

**Armagh Observatory and Planetarium
Audit and Risk Assurance Committee (ARAC)
Terms of Reference**

Approved: 29 September 2025

1 Introduction

In accordance with Paragraph 8(1) of Schedule 1 of the Armagh Observatory and Planetarium (Northern Ireland) Order 1995 the Board of Governors has delegated primary responsibility for the governance and management of Armagh Observatory and Planetarium (AOP) to a Management Committee. The Management Committee has set up a number of Sub Committees in order to assist it to fulfil its responsibilities. This document outlines the Terms of Reference for an Audit and Risk Assurance Sub Committee.

2 Purpose

- 2.1** The Management Committee of the Armagh Observatory and Planetarium, has established an Audit and Risk Assurance Sub Committee (the Committee) in accordance with DAO (DoF) 02/25 Corporate governance in central government departments: Code of Good Practice (NI) 2025, and in line with DAO (DoF) 03/18 Audit and Risk Assurance Committee (NI) to advise the Management Committee and the Director (Chief Executive) of AOP as Accounting Officer and to support them in their responsibilities for issues of organisational risks, internal control, governance and their associated assurances and in reviewing the reliability and integrity of these assurances.
- 2.2** The ARAC is a Sub Committee of the Management Committee and is an independent advisory Committee with no executive functions.
- 2.3** The ARAC will support the Management Committee and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.
- 2.4** The ARAC will support the Management Committee and Accounting Officer in ensuring that AOP follows the Charities' Statement of Recommended Practice (SORP) in regard of financial accounting and reporting.

3 Membership

- 3.1** The Committee membership is drawn from the Management Committee and comprises a minimum of four and maximum of five members. The current Committee membership is attached at Annex A.
- 3.2** Any member ceasing for any reason to be a member of the Management Committee will cease to be a member of the ARAC and the vacancy will be filled by the Management Committee as soon as possible.
- 3.3** The Director (Chief Executive) and other senior management team (SMT) members will be invited to attend meetings but are not members and may be asked to leave the meeting to allow confidential discussion if deemed appropriate by the Chair. Other members of AOP may be asked to attend meetings on occasion.
- 3.4** The Committee should corporately possess:
- knowledge, skills and experience as appropriate and required in the following fields:
 - Accounting / financial management;
 - Risk management;
 - Internal / external Audit;
 - Technical or specialist issues pertinent to the organisation's business;
 - Budgeting;
 - Organisational management / Governance;
 - understanding of the wider relevant environments in which the organisation operates; and
 - understanding of government environment and accountability structures.
- 3.5** The Committee may procure ad-hoc expert advice at the organisation's expense subject to the availability of funding agreed by the Management Committee.
- 3.6** Members conduct and other arrangements will be in accordance with their responsibilities as a member of the Management Committee.
- 3.7** Members will normally be appointed to serve for a fixed term of five years. Membership will be reviewed by the Management Committee at the end of each five year term.
- 3.8** In addition to training provided as a member of the Management Committee, members will be encouraged to identify any additional training required to carry out their role as a member of the ARAC.

4 Roles and Responsibilities

4.1 Roles and Responsibilities of the Committee

The Committee will advise the Management Committee on:

- The strategic processes for risk, internal control, governance and the Governance Statement;
- The accounting policies, the annual accounts of the organisation, and the annual report of the organisation, including the process for the review of the accounts prior to audit, levels of error identified and the letter of representation to the NIAO on the annual accounts;
- The planned activity and results of the internal and external audit and the audit of the accounts;
- The adequacy of the management response to issues identified by the Internal Auditors and the NIAO;
- Assurances relating to the risk management framework and processes and corporate governance requirements for the organisation;
- Approving tendering or other arrangements proposed for the procurement and delivery of an Internal Audit Service and the appointment and remuneration of the Internal Auditors or external audit services or the purchase of non-audit services from contractors who provide audit services;
- Anti-fraud, whistleblowing policies and public interest disclosure policies and arrangements for special investigations;
- The Annual Report and Accounts being in compliance with any relevant statutes and the specific Accounts Direction issued by the Department and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice revised 2005 ("SORP"), and any subsequent revision.

The ARAC will also annually review its own effectiveness and report the results of that review to the Management Committee.

4.2 Responsibilities of the Chair

The Chair will oversee the work of the Committee and will have effective strategic leadership on matters such as:

- Three yearly review of the Committee's Terms of Reference and make recommendations to the Management Committee on its effectiveness;
- Formulating and regularly reviewing the Committee's Terms of Reference in partnership with the Chair of the Management Committee;

- Before each meeting the Chair and the Director (Chief Executive) should meet (either electronically or face to face) to discuss and agree the business for the meeting. The Chair should take ownership of, and have final say in, the decisions about what business will be pursued at any particular meeting;
- The Chair will report verbally to the Management Committee after each ARAC meeting and this verbal report will be a standing item on the Management Committee Agenda;
- The Chair will oversee the preparation of an annual report and present it to the Management Committee. This report will also be presented to the annual meeting of the Board of Governors;
- Ensuring that the Committee, in reaching conclusions and recommendations takes proper account of guidance provided by the Minister or the sponsor Department;
- Encouraging and delivering high standards of regularity and propriety;
- Ensuring that the Committee meets at regular intervals throughout the year and that the minutes of meetings accurately record the conclusions and recommendations taken and, where appropriate, the views of individual Committee members;
- Ensuring that all members of the Committee, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training;
- Contributing to the appraisal of individual Committee members if requested to by the Management Committee Chair and ensuring that training needs are identified and addressed;
- The Chair of the Committee should always review and approve minutes of meetings before they are circulated;
- Advising the Management Committee in respect of appointment of new Committee members, including providing advice on the skills and experience being sought by the Committee when a new member is required;
- The Head of Internal Audit (at AOP this is the externally appointed provider of Internal Audit Services), the representative of the Northern Ireland Audit Office and the representative of the Department will have free and confidential access to the Committee Chair;
- Ensuring Committee Members complete a Northern Ireland Audit Office Committee Self-Assessment checklist annually and that time is allocated to consider responses to the questionnaire. The Chair may ask management to remove themselves from the meeting.

4.3 Responsibilities of the Director (Chief Executive)

The Director (Chief Executive) has responsibility for the strategic leadership and management of AOP and is accountable to the Board of Governors and Management Committee, and as Accounting Officer, to the sponsor Department. In support of the Committee the Director (Chief Executive) will:

- Advise the Committee on the discharge of its responsibilities as set out in the Partnership Agreement, legislation and other relevant instructions or guidance to include implications of options being considered in terms of forward commitments including affordability, risk and propriety;
- Ensure appropriate secretariat arrangements are in place and liaise with the Chair to agree the need and frequency of meetings and ensuring all relevant items are brought to the Committee's attention;
- Ensure the Committee has sufficient and timely information to assist proper scrutiny and consideration of options.

4.4 Administrative Support to the Committee

The ARAC will be provided with administrative support organised through the Head of Corporate Services.

This will provide support to the Chair of the Committee in identifying business to be taken, and the relevant priorities of the business, including:

- Developing and agreeing the agenda for Committee meetings with the Chair, ensuring all relevant items are brought to the Committee's attention;
- Commissioning papers as necessary to support agenda items;
- Circulating meeting documents in good time before each meeting;
- Arranging for staff to be available as necessary to discuss specific agenda items with the Committee during meetings;
- Keeping a record of meetings and providing draft minutes for the Chair's approval;
- Ensuring action points are being taken forward between meetings;
- Supporting the Chair in the preparation of ARAC reports to the Management Committee and Board;
- Recording Committee decisions accurately and ensuring action points are followed up;
- Arranging induction and professional development of Committee members where required and relevant;
- Maintaining a record of when members' terms of appointment are due for renewal or termination;

- Ensuring that new members receive appropriate induction training, and that all members are supported in identifying and participating in ongoing training.

When the ARAC decides to meet privately, the Chair should decide whether staff members should also withdraw. If so, the Chair should ensure that an adequate note of proceedings is kept to support the Committee's conclusions and advice.

5 Meetings and Reporting

5.1 Meetings

The Committee will normally meet four times a year. The Board of Governors, the Management Committee or the Director (Chief Executive) may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice. The Chair of ARAC may also convene additional meetings as deemed necessary.

As far as is practically possible, ARAC meetings should be aligned with the timetabling of the Management Committee Meetings to enable the Chair to obtain approval from the Management Committee for any recommendations agreed.

Committee meetings will normally be attended by the Director (Chief Executive) of the Observatory and Planetarium (the Accounting Officer), the Senior Management Team and other members of staff as deemed appropriate. The Head of Internal Audit (at AOP this is the externally appointed provider of Internal Audit Services), and a representative of the Northern Ireland Audit Office (NIAO) and a representative from the organisation's sponsoring Department will also be invited to attend.

The Committee may ask any or all those who attend meetings but who are not members of the Committee, with the exception of the representatives of the Internal Auditors, the NIAO and the Department, to withdraw to facilitate open and frank discussion of particular matters.

5.2 Quorum

A minimum of 2 members of the Committee (including the Chair) will be present for the meeting to be deemed quorate. Video Conference Call arrangements may be included as acceptable method of meeting attendance.

5.3 Agenda and Conduct of Business

Agendas and papers will be agreed between the Chair and Director (Chief Executive). The Chair will ensure that Agenda are reflective of the responsibilities of the Committee set out in 4.1 and that papers are sufficient to facilitate decision making.

The Chair will ensure that where conflicts of interest are declared the Committee considers and agrees how the conflict is managed and that this is recorded in the minutes.

Where it is possible (eg virtual meetings) meetings may be recorded.

5.4 Provision of Papers

Agendas and papers will be forwarded to members seven days before the date of the meeting. The preferred method of distribution will be via secure link directly to AOP SharePoint site. Hard copies may be posted on request.

Secure SharePoint access will also be provided for The Head of Internal Audit, (at AOP this is the externally appointed provider of Internal Audit Services), the Northern Ireland Audit Office (NIAO) and the sponsor Department.

5.5 Minutes

Minutes will be prepared by the secretariat for approval of the Chair. Draft minutes will be circulated to members for comments. Agreed minutes will be signed at the next meeting.

Minutes considered draft until approved at the next meeting of the Committee.

5.6 Reporting

Agreed minutes of each AOP ARAC will be provided to the Department within one month of the meeting taking place. These minutes should be sufficiently detailed and an accurate recording of the discussions held and the decisions taken.

Agreed minutes will also be circulated to the Board of Governors and Management Committee.

The Chair of the Committee will provide the Accounting Officer, the Board of Governors, the Management Committee and the Department with an annual

report, timed to support finalisation of the Accounts and the Governance Statement, summarising the Committee's conclusions and recommendations from the work it has done during the year.

6 Evaluation and Review

6.1 Evaluation of the Committee's Performance

The Committee will collectively review its own performance on an annual basis. It will formally report the results of its review of effectiveness to the Management Committee.

6.2 Review of the Committee's Terms of Reference

The Committee will conduct a review of its Terms of Reference and report to the Management Committee annually and as to any proposed additions or amendments.

A copy of the Terms of Reference will be publicly available on AOP's website.

ARAC Membership August 2025

Mr P Kennedy (2021)
Chair (June 2024)

Mr E Rooney (2021)

Dr K Lemon (May 2023)

Ms G McVeigh (June 2024)

Prof M Darnley (Dec 2024)