion on the annual budget and any budget revisions, and shall receive and examine up to date management accounts, along with any additional information or *supporting materials* deemed necessary, in order to understand and monitor the organisation's financial performance, and shall periodically review the organisation's banking and treasury arrangements.

4.6. **Finance (Significant Financial Issues and Transactions):** The Committee shall consider significant financial issues and transactions that fall outside the organisation's regular or ongoing activities. The Committee shall also review major investment decisions and report its recommendations to the Board and may examine any issue it considers critical to the financial management of the organisation.

4.7. **Audit (Internal Function):** The Committee shall review and approve the annual internal audit plan and shall receive regular updates on the status of same. Further, the Committee shall review and approve any substantive amendment that may be proposed by management. Substantive amendments may, for example, be necessitated through a sudden change in resources, in regional security contexts, or other global events that may impact the ability of the internal audit function to deliver upon the plan.

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[1] Companies Act (2014) – https://www.irishstatutebook.ie/eli/2014/act/38/enacted/en/html

[2] FRS 102 – https://www.frc.org.uk/library/standards-codes-policy/accounting-and-reporting/uk-accounting-standards/frs-102/

The Committee shall receive copies of internal audit reports with an overall internal audit control rating of unsatisfactory, or where the rating has decreased by two grades since the time of the last audit, and summary reports in all other cases.

The Committee shall review internal audit findings to understand risks and/or control weaknesses and shall receive regular updates on the follow-up actions taken to remedy weaknesses identified by internal audits to gain assurance that management is taking appropriate corrective action.

The Committee shall consider the adequacy of the internal audit function, including its staffing, capacity, and resources.

The Committee shall actively participate in discussions regarding the appointment and removal of the Head of Internal Audit and Investigations.

4.8. **Audit (Internal Fraud Reporting):** The Committee shall review and seek to gain reasonable assurance on the adequacy, implementation, and effectiveness of the organisation's policies and procedures relating to internal fraud reporting and whistleblowing.

This shall be achieved through review of the Fraud Register and briefings on material fraud-related matters.

4.9. **Audit (External Function)**: The Committee shall review the external audit processes by meeting with the external auditors and management to agree on the nature, scope and global coverage of the audit, review statutory accounts and audit reporting, consider issues arising, review the external auditor's management letter and the company's response, and examine the management letter of representation.

The Committee will review changes in accounting policies and practices, major judgmental areas in the statutory accounts, the going concern assumption, compliance with accounting standards and legal obligations and the statement on internal controls in the statutory accounts.

The Committee shall monitor and review the independence, objectivity and effectiveness of the external auditors by reviewing non-audit service fees, ensuring compliance with regulatory independence standards, and assessing potential conflicts of interest. The Committee shall verify that the external auditors appointed adhere to ethical guidelines regarding partner rotation, and confirm no financial or personal relationships exist between the auditor and Concern Worldwide management.

The Committee shall share recommendations with respect to any change of external audit provider and shall be responsible for approving the remuneration and engagement of the external auditor.

The Committee may consider the provision of non-audit services by the external auditor, in line with ethical guidelines, and share recommendations with respect to same with the Board of Concern Worldwide.

The Committee will review both the narrative of the Director's Report and the audited financial statements of the organisation to be included in the published annual report and share a recommendation with the Board with respect to same.

The Committee shall have access to relevant staff for information and clarification as required and, as part of the review process of the external audit and the external audit aspects of the Concern Worldwide Annual Report. The Committee will obtain written assurance from management that all relevant information has been provided to the auditors and that the annual accounts fairly represent the financial results and position of the organisation.

4.10. **Audit (Third Parties)**: The Committee shall receive an annual summary of the third party audits to which different parts of the organisation have been subject. This will include, donor, statutory and regulatory audits and any other reviews or investigations conducted by third parties. In each case, the review will detail the commissioning body and rationale for the audit, any major findings, and any broader implications for Concern Worldwide.

5. Reporting responsibilities

5.1. The Committee Chair shall report to the Board of Concern Worldwide at the Board meeting most closely following the Committee meeting on its proceedings and on the relevant matters within its duties and responsibilities.

5.2. Annually, the Head of Internal Audit and Investigations shall provide, in writing, an independent opinion on the adequacy and effectiveness of the Concern Worldwide internal control environment.

6. Other matters

The Committee shall:

6.1. Have access to sufficient resources to carry out its duties and may request information from any employee as needed.

6.2. Have access to the Board Secretariat for assistance as may be required.

6.3. Be provided with appropriate and timely training, both in the form of an induction programme for new members, and on an ongoing basis for all members.

6.4. Arrange for periodic reviews of its own performance and, at least every three years, review its terms of reference to ensure that it is operating at maximum effectiveness, and recommend any changes it considers necessary to the Board of Concern Worldwide for approval.

7. Authority

7.1. The Committee shall be accountable to, and shall operate under delegated authority from, the Board of Concern Worldwide.

7.2. The Committee is authorised by the Board of Concern Worldwide to obtain, at the organisation's expense, outside legal or other professional advice on any matters within its terms of reference subject to approval from the Chair of the Board of Concern Worldwide, or in their absence, from the Vice-Chairs, and in compliance with the organisation's financial procedures.