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| Title of Report: | Terms of Reference |
| Committee Report Submitted To: | Audit Committee |
| Date of Meeting: | 17th September 2025 |
| For Decision or For Information | For Decision |
| To be discussed In Committee YES/NO | No |

| | |
|----------------------------------------------|------------------------------------|
| Linkage to Council Strategy (2021-25) | |
| Strategic Theme | Improvement and Innovation |
| Outcome | n/a |
| Lead Officer | Audit, Risk and Governance Manager |

| | |
|-------------------------------------------|-----|
| Estimated Timescale for Completion | |
| Date to be Completed | n/a |

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|------------------------------------|---------------------|
| Budgetary Considerations | |
| Cost of Proposal | n/a |
| Included in Current Year Estimates | n/a |
| Capital/Revenue | Revenue |
| Code | 3601 Internal Audit |
| Staffing Costs | Internal staff time |

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|----------------------------------|---------------|
| Legal Considerations | |
| Input of Legal Services Required | YES/No |
| Legal Opinion Obtained | YES/No |

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

1.0 Purpose of Report

- 1.1 The purpose of this report is to present the revised Terms of Reference (attached) for the Audit Committee.

2.0 Terms of Reference

- 2.1 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 HMT Guidance and CIPFA Best Practice Guidance.

- 2.2 From 1 April 2025, the standards or guidance in relation to internal audit are those laid out in the Global Internal Audit Standards, Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for Governance of Internal Audit in UK Local Government. The collective requirements are referred to as the Global Internal Audit Standards in the UK Public Sector.

- 2.3 The following amendments to the Audit Committee Terms of Reference are set out in Annex 1 are recommended:

- Refers to the Head of Internal Audit providing an annual conclusion, as opposed to an annual opinion.
- Reference to the Public Sector Internal Audit Standards has been changed to the Global Internal Audit Standards (Uk Public Sector).

- 2.4 In addition to the amendments noted in paragraph 2.3 additional amendments are noted as follows:

- An additional line in relation to the reporting of frauds is as follows:
Receive on a quarterly basis a summary report/update of all suspected irregularities, including any instances of fraud and corruption.
- An additional section in relation to complaints as follows:

- To consider a six-monthly report and details of the complaints received and investigated through the Council's Complaints Procedure and the outcome of those complaints.
- Review and assess the Council's ability to handle complaints effectively.
- Make reports and recommendations in relation to the Council's ability to handle complaints effectively.
- Review on an annual basis the results of complaints made to the Public Services Ombudsman and any follow-up action or lessons learned from such appeals.

3.0 Recommendation(s)

- 3.1 The Audit Committee is asked to approve the revised Terms of Reference which have been updated to reflect the introduction of the Global Internal Audit Standards as outlined in Annex 1.

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 | Sept 2025 |
| Policy Review Date | Sept 2026 |

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 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 consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
5. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
6. To monitor the effective development and operation of risk management in the council, to include overseeing the council's risk, control and governance arrangements for health and safety.
7. 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.
8. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
9. To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
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 (whistleblowing) policies and monitor the implementation of these policies, including the counter-fraud strategy, actions and resources.
12. Receive on a quarterly basis a summary report/update of all suspected irregularities, including any instances of fraud and corruption.
13. 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.
14. To review the governance and assurance arrangements for significant partnerships or collaborations.

Governance Reporting

15. 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 annual opinion.
16. To consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the Council's objectives.

Financial Reporting

17. To monitor the arrangements and preparations of financial reporting to ensure that statutory requirements and professional standards can be met.
18. 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.
19. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Internal Audit

20. To approve the Internal Audit Charter.
21. To review the proposals in relation to the co-sourcing arrangements with an external provider of internal audit services and make recommendations.

22. 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.
23. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
24. To make appropriate enquiries from both management and the Internal Auditor to determine if there are any inappropriate scope or resource limitations.
25. To consider any impairments to the independence or objectivity of the head internal auditor arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
26. To consider reports on Internal Audits performance during the year, including the performance of external providers of Internal Audit services.
27. To consider the Internal Audit annual report:
 - a) The statement of the level of conformance with the Global Internal Audit Standards in the UK Public Sector and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement (these will indicate the reliability of the conclusions of internal audit).
 - b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion.
28. To consider summaries of all internal audit reports on the Internal Audit Plan.
29. To receive reports outlining the action taken where the Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
30. To contribute to the Quality Assurance and Improvement Programme, both to the internal quality assessment of internal audit and to the external quality assessment of internal audit that takes place at least once every five years.
31. To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
32. To provide free and unfettered access to the Audit Committee chair for the Audit Committee chair, including the opportunity for a private meeting with the Audit Committee.

External Audit

33. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence.
34. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

35. To consider specific reports as agreed with the external auditor.
36. To comment on the scope and depth of external audit work and to ensure it gives value for money.
37. To advise and recommend the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
38. To consider the external auditors report on performance management, specifically the annual improvement assessment and to consider the adequacy of management responses/action taken to address issues arising from these reports.
39. To provide free and unfettered access to the Audit Committee for the auditors, including the opportunity for a private meeting with the Committee.

Complaints

40. To consider a six-monthly report and details of the complaints received and investigated through the Council's Complaints Procedure and the outcome of those complaints.
41. Review and assess the Council's ability to handle complaints effectively.
42. Make reports and recommendations in relation to the Council's ability to handle complaints effectively.
43. Review on an annual basis the results of complaints made to the Public Services Ombudsman and any follow-up action or lessons learned from such appeals.

Membership

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

Quorum

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

Chairperson

45. 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.
46. The Chairperson will be required to complete and answer enquiries with those charged with governance in respect of fraud, law and regulations.
47. 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.
48. The Audit Risk and Governance Manager and the representative from Local Government Audit will have free and confidential access to the Chair of the Audit Committee.

Meetings

49. 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 the Audit Committee may convene additional meetings, as they deem necessary.
50. All meetings of the Committee will be governed by the Councils Standing Orders and the Northern Ireland Code of Conduct for Councillors.
51. 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.
52. The Committee extends an open invitation to any member of the Local Government Audit staff who wishes to attend.

Communication and Reporting

53. 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.

These terms of reference will be subject to annual review.