

LAOIS COUNTY COUNCIL



COMHAIRLE CHONTAE LAOISE

AUDIT COMMITTEE CHARTER 2021

Purpose and Role of the Committee

The Audit Committee has an independent role in advising the Council on financial reporting processes, internal control, risk management and audit matters, as part of the systematic review of the control environment and governance procedures of the Council.

Functions

The functions of the committee are as prescribed in Section 59 of the Local Government Reform Act 2014:

- To review the financial and budgetary reporting practices and procedures within the local authority:
- To foster the development of best practice in the internal audit function and, as part of this:
 - Review the internal audit charter and bring any recommendations to the attention of the Chief Executive,
 - Review and assess the draft annual internal audit plan,
 - Monitor implementation of the internal audit plan on a quarterly basis and the extent to which audit objectives are being achieved,
 - Assess the outcome of the internal audit process, having regard to any findings and recommendations of the internal audit unit and management responses thereto,
 - Assess the implementation of agreed corrective actions by management having regard to follow-up audits,
 - Review the report of audit activities by the Internal Audit Unit, within three months of the year end,
- 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 by the Chief Executive in response to such statements or reports, and report its findings to the authority.
- To assess and promote efficiency and value for money with respect to the local authority's performance of its functions:
- To review systems that are operated by the local authority for the management of risks:
- To review the findings and recommendations of the National Oversight and Audit Commission, and the response of the Chief Executive to these recommendations, and to take further action as appropriate.

Membership

The members of the committee are as follows:

Name	Position
Councillor Padraig Fleming	Internal Member
Councillor Aisling Moran	Internal Member
Mr. David Culliton	External Member Chairperson
Mr. John Brennan	External Member
Mr. John McCormack	External Member

The Director of Corporate Services will act as Secretary to the Committee.

The Internal Auditor will attend all quarterly meetings of the committee, and other meetings as required by the committee.

Section 4 (10) of the Local Government (Audit Committee) Regulations 2014 provides that the Chairperson will be selected by the committee, and will be one of the external members.

New members will undertake an induction programme within three months of appointment 7th June 2019 and will terminate on 6th June 2024. This is contingent on the appointment not otherwise terminating in accordance with Sections 4 (4), 4(11), and 4 (12) of the Local Government (Audit Committee) Regulations 2014, or the dissolution of the Council, for whatever reason, prior to 6th June 2024.

Where disqualification of a member is warranted under Section 4 (4) of the Local Government (Audit Committee) Regulations 2014, it is the duty of the Chairperson to advise the person in writing of his or her disqualification. Where the disqualification applies to the Chairperson, the committee will nominate a person to advise the Chairperson in writing of his or her disqualification.

In accordance with Section 4(11) of the Local Government (Audit Committee) Regulations 2014, a member of the committee or the Chairperson may resign from office by letter addressed to the Cathaoirleach. The resignation will take effect from the date of receipt of the letter by the Cathaoirleach.

In accordance with Section 4(12) of the Local Government (Audit Committee) Regulations 2014 the Council may at any time disqualify a member of the committee, including the Chairperson, if in the opinion of the Council:

- The member has become incapable through ill health of effectively performing the duties of the office
- The member has a conflict of interest of such significance that, in the opinion of the Council, the member should cease to hold office, or
- It is necessary in order to facilitate the effective performance by the committee of its functions.

Where a vacancy arises the Chairperson will request the Corporate Policy Group to commence the process for replacing the committee member in accordance with Section 4 (6) of the Local

Government (Audit Committee) Regulations 2014. Nominations for appointment to the committee will be made by the Corporate Policy Group, following consultation with the Chief Executive. Appointment of a new member will be ratified by a resolution of the Council.

Meetings

The committee will meet on a quarterly basis and hold additional meetings if required. The Committee will also meet separately at least annually with –

- (a) the Local Government Auditor,
- (b) employees of the internal audit unit of the local authority, and
- (c) the Chief Executive.

Meetings will ordinarily be held in the Executive Conference Room, the Council Chamber at Aras an Chontae or as an alternative where necessary via Microsoft Teams, at times and dates which will be agreed by the committee and the Secretary.

All relevant material for the meeting will normally be posted or otherwise transmitted to members at least one week prior to the scheduled meeting date unless exceptional circumstances arise. Agendas, minutes and follow-up actions in relation to all meetings held will be carried out by the Internal Auditor and approved by the Secretary to the committee.

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

All committee members are expected to attend each meeting and no less than 75% of meetings in a single year. A member may be disqualified where he or she fails to attend 75% of the meetings in any calendar year.

The Chief Executive, Directors of Services and Head of Finance will attend meetings when required to do so by the committee and will ensure that other employees attend meetings when requested to do so by the committee.

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

Confidentiality

All information acquired during the term of the committee is confidential to the Council and should not be disclosed to third parties during the term of appointment or thereafter without the permission of the Chairperson or as permitted by law.

Media Protocol

1. Members will forward all queries, requests for interviews or comments from the media or outside parties immediately to the Secretary of the committee.
2. These communications will be logged by the Secretary and the following information recorded:
 - date and time of the enquiry
 - the contact details of the journalist or media outlet
 - who the Secretary speaks to in order to obtain required information
 - the response given
 - date and time that the query was responded to and any other relevant information

Members have the right not to respond to a media request directly and will advise any media outlets or other parties that a query or request for interviews or other comments will be passed on to the Secretary of the committee, who will issue a response on behalf of the committee.

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.

Access & Working Procedures

(i) Access

At the request of the Chairperson of the committee, the Chief Executive shall attend a meeting of the committee and may arrange for the attendance of other employees as considered necessary.

The Chairperson of the Committee, or any other members of the committee acting with the specific authority of the Chairperson, will have the right of access to the Chief Executive, the Head of Finance and Directors of Services, and to the Cathaoirleach of the Council.

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.

The Local Government Auditor and the Head of Internal Audit may communicate with the Committee as they consider necessary.

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

The committee may obtain external professional expertise and advice following consultation with the Chief Executive and the Cathaoirleach and by resolution of the Council.

(ii) Annual Work Programme

In accordance with Section 9 of the Local Government (Audit Committee) Regulations 2014 the Annual Work Programme to be prepared by the audit committee shall include:

- (a) the approval of the annual internal audit plan;
- (b) a review of the annual financial statement;
- (c) a review of the audited financial statement and auditor's report;
- (d) the preparation of the annual report;
- (e) the review of periodic internal audit reports;
- (f) the review of relevant findings and recommendations of the National Oversight and Audit Commission, the review of the responses of the Chief Executive to such findings and recommendations, and take further action as appropriate, and
- (g) any other actions necessary to discharge its functions.

(iii) Conflicts of Interest

All possible conflicts of interest are to be notified to the Chairperson at the first meeting of the committee. This may arise from business set out on the committee's agenda or from member's personal circumstances.

Thereafter and prior to committee meetings, each member will take personal responsibility for declaring any potential conflict of interest relating to business arising on the committee's agenda and will immediately declare the circumstances to the Chairperson.

The Chairperson will deliberate with the Secretary of the committee on the course of action to be taken, and in extreme cases, the matter may be referred to the Chief Executive for further deliberation.

The outcome of these deliberations will be made known to the member and an appropriate course of action will be taken, i.e.

- a) the member will remove themselves while a particular item on the agenda is dealt with, or,
- b) the member may be asked to step down from the committee.

If the Chairperson of the committee has a conflict of interest, this should immediately be declared to the Secretary of the committee.

The Secretary of the committee will deliberate with the Chief Executive on the course of action to be taken.

The outcome of these deliberations will be made known to the Chairperson and an appropriate course of action will be taken, i.e.

a) the Chairperson will remove themselves while a particular item on the agenda is dealt with, and the Vice-Chairperson will convene the meeting, or

b) the Chairperson may be asked to step down from the committee.

(iv) Protected Disclosures (Whistleblowing)

In accordance with Section 12 of the Local Government (Audit Committee) Regulations 2014 the committee shall ensure that procedures are in place whereby employees may in confidence raise concerns about possible irregularities in financial reporting or other financial matters.

These procedures shall include arrangements for the proportionate and independent examination of such matters.

(v) Freedom of Information/Data Protection

The committee will have regard to the statutory requirements in relation to Freedom of Information and Data Protection and ensure that its obligations in this regard are fully and properly implemented.

(vi) Annual review of performance and effectiveness

The committee will undertake an annual review of its own effectiveness and report to the Council on its findings. The review will comprise of an assessment on its performance and achievements against the charter and annual work programme. The findings of the self-assessment will be included in the annual report of the committee which will be presented to the Council.

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 and Cathaoirleach, will decide on appropriate training and/or actions required to improve the performance and effectiveness of the committee.

Reporting

(i) Report on the Committee's findings in relation to the audited Annual Financial Statement, Auditor's Report or Auditor's Special Report

In accordance with Section 60 of the Local Government Reform Act 2014, and following receipt of the audited Annual Financial Statement, Auditor's Report or Auditor's Special Report from the Chief Executive, the committee will follow the procedure as outlined below:

- a) the committee will consider the audited Annual Financial Statement, Auditor's Report or Auditor's Special Report at the next practicable meeting of the committee.
- b) the Local Government Auditor who conducted the audit will attend this meeting to present his or her report and clarify any issues as required by the committee.
- c) 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.
- d) The Chairperson of the committee will, at the request of the Council, attend the meeting of the Council where the above report is presented in order to clarify any issues that may arise.

(ii) Audit Committee Annual Report

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

- a) its considerations and findings for the year just expired in relation to all matters within its authority, duties and functions, and
- b) a review of its performance in accordance with Regulation 13 of the Local Government (Audit Committee) Regulations 2014.

The Chairperson will arrange to send copies of the annual report to the Chief Executive and the Council for consideration at the next meeting of the Council.

At the request of the Council, the Chairperson will attend the Council meeting when the annual report is under consideration, and clarify any issues that may arise in relation to the report.

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 in their capacity as members of the audit committee.

Review of Charter


This Charter will be reviewed annually by the audit committee and presented to the Council for adoption, with or without amendment.

Signed By: 
Donal Brennan
Secretary

Date: 11.01.202

Signed By: 
John Mulholland
Chief Executive

Date: 25/1/21

Signed By: 
David Culliton
Chairperson
Laois County Council Audit Committee

Date: 19/12/2020