



Comhairle Chontae na Gaillimhe  
Galway County Council

# Audit Committee Charter

Rev 2.0

October 2024



This Audit Committee charter is based on the SI 244, Audit Committee Regulations 2014 , the statutory obligations within relevant Local Government legislation and the 'Guidance for Audit Committee in Local Authorities June 2014', issued by the Department of the Environment, Community & Local Government.

## **1. Purpose**

As part of the governance arrangements that operate within Galway 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 59 of the Local Government Reform Act 2014:

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

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

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

- Review with Management and the Head of Internal Audit the charter, activities, staffing and organisational structure of the Internal Audit function, its compliance with relevant professional standards and bring any recommendation 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.
- Periodic reviews of internal audit reports, findings & 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 to report its findings to the authority:**

- Review with management and the external auditor 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 the council on its findings at the next practicable meeting of Council.
- The Committee to carry out follow up examinations to ensure issues raised were dealt with by Management.

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

- Review management's arrangement to ensure and demonstrate economy, efficiency, and effectiveness across the organisation.
- Request special reports from management or internal audit as considered appropriate.
- Consider findings and recommendations made by the VFM Local Government Audit Service.

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

- 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 reports/presentations from Management on corporate and all directorates risk registers.

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

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

### **3. Composition of Audit Committee**

#### **3.1 Membership**

The audit committee was 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 21<sup>st</sup> June 2024 and will terminate on 31<sup>st</sup> May 2029

The committee consists of 5 members, three external members and two elected members of Council.

The maximum duration for external nominees to the Audit Committee shall be two consecutive terms.

#### **3.2 Committee Chairperson**

The Chairperson of the committee shall be elected by its members and shall be one of the external members. The Chairperson's role is to:

- Provide strong leadership and clarification to members on audit committee's responsibilities.
- Plan and manage the audit committee meetings.
- Oversee the provision of briefing to the committee in advance of meetings.
- Develop the effectiveness of the audit committee and seek to demonstrate the value of the internal audit function to the organisation.
- Ensure that the audit committee has the appropriate skills and knowledge.
- Inform the Cathaoirleach and the Chief Executive of any vacancy that arises on the committee and request the Corporate Policy Group in consultation with the Chief Executive to commence the process for replacing the member.
- If requested attend a meeting of the Local Authority where the audit committees' annual report is being discussed to provide a summary of the report and clarify such issues as may be necessary.

The Chief Executive to make available a member of staff to be known as the secretary of the audit committee whose role is:

- Assisting the chairperson with the preparation of meetings.
- Circulation of agendas, reports etc. and accurately minuting decisions of the committee.
- Assisting the chairperson with the preparation of reports of the audit committee

It is the duty of the Chair 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.

#### **4. Meetings**

The Committee will ordinarily meet on a quarterly basis and may hold additional meetings if required. Meetings will normally be held in County Hall, Prospect Hill, Galway at times and dates which will be agreed by the Committee and the Secretary. In exceptional circumstances where it is not possible to hold a physical meeting, a remote/hybrid meeting will be held.

The **quorum** necessary for the transaction of business shall be **3** members. In the absence of the Chair, the members of the Audit Committee present shall select a Chair for the Meeting.

The Committee may invite the Chief Executive, Members of Management, internal and external auditor, or others to attend meetings and provide information as necessary.

All committee members are expected to attend each meeting, but 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 of the committee in any calendar year.

##### **4.1 Working Procedures and Access**

The committee should adopt its own working procedures, which may include as necessary the commissioning of external professional expertise and advice 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 audit committee shall have access to documents or other data and information as it reasonably requires in order to discharge its functions.

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

The committee will invite members of management, internal and external auditor, and others to attend meetings and provide information as necessary.

The chairperson of the committee must hold a separate end of year meeting with the Chief Executive to review the performance and achievements of the committee during the year and to discuss the key issues and focus for the coming year.

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 Internal Audit unit may, with the agreement of the Chair of the Committee request a meeting do discuss a matter of exceptional importance.

## **5. 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.

## **6. 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.

All requests from the media relating to the role and function of the Audit Committee, shall be submitted in writing to the County Secretary, Corporate Services Unit, Galway Council County for consideration, in consultation with the Chairperson of the Audit Committee, and a reply, if deemed appropriate, shall issue in the form of a written statement from the Corporate Services Unit.

## **7. Conflicts of interest**

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.

Audit committee members should at the outset of each meeting declare any matter arising on the agenda in which they have an interest in, and regard should be had to the ethics and standards in public office requirements.

The Chairperson of the committee should determine an appropriate course of action with the member who declares a conflict of interest i.e., member to leave the meeting for duration of time whilst the issue of interest is being discussed or the member is requested to step down if the conflict of interest is likely to endure for a long period of time.

## **8. Reporting**

The following reports must be prepared by the audit committee and formally circulated to the Council / Chief Executive.

### **1. Report on the Audited Financial Statement (section 60 Local Government Reform Act 2014).**

The committee must discuss this report with the auditor who prepared it and note its findings in a report to the council. In doing so the committee should identify areas where it considers needs action for improvement and make recommendations as to the steps to be taken. Response of management must also be noted.

## **2. Audit Committee's Annual Report (regulation 15 of the local government (audit committee regulations 2014).**

The committee must prepare a report on its activities and findings during the year within a period of 3 months from the year's end. The report should include an assessment of the committee's own effectiveness and performance in so far as it relates to the work programme agreed by the Council and formally be submitted to the Council and Chief Executive.

At the request of the local authority the chairperson shall attend the meeting at which the report is being considered.

## **9. 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.

## **10. Protective Disclosures**

The audit committee shall ensure that procedures are in place whereby employees of the local authority may in confidence raise concerns about possible irregularities in financial reporting or other matters.

Any reports made direct to the Audit Committee about possible irregularities in financial reporting or other matters will be addressed in accordance with the Audit Committee Protocol for dealing with Protected Disclosures.

## **11. 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 Chair to take action to ensure that such improvements are implemented. The Chair, in consultation with the Chief Executive will decide on appropriate training and/or actions required to improve the performance and effectiveness of the Committee.

## **12. Qualified Privilege**

A member of the audit committee is entitled to qualified privilege in relation to any statements made by them at any meeting attended in the capacity as a member of the audit committee.

## **13. Review of Audit Committee Charter**

The Audit Committee's charter will be subject to annual review by the Committee and Council.

Signed: Maura Melahey  
Chairperson  
Galway County Council Audit Committee

Signed: Liam Conneally  
Liam Conneally, Chief Executive  
Galway County Council

Date: 5.11.24