

Tourism Northern Ireland

Audit and Risk Assurance Committee

Terms of Reference

Constitution

1. The Board of Tourism Northern Ireland (TNI) has established a committee of the Board to be known as the “Audit and Risk Assurance Committee” (hereafter referred to as “the Committee”). The Committee will be an advisory body, chaired by a Non-executive member of the Board and shall report to the Accounting Officer.
2. These Terms of Reference (ToR) specify the functions to be discharged and the procedures to be followed by the Committee. The ToR may be subject to alteration or amendment at any time by the Board, following discussions with the Chair of the Committee. The Committee will agree a meeting schedule and forward work plan and the secretary of the Committee will circulate the minutes of meetings to all members of the Board and the Committee.

Overall Purpose and Objectives

3. The Committee will assist the Accounting Officer and the Board in fulfilling their corporate governance responsibilities. Corporate governance is the way in which organisations are directed, controlled and led. It includes the system of internal control, risk management, financial reporting and internal and external audit activity. The Committee does not have any executive responsibilities in relation to Corporate Governance and will not be charged with making or endorsing any decisions. The Audit Committee’s role is one of advice and scrutiny in accordance with the relevant guidance issued by the Department of Finance (DoF).

4. The Committee's objectives are to:

- review the strategic processes for risk management, control and governance;
- review the Annual Governance Statement and Annual Report and Accounts;
- make recommendations to the Accounting Officer on the accounting policies and accounts of TNI;
- review and make recommendations to the Accounting Officer on the planned activity and results of both Internal and External Audit;
- make recommendations to the Accounting Officer on the adequacy of management responses to issues identified by audit activity;
- make recommendations to the Accounting Officer on the adequacy of assurances relating to the corporate governance requirements of TNI,
- make recommendations where appropriate, to the Accounting Officer on proposals for tendering for internal or other audit services or for purchase of non-audit services from contractors who provide audit services.

Membership

5. A Non-executive Member shall chair the Audit and Risk Assurance Committee. Members of the Committee shall be:

- at least three Non-executive Members (incl. Chair); and
- at least one External Member.

6. A quorum for any meeting shall be three, or no fewer than 50% of members.

7. The Board shall appoint the Chair and members of the Audit Committee.

8. The Accounting Officer will ensure that there is adequate support for the Audit Committee, including a secretariat function.

Other Attendees

9. Others will be invited to attend meetings. Some will be regular attendees and others will attend when Committee business relevant to their area of work is being discussed. Regular attendees will include:

- Chief Executive TNI (as Accounting Officer);
- Director of Corporate Services TNI;
- Sponsor Team (DfE);
- Head of Internal Audit; and
- External Auditor (NIAO).

It will be a matter for the Committee to determine whether regular attendees should attend for all agenda items.

10. Other attendees who may be present for the relevant part of the meeting will include:

- TNI Directors;
- an Internal Audit Manager; and
- the Value for Money Auditor (NIAO).

11. The Audit and Risk Assurance Committee may, with the prior approval of the accounting officer:

- Co-opt additional members for a period not exceeding three years to provide specialist skills, knowledge and expertise; and
- Procure specialist ad-hoc advice at the expense of TNI.

Frequency of Meetings

12. Meetings shall be held at least four times a year; outline indicative agendas for the meetings are attached at **Appendix 1**. The Board or Accounting Officer may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

13. Audit and Risk Assurance Committee meetings may be held by conference call or video link if necessary, but this is not expected.

Tabling of Items for Discussion

14. Members of the Committee and the Head of Internal Audit and representatives from the NIAO shall give the Secretary of the Committee at least 10 days' notice of items that they wish to have tabled for discussion.

Duties

15. The duties of the Committee shall be as follows:

Corporate Governance

16. Examine overall corporate governance arrangements and their effectiveness in TNI;
17. Regularly review governance arrangements against developments in best practice;
18. Ensure that TNI's risk management and internal control systems are effective;
19. Review TNI's Annual Governance Statement for inclusion in the Annual Accounts.

External Audit

20. Review the major issues arising from any NIAO audits and any Value for Money (VFM) study;
21. Discuss with NIAO their audit strategy for each financial year in respect of the annual report and accounts;
22. Review NIAO's Report To Those Charged With Governance following completion of their audit of the annual report and accounts;

23. Review and discuss TNI's annual report and accounts prior to publication and consider any major adjustments required.

Internal Audit

24. Review, discuss and agree the Internal Audit Service (IAS) audit plans and ensure IAS is adequately resourced;
25. Receive reports from Internal Audit on progress, key findings, and management responses and receive the Annual Report. Review and discuss issues identified as a result of IAS programmed work and consider the major findings of any relevant internal investigations into control weaknesses, fraud or misconduct and management's responses;
26. Review any specific issues arising from internal and external audits as advised by IAS.

Other Responsibilities

27. Consider other topics, as defined by the Accounting Officer or the Board, such as the policies for preventing and detecting fraud, the Code of Ethics, or the policies for ensuring that TNI complies with relevant regulatory requirements;
28. To be apprised of and to provide advice in relation to suspected frauds or irregularities and, in light of findings, to consider dissemination of lessons to be learned;
29. Evaluate its own performance against Terms of Reference and best practice annually;
30. Consider the implications of any new guidance issued on accountancy or accountability issues.

Liaising and Reporting

31. The Chair will meet, at least annually and individually, with the Head of Internal Audit and the NIAO, independently of Management. These officials will have free and confidential access to the Chair of the Committee and can meet the Chair at any time without Management's knowledge.
32. The Committee will provide a written report to the Accounting Officer and Board after each meeting to document ARAC's opinion on the assurances it has reviewed and the adequacy and effectiveness of risk management and controls in TNI, and to highlight relevant areas of concern. It will also review the mid-year and end of year Stewardship Statements in advance of submission to DfE. The Committee, through the Chair, will also report annually to the Board on its work and how it has discharged its responsibilities.
33. Copies of the approved Audit Committee Minutes will be circulated to all Board Members for noting at the subsequent Board Meeting.

Conflicts of Interest

34. Each member of, or attendee at the Committee is personally responsible for declaring, at the start of each meeting, any potential conflicts of interest arising out of business on the Committee's agenda, any interests they have previously declared, and any potential conflicts of interest arising from changes in the member's or attendee's personal circumstances. The Chair will then determine an appropriate course of action with the member or attendee. If the Chair has a conflict of interest, they should bring the matter to the attention of the Board, which will ask another member of the Committee to take the lead in determining the appropriate course of action.

Review

35. The Committee will review its Terms of Reference at least annually and make recommendations for changes to the Board.

Indicative Agenda/ Forward Work Plan

Appendix 1

Item No.	Issue	Spring (May)	Summer (Aug)	Autumn (Oct)	Winter (Jan)
Standing Opening Items					
1	Apologies/Declarations of Interest / Conflicts of Interest	X	X	X	X
2	Approval of minutes of previous meeting	X	X	X	X
3	Matters Arising – summary of Audit Committee actions	X	X	X	X
Items for Discussion					
4	Internal Audit – Draft Annual Report and Opinion	X			
	Internal Audit – Final Annual Report and Opinion		X		
	Internal Audit – Draft Audit Strategy				X
	Internal Audit – Final Audit Strategy	X			
	Internal Audit – Annual Plan v Progress Report		X	X	X
	TNI - Summary of IA Recommendations Update	X	X	X	X
5	External Audit – Draft Governance Statement	X			
	External Audit – Annual Report and Accounts			X	
	External Audit – Report to Those Charged with Governance			X	
	External Audit – Strategy for Year End Accounts	X			
	TNI - Summary of progress on implementation of any outstanding recommendations in NIAO Report to Those Charged with Governance (if applicable)	X	X	X	X
6	Risk management - Corporate Risk Register	X	X	X	X
7	TNI Organisational Restructure	X	X	X	X
8	Written Update on Information Security	X	X	X	X
9	Policy Framework and Assurance Mapping incl. review of revised or new policies as assigned for ARAC review	X	X	X	X
10	TNI Assurance Statement	X		X	
11	Audit Committee's annual report to the Board	X			
12	Audit Committee's report to the Board in respect of meeting	X	X	X	X
Items for Noting					
	Guidance issued since last meeting	X	X	X	X
	Investigations and Notified Frauds	X	X	X	X
	Summary of Direct Award Contracts	X	X	X	X
	AOB				
	Date of Next Meeting	X	X	X	X
	Audit Committee Effectiveness – Summary of Results	X			