

Title of Report:	Terms of Reference
Committee Report Submitted To:	Audit Committee
Date of Meeting:	8th December 2021
For Decision or For Information	For Information

Linkage to Council Strategy (2019-23)	
Strategic Theme	Improvement and Innovation
Outcome	All – Providing effective, accessible and sustainable local public services
Lead Officer	Audit, Risk and Governance Manager

Budgetary Considerations	
Cost of Proposal	N/a In-house
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue staff costs
Code	
Staffing Costs	n/a

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals. N/A		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:

1.1 Purpose of Report

The purpose of this report is to seek Members comments and approval on the amended Terms of Reference for Audit Committee – attached at Appendix 1.

1.2 Background

In line with good practice, the Terms of Reference for the Audit Committee should be reviewed on a regular basis, to ensure they remain effective, reflect best practice and align with CIPFA guidance.

The last update of the Terms of Reference was 2015.

1.3 Key Issues

The Local Government Auditor in their Audit and Assessment Report in 2017/2018 noted that:

'There is evidence that the Audit Committee has been performing its monitoring role, for example, by commissioning internal audit to conduct an independent progress review of the projects underlying its 2016-17 objectives.'

However, the Local Government Auditor goes on to say that identified roles and responsibilities in relation to performance improvement are not included in the Audit Committee terms of reference. The Audit Committee terms of reference have now been updated in this respect (see Appendix 1). *To oversee and monitor the Council's structures, processes, systems and related arrangements for performance management and to assure itself through receipt of regular reports on the planning, delivery, reporting and reviewing arrangements that appropriate plans and policies to support the performance management framework are in place and that its statutory responsibilities are being met.*

The Audit Committee Terms of reference were scrutinised and a number of amendments were required to ensure that Council remain compliant with CIPFA best practice.

1.4 Recommendation

It is recommended that the Audit Committee notes the revised and updated Terms of Reference for the Audit Committee.

Appendix 1



**Causeway
Coast & Glens
Borough Council**

Terms of Reference Audit Committee

Policy Number	Terms of Reference
Version Number	1
Author	Audit, Risk & Governance Manager
Date of Screening of Policy	N/a
EQIA Recommended?	N/a
Date Adopted by Council	January 2022
Policy Review Date	January 2023

Terms of Reference

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Statement of Purpose

1. The Audit Committee is a key component of Causeway Coast and Glens Borough Council's corporate governance arrangements. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of the Audit Committee is to provide independent assurance to those charged with governance (Members and senior management) on the adequacy of the risk management framework and the internal control environment. It provides independent review of the council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It will provide an independent scrutiny of the council's financial and non-financial performance to the extent that it exposes the council to risk and weakens the control environment. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk and Control

3. To review and monitor the effective development of the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider annual governance assurances.
4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
5. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
6. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
7. To monitor the effective development and operation of risk management in the council, to include overseeing the council's risk, control and governance arrangements.
8. To approve the council's risk management strategy and monitor progress in addressing risk-related issues reported to the Committee, including the corporate risk register and assurance information on the management of key corporate risks.
9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
10. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.

11. To approve the council's fraud and raising concerns policies and monitor the implementation of these policies, including the counter-fraud strategy, actions and resources.
12. To oversee and monitor the Council's structures, processes, systems and related arrangements for performance management and to assure itself through receipt of regular reports on the planning, delivery, reporting and reviewing arrangements that appropriate plans and policies to support the performance management framework are in place and that its statutory responsibilities are being met.
13. To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

14. To review the proposals in relation to the co-sourcing arrangements with an external provider of internal audit services and make recommendations.
15. To approve the risk-based internal audit plan, including the internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
16. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
17. To make appropriate enquiries of both management and the Internal Auditor to determine if there are any inappropriate scope or resource limitations.
18. To consider the Internal Audit annual report.
19. To consider summaries of all internal audit reports on the Internal Audit Plan.

External Audit

20. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
21. To consider specific reports as agreed with the external auditor.

Financial Reporting

22. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.

Membership

23. The Committee is comprised of 16 Members in line with Council's method of appointment to Committees, plus one independent suitably qualified person.

Quorum

24. No business shall be transacted unless at least 8 Members are present.

Chairperson

25. The Chairperson shall be a member of the Committee and they will be required to have knowledge of finance, audit regulations and principles of fraud awareness.

26. The Chairperson will be required to complete and answer enquiries with those charged with governance in respect of fraud, law and regulations.

27. In the absence of the Chairperson, the Committee will be chaired by the Deputy Chairperson. In the absence of the Deputy Chairperson, a chair for the meeting will be agreed by the Members present.

28. The Internal Audit Manager and the representative from Local Government Audit will have free and confidential access to the Chair of the Audit Committee.

Meetings

29. The frequency of the meetings will be driven by the scale and nature of the business with the Committee meeting at least four times per year to discharge its duties adequately and effectively. The chair of Audit Committee may convene additional meetings, as they deem necessary.

30. All meetings of the Committee will be governed by the Councils Standing Orders and the Northern Ireland Code of Conduct for Councillors.

31. The Chief Executive, Director of Corporate Services and the Audit, Risk and Governance Manager will attend all meetings. The external provider for internal audit services will also be in attendance. The committee may also ask any other officials of the Council to attend to assist it with its discussion on any matter.

32. The Committee extends an open invitation to any member of the Local Government Audit staff who wishes to attend.

Communication and Reporting

33. The Committee will provide the Council and the Chief Executive with an Annual Report, timed to support the Annual Governance Statement, summarising its conclusions from the work it has done during the year.