

13th May, 2015.

To: The Mayor and Each Member of Limerick City and County Council

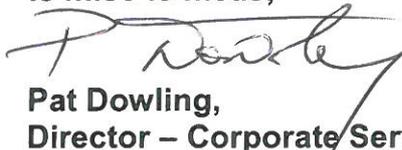
AUDIT COMMITTEE CHARTER

A Chomhairleoir, a chara,

Section 8 (1) of the Local Government (Audit Committee) Regulations, 2014, sets out that the Audit Committee shall operate in accordance with a written Charter that shall be adopted by the Local Authority, with or without amendment.

I attach, therefore, for your approval, copy of the Draft Charter for Limerick City and County Council's Audit Committee, as agreed by the Audit Committee at a meeting held on 8th May, 2015.

Is mise le meas,



**Pat Dowling,
Director – Corporate Services,
Human Resources and Change Management.**

DRAFT -LIMERICK CITY & COUNTY COUNCIL AUDIT COMMITTEE CHARTER

This audit committee charter was adopted by resolution of Limerick City & County Council on (insert date here).

The charter is based on the SI 244, Audit Committee Regulations 2014, the statutory obligations within relevant Local Government legislation, Audit Committee Guidance June 2014 as well as guidance and good practice as outlined in various professional and authoritative codes and reports.

1 PURPOSE

As part of the governance arrangements that operate within Limerick City & County Council, the audit committee has an independent role to advise the Council on financial reporting processes, internal control, risk management and audit matters.

2 FUNCTIONS

The functions of the audit committee are as prescribed by section 122 of the Local Government Act 2001 (as amended):

2.1 **To review the financial and budgetary reporting practices and procedures within the local authority:**

- This will incorporate a review and consideration of all aspects of the financial cycle within Limerick City & County Council from budget preparation and adoption, monitoring of income and expenditures through to the completion of the annual financial statements.
- The audit committee may request reviews of financial management and reporting arrangements in addition to auditing existing financial policies, procedures, controls and protocols as it considers necessary.

2.2 **To foster the development of best practice in the performance by the local authority of its internal audit function:**

To fulfil this function the Audit Committee will:

- Review with management and the internal auditor the charter, activities, staffing and organisational structure of the internal audit function, its compliance with relevant professional standards and bring any recommendations to the attention of the Chief Executive. In this regard, the Committee should ensure that no limitations are placed on the work of the internal audit unit.
- Approve the audit plan and monitor its implementation
- Review audit reports, findings and recommendations and management responses
- Review , on an ongoing basis, the audit engagement process

2.3 **To review any audited financial statement, auditor's report or auditor's special report in relation to the local authority and assess any actions taken within that authority by its chief executive in response to such a statement or report, and report its findings to the local authority:**

To fulfil this function the Audit Committee will:

- Review with management and the external auditors the results of the statutory audit.
- Review with management and the external auditors the management letter and all matters required to be communicated to the committee under generally accepted auditing standards.
- Report to Council on its findings at the next practicable meeting of Council.

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2.4 To assess and promote efficiency and value for money with respect to the local authority's performance of its functions:

To fulfil this function the Audit Committee will:

- Review management's arrangements to ensure and demonstrate economy, efficiency and effectiveness across the organisation.
- Request special reports from management or internal audit as considered appropriate.

2.5 To review systems that are operated by the local authority for the management of risks:

To fulfil this function the Audit Committee will:

- Evaluate the scope and effectiveness of the framework established by management to identify, assess, monitor and effectively manage risk.
- Review the corporate risk management policy and receive presentations from management on corporate, directorate, divisional and sectional risk registers .

2.6 To review the findings and recommendations of the National Oversight and Audit Commission (NOAC) and the response of the Chief Executive to these and take further action as appropriate:

To fulfil this function the Audit Committee will:

- Review the relevant findings of NOAC and ensure that its work programme takes NOAC's findings and recommendations into account.
- Request special reports from management or internal audit as considered appropriate.

3 COMPOSITION AND OPERATION OF AUDIT COMMITTEE

2.7 Membership

The audit committee is established by resolution of the Council upon nomination by the Corporate Policy Group and following consultation with the Chief Executive. The term of the committee is concurrent with that of the current Council which commenced on 1st June 2014 and will terminate on 31st May 2019. The Members of the Audit Committee are John Field, Brid Quinn, Tony O'Brien, Damien Clancy, Councillor Shane Clifford, Councillor James Collins and Councillor Jerome Scanlan.

The Chairperson of the committee shall be selected by its members and shall be one of the external members. At a meeting of the Audit Committee held on 2nd December 2014 John Field was elected as Chairperson of the Audit Committee.

3.2 Induction Process and Training Requirements

It is the duty of the Chairperson to ensure that the training needs of the audit committee and of individual members are reviewed on an annual basis and reported to the Chief Executive and Council. Where training needs are identified, the Chief Executive will facilitate the provision of such training, where practicable.

3.3 Meetings

The committee will ordinarily meet on a quarterly basis and may hold additional meetings if required. Meetings will normally be held in Merchants Quay, Limerick at times and dates which will be agreed by the committee and the Secretary.

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The quorum necessary for the transaction of business shall be four members. In the absence of the Chairperson, those present shall select a chairperson for the meeting.

The committee may invite the Chief Executive, members of management, internal and external audit, or others to attend meetings and provide information, as necessary.

Minutes will be prepared and a copy shall be forwarded to the Chief Executive. Minutes will be approved at the next meeting of the audit committee.

3.4 Working Procedures and Access

The committee will adopt its own working procedures, which may include as necessary the commissioning of independent professional expertise following consultation with the Chief Executive and by resolution of the Council.

Each year the committee will develop a detailed annual work programme and this will be provided to the Council at the start of each year.

The committee will have access to documents or other data and information as it reasonably requires in order to discharge its functions.

The Chief Executive will ensure that staff facilitate the committee in relation to briefings required by them in a timely and efficient manner.

The local government auditor and the head of internal audit may communicate with the committee as they consider necessary. The local government auditor or the head of the internal audit unit may, with the agreement of the Chairperson of the committee, request a meeting to discuss a matter of exceptional importance.

4 INDEPENDENCE

The committee shall be independent in the performance of its functions and responsibilities and shall not be subject to direction or control from any other party. The committee is accountable to the Council.

5 CONFIDENTIALITY

The agendas, papers, reports, documentation and discussions of the committee are confidential and will contain sensitive material and information necessary to allow members to carry out their duties. Members and those in attendance shall not, without the approval of the Chairperson, discuss matters arising with third parties or directly or indirectly disclose to these parties information obtained in the course of their duties, either during the term of their membership or at any time afterwards.

6 MEDIA PROTOCOL

Members will forward all queries, requests for interviews or comments from the media or outside parties immediately to the Secretary of the committee who will be responsible for dealing with same.

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7 CONFLICT OF INTEREST PROCEDURES

All possible conflicts of interest are to be notified to the Chief Executive prior to the first meeting of the committee. If the personal circumstances of a member changes in any way that may result in a conflict of interest for them in the exercise of their audit committee duties then they are to immediately declare the circumstances to the Chairperson of the Audit Committee. Declaration of interests will be a standing agenda item.

Members of the Audit Committee shall comply with the Ethical Framework for the Local government Service as set out in Part 15 of the Local Government Act 2001 (as amended) and in accordance with Circular LG 2/2015 and the Code of Conduct for Councillors as they apply to Councillors and non-Councillor Members of Local Authority Committees.

8 REVIEW OF PERFORMANCE AND EFFECTIVENESS

The Audit Committee will undertake an annual review of its own performance and effectiveness and will report to Council on its findings.

Where the assessment highlights the need for improvement in the role, operational processes or membership of the committee, it is the duty of the Chairperson to take action to ensure that such improvements are implemented. The Chairperson, in consultation with the Chief Executive, will decide on appropriate training and/or actions required to improve the performance and effectiveness of the committee.

9 REPORTING

The committee will prepare an annual report within three months of the expiration of each calendar year of operation

The committee will report to the Council on its consideration of the audited Annual Financial Statement, Auditor's Report or Auditor's Special Report at the next practicable meeting of the Council

10 PROTECTED DISCLOSURES

The committee shall ensure that procedures are in place to ensure compliance with the terms of the Protected Disclosure Act 2014.

11 QUALIFIED PRIVILEGE

Members of the audit committee are entitled to qualified privilege in relation to any statements made by them at any meeting that they attend under the Local Government (Audit Committee) Regulations 2014 or in their capacity as a member of the audit committee.

12 REVIEW OF THE AUDIT COMMITTEE CHARTER

The audit committee charter will be subject to annual review by the committee and Council

Signed By: _____ **Date:** _____
Chairperson
Limerick City & County Council Audit Committee

Signed By: _____ **Date:** _____
Chief Executive