



# **AUDIT AND RISK COMMITTEE TERMS OF REFERENCE**

**July 2024**

## AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

### General

Antrim and Newtownabbey Borough Council conducts its business through a traditional committee system, where business is initially considered by one of its Committees forming a key component of Antrim and Newtownabbey Borough Council's corporate governance framework.

The Council has created a number of Committees to progress the work of the Council in line with the provisions of the Local Government (Northern Ireland) Act 2014, Schedules 1 and 2 and other relevant statutes as follows:

<b>COMMITTEE</b>	<b>DIRECTORATE</b>	<b>REPORTING SERVICE AREAS</b>
Audit and Risk Committee	Finance & Governance, Organisation Development	Internal Audit, Corporate Risk Management, Finance, ICT, Human Resources, Organisation Development, Performance Improvement, Legal Services.
Operations Committee	Sustainability, Parks & Leisure	Waste Strategy & Operations, Environmental Health, Wellbeing, Sustainability, Climate Change, Fleet Management, Leisure, Parks, Bereavement Services, Registration, Estate Services, Legal Services.
Policy & Governance Committee	Finance & Governance, Organisational Development	Finance, Payroll, Procurement, ICT, Information Governance, Member Services, Health & Safety & Resilience, Insurance, Capital Development, Human Resources, Organisation Development, Performance Improvement, Equality and Diversity, Customer Services, Legal Services.
Planning Committee	Economic Development & Planning	Planning, Legal Services.
Community Development Committee	Community Planning	Community Development, Community Planning, PCSP, PEACEPLUS, Good Relations, Tackling Deprivation, Community Facilities, Arts, Culture, Tourism and Events, Marketing, Communications and PR, Legal Services.
Economic Development Committee	Economic Development & Planning	Investment & Business Development, Regeneration & Infrastructure, Planning, Building Control, Legal Services.

Other Directorates and Services will report to the Audit and Risk Committee as required.

### Introduction

This document confirms the remit of the Audit and Risk Committee, its terms of reference, summarising the core functions referred to it and defines its authority limits.

The following Directorates report into this Committee: Finance and Governance and Organisation Development.

### Purpose

The Audit and Risk Committee is a key component of Antrim and Newtownabbey Borough Council's Corporate Governance Framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit and Risk Committee is:

*"To provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring there is sufficient assurance over governance risk and control, gives greater confidence to all those charged with governance that those arrangements are effective.*

*The Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability."*

The CIPFA 2022 Position Statement sets out the core functions of the Audit and Risk Committee, with the Terms of Reference summarising these functions, describing the arrangements in place to enable the Committee to operate independently, robustly and effectively.

### Responsibilities

The core responsibilities of the Committee fall into three categories:

#### 1 Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the Council and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the Council's risk management arrangements. Understand the risk profile of the Council and seek assurances that active arrangements are in place on risk-based issues.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the Council's exposure to the risks of fraud and corruption.

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### 2 Financial and governance reporting

- Be satisfied that the Council's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the Council's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

### 3 Establishing appropriate and effective arrangements for audit and assurance

- In relation to the Council's internal audit function:
  - Oversee its independence, objectivity, performance and conformance to professional standards;
  - Support effective arrangements for internal audit; and
  - Promote the effective use of internal audit within the assurance framework
- Consider the opinion, reports and recommendations of external audit and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operations of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Consider the arrangements in place to secure adequate assurance across the Council's full range of operations and collaborations with other entities.
- Support effective relationships between the Council and all providers of assurance, audits and inspections, encouraging openness to challenge, review and accountability.

Further details on the Committee's core responsibilities are available on request.

## **Wider Responsibilities**

In addition to the core responsibilities, the Committee also has responsibility for overseeing:

### 1 Performance Improvement

- Review the adequacy and suitability of arrangements in place to secure continuous improvement of Council functions, providing assurance that such arrangements are operating effectively.

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- Consider the quarterly Corporate Improvement Plan update reports, which will provide a progress update on the achievement of the Corporate Improvement Objectives.
- Consider the External Auditor's report on issues arising from the annual Improvement Audit and Assessment engagement.

### 2 Post Project Evaluations

- Review the adequacy and suitability of the arrangements in place for the completion of post project evaluations, ensuring projects are delivered in accordance with their business case.
- Consider the bi-annual update report on post project evaluations.

### 3 Other areas

- The Committee will be provided with relevant information on other areas of Council business, as appropriate, to enable the Committee to fulfil its responsibility for assessing the adequacy of governance, risk and control arrangements as set out in this Terms of Reference.

## Membership

The Committee will comprise of six Members of Council appointed using the Quota of Greatest Remainder (QGR) as provided for within Schedule 2 of the Local Government (Northern Ireland) Act 2014.

Council has also recruited an Independent Member to the Committee in accordance with the CIPFA – Audit Committees Practical Guidance for Local Authorities and Police.

The Committee will have a Chair and Deputy Chair appointed by the Council at its Annual General Meeting as positions of responsibility under Part 3 of the Local Government (NI) Act 2014.

## Meetings

Business shall not be transacted unless a quorum is present.

As per the Council's Standing Orders the quorum for the Committee is one-half of the whole number of Members of the Committee.

The Committee will meet normally quarterly on the third Tuesday of that month at 6:30pm except when this falls within a recess period agreed by Council.

All meetings of the Committee will be governed by the Council's Standing Orders.

The Committee may ask any other officer of the Council to attend to assist it with any discussions on a particular matter.