

# LMC

Livestock & Meat Commission

**CODE OF PRACTICE FOR  
BOARD MEMBERS OF  
THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND (LMC)**



## Revision History

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## Review/Approval Register

Name	Position/Role	Review/Approval
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## Introduction

1. This Code of Practice for Board Members of The Livestock and Meat Commission for Northern Ireland (LMC) follows closely the guidance within the Codes of Conduct for Board Members of Public Bodies (NI) issued by the Department of Finance (DoF) and is approved by the Department of Agriculture, Environment and Rural Affairs (DAERA), the sponsoring Department of LMC. This Code sets out, clearly and openly, the standards expected from those who serve on the Board and forms part of individual members' terms and conditions.

## Key Principles of Public Life

2. The key principles upon which this Code of Conduct is based are the Seven Principles of Public Life. These are:

### Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

### Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

### Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### Openness

Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### Leadership

Holders of public office should promote and support these principles by leadership and example.

## Relationship with DAERA

3. The Minister of Agriculture, Environment and Rural Affairs has responsibility for appointing all of the Members to the LMC Board. Appointments to the LMC Board are made in accordance with the requirements of the Livestock Marketing Commission Act (NI) 1967. This is done through an open and transparent appointment process in line with the Office of the Commissioner for Public Appointments in NI's Code of Practice.

While the LMC operates within a degree of independence and flexibility, it must also operate within clearly defined parameters as set by the Minister and his Department.

The Minister is accountable to the Assembly for the activities and performance of the LMC. The DAERA Permanent Secretary, as the Departmental Accounting Officer, is accountable to the Assembly for the issue of public funding to the LMC. DAERA's Director of Corporate Services has responsibility for Sponsorship of the LMC. The respective roles of DAERA and LMC are set out in a Management Statement and Financial Memorandum.

## The Role of the Chair

4. The Chair has particular responsibility for providing effective strategic leadership on matters such as:
  - Formulating the Board's strategy for discharging its statutory duties;
  - Encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources throughout the organisation;
  - Ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or Sponsor Department;
  - Providing an opportunity for representatives of LMC's funding stakeholders to engage with the Board on the development of corporate strategy and priorities;
  - Representing the views of the Board to the general public; and
  - Providing an assessment of performance of individual Board Members, on request, when they are being considered for re-appointment to the Board or for appointment to the Board of some other Public Body.
5. The Chairman should ensure that the Board meets at regular intervals throughout the year and that the Minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Board Members.
6. Communications between the Board and the Minister of the Sponsor Department will normally be through the Chair except where the Board has agreed that an individual Member or an Executive should act on its behalf. Nevertheless, an individual Member

has the right of access to Ministers on any matter which he or she believes raises important issues relating to his or her duties as a Member of the Board. In such cases the agreement of the rest of the Board should normally be sought. The main point of contact between the body and the Sponsor Department on day-to-day matters will normally be the Chief Executive or another member of staff who is authorised to act on behalf of the body.

7. The Chair should ensure that all Members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities. The Chair and other Members of the Board should each have a copy of this Code of Practice; LMC's Management Statement and Financial Memorandum; its latest Corporate Plan and Annual Report and Accounts; 'The Responsibilities of a NDPB Accounting Officer'; the Treasury's handbook, 'Regularity and Propriety'; notes describing the body's organisational structure and statutory basis of operation; and the rules and procedures of the Board. The Chair should encourage new Board Members to attend an induction course on the duties of Board Members of Public Bodies or some other suitable form of induction programme at the earliest available opportunity.

## Corporate Responsibilities of Board Members

8. The Board has corporate responsibility for ensuring that the LMC fulfils various aims and objectives as set by DAERA and approved by the Minister and the efficient and effective use of staff and other resources. To this end the Board establishes the overall strategic direction of the LMC within the policy and resources framework agreed with DAERA whilst ensuring that any statutory or administrative requirements for the use of public funds are complied with.
9. Other important responsibilities of Board Members include:
  - Ensuring that high standards of corporate governance are observed at all times, including using the independent Audit and Risk Assurance Committee to help the Board in assessing and managing the key financial and other risks facing the organisation, and ensuring that Risk Management is routinely discussed at Board meetings; in particular it defines responsibilities within the organisation, how decisions are made and provides for the monitoring of the organisation's performance. New Board Members are required to undergo formal training on corporate governance within six months of appointment;
  - Establishing the overall strategic direction of the organisation within the policy and resources framework agreed with the responsible Minister;
  - Constructively challenge the organisation's Senior Management Team in their planning, target setting and delivery of performance;
  - Ensuring that DAERA and the Minister are kept informed of any changes which are likely to impact on the strategic direction of the organisation or on attainability of its targets, and determine the steps needed to deal with such changes;
  - Ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with its Sponsor Department, and in accordance with any other conditions relating to the use of public funds;
  - Ensuring that, in reaching decisions, the Board had taken into account any guidance issued by the Sponsor Department;

- Ensuring that the Board receives and reviews regular financial information concerning the management of the organisation; is informed in a timely manner of any concerns about the activities of the organisation; and provides positive assurance to the Sponsor Department that appropriate action has been taken on such concerns; and
  - Where applicable, appoint with the Sponsor Department's approval, a Chief Executive to the organisation and, in consultation with the Sponsor Department, set performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use of public monies.
10. The LMC Chair and Board Members must comply with the LMC's Code of Practice for Board Members. The Member must notify the Chair if he/she becomes the subject of a police investigation or is arrested by the police. They must not misuse information gained in the course of their public service for gain to themselves or associates. Also, they are required to declare publicly to the Board any private interests that may be perceived to conflict with their public duties and to comply with the Board's rules on the acceptance of gifts and hospitality.

## Strategic Planning and Control

11. One of the main tasks of the Board is oversight of the production of a corporate plan. The process of preparing such document provides an opportunity for agreeing, with the Minister, or DAERA officials on his or her behalf, the policy and resources framework within which LMC will discharge its duties; and for determining its key strategic objectives and targets. Such targets should normally cover areas such as organisation's financial performance; the efficiency and effectiveness of its operations; and the quality of the services provided. Some of LMC's outputs cannot easily be measured. Where this makes it difficult to set suitable performance targets, the Board should aim to agree carefully formulated strategic objectives and milestones.

## Delegation

12. Board Members normally serve on a part-time basis to the extent permitted by the Livestock Marketing Commission Act 1967. Responsibility for day-to-day management matters should be delegated to staff so far as is practicable, within a clearly understood framework of strategic control. Board Members should consider internal guidance covering those matters delegated to staff and those reserved for decision by the Board. The latter are likely to include issues of corporate strategy; key strategic objectives and targets; major decisions involving the use of financial and other resources; and personnel issues including key appointments and standards of conduct.
13. The Board may decide to delegate responsibility for specified matters where it has the power to do so, to individual Members or Committees of the Board. Decisions taken by individual Members or Committees of the Board under delegated powers should be recorded in written minutes available to the Board as a whole.

## Responsibilities of individual Board Members

14. Individual Board Members are not normally involved in the day to day management of the LMC. However, they must regularly attend Board meetings, keep up-to-date on relevant issues, and contribute to the decision making process at Board meetings. In so doing they must act in the best interests of the LMC and accept corporate decisions once made.
15. Individual Board Members should be aware of their wider responsibilities as Members of the Board. Like others who serve the public, they should follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life. Board Members must:
  - Undertake on appointment to comply at all times with this Code of Practice that is adopted by LMC and with rules relating to the use of public funds;
  - Act in good faith and in the best interests of LMC;
  - Not misuse official resources for personal gain or for political purposes;
  - Not misuse information gained in the course of their public service for personal gain or for political purpose or disclose any information which is confidential in nature or which is provided in confidence without authority (this duty continues to apply after leaving the Board);
  - Not seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, business or other organisations;
  - Declare publicly any private interests which may be perceived to conflict with their public duties; and
  - Ensure that they comply with the LMC Guidance on Gifts and Hospitality. Board Members must not accept gifts or hospitality which might or might reasonably appear to compromise personal judgement or integrity or place you under an improper obligation.
16. In this public role Board Members should be and be seen to be politically impartial. Board Members are expected not to occupy a paid political post or hold a particularly sensitive or high-profile role in a political party. On matters directly related to the work of LMC, political statements should not be made and political activity should not be engaged in. Board Members should be even-handed in all dealings with political parties.
17. Subject to the above, Board Members may engage in political activity but should at all times remain conscious of the responsibilities as a Board Member and exercise proper discretion. The Chair and Sponsor Department should be informed before undertaking any significant political activity.
18. As stipulated in the Candidate Information Booklet, a Member of the Legislative Assembly (MLA) is disqualified from being a member of the LMC Board. The Member of the LMC is also disqualified for membership of the House of Commons (MP) and the European Parliament (MEP).
19. The arrangements for appointing individual LMC Board Members normally make it possible to remove them from office if they fail to perform the duties required of Board Members to the standards expected of persons who hold public office.



## Handling Conflicts of Interest

20. The Chair and other Board Members should declare any personal or business interests which may conflict with their responsibilities as Board Members. The Board in consultation with DAERA, should draw up rules of conduct for Board Members which ensure that such conflicts are identified at an early stage and that appropriate action can be taken to resolve them.
21. The rules should include the keeping of a register of interests appropriate to LMC's activities. The register should, as a minimum, list direct or indirect pecuniary interests which members of the public might reasonably think could influence Board Members' judgement. Board Members are strongly encouraged to register non-pecuniary interests which relate closely to the body's activities, and interests of close family members and persons living in the same household as the Board Member<sup>1</sup>. If you are in any doubt as to what you should or should not be registering/declaring you should discuss this with the Chair and/or the Chief Executive.
22. LMC will make the Register of Interests open to the public. On request LMC will ensure that details of how access can be obtained are available widely and include such details in annual reports. It will often be appropriate to publish registers of interest annually. Board Members are required to update them as changes occur.
23. In the absence of specific statutory provisions, the common law requires:
  - That Members of Public Bodies should not participate in the discussion or determination of matters in which they have a direct pecuniary interest; and
  - That when an interest is not of a direct pecuniary kind, Members should consider whether participation in the discussion or determination of a matter would suggest a real danger of bias. This should be interpreted in the sense that Members might either unwittingly or otherwise unfairly regard with favour or disfavour, the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, Members should assess whether they, a close family member, a person living in the same household as the Board Member, or a firm, business or organisation with which the Board Member is connected are likely to be affected more than the generality of those affected by the decision in question. This would cover, for example, a decision to invite tenders for a contract where a firm with which a Member was connected was significantly better placed than others to win it.

For the avoidance of doubt, this paragraph does not preclude the Board from deciding to issue an indemnity in the terms of paragraph 30 below.

24. Where, in accordance with the above, Members do not participate in the discussion or determination of a matter, they should normally withdraw from the meeting, even if it is held in public. This is because the continued presence of someone who had declared an interest might be thought likely to influence the judgement of the other Members present.

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<sup>1</sup> Indirect pecuniary interests arise from connections with bodies which have a direct pecuniary interest or from being a business partner of, or being employed by, a person with such an interest. Non-pecuniary interests include those arising from membership of clubs and other organisations. Close family members include personal partners, parents, children (adult and minor), brothers, sisters and the personal partners of any of these.

25. Boards should obtain legal advice on the effect of any specific statutory provisions applying to them. In cases where Members are authorised by law to represent a group likely to be affected by a body's decisions, the relevant statutory framework may permit Members to be involved, notwithstanding any direct pecuniary interest that they may have in the decision. However, Boards should not overlook the possibility that specific statutory provisions may impose restrictions that are stricter than those described in paragraph 23 for interests that are not of a direct pecuniary kind.
26. Whether or not Board Members are able in the light of the considerations above to participate in the discussion or determination of a matter, they should declare as soon as practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They should also disclose any interests in it of which they are aware on the part of close family members and persons living in the same households as the Board Member. In addition, Board Members should consider whether they need to disclose relevant interests of other persons or organisations which members of the public might reasonably think could influence the member's judgement.
27. Because LMC is required, other than exceptionally, to follow generally accepted accounting practice, Board Members must facilitate compliance with the need under the relevant Financial Reporting Standards for material transactions with related parties to be disclosed in financial statements. "Related parties" include (in addition to business contacts) close members of the family of an individual, who are defined for the purposes of the standard as those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

## **Employment and Appointments**

28. If you wish to take up new employment or appointments during your term of office, you must inform the Chair and the relevant Sponsor Department. Formal consideration will be given to whether such additional appointments are appropriate given your current appointment to this body.
29. On leaving office, Board Members must comply with the rules of the body on the acceptance of future employment or appointments.

## **Personal Liability of Board Members**

30. Although any legal proceedings initiated by a third party are likely to be brought against the Board, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the Chair or other individual Board Members. For example, a Board Member may be personally liable if he or she makes a fraudulent or negligent statement which results in loss to a third party. Board Members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation.

31. In the case of a Board which is incorporated under the Companies Act or the Companies (Northern Ireland) Order, an individual Board Member will be subject to the duties of directors under company law.
32. However, the Government has indicated that individual Board Members who have acted honestly and, in good faith will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their Board functions, save where the person has acted recklessly. Subject to their own specific statutory powers, NDPBs should issue to their Board Members suitable indemnities consistent with this paragraph.
33. Board Members who need further advice should consult the Board's legal advisers.

## Openness and Responsiveness

34. Board Members and LMC staff should conduct all their dealings with the public in an open and responsible way and ensure full compliance with the Code of Practice on Access to Government Information. They should take account as far as possible of the Standard of Best Practice for Openness in Executive NDPBs and NHS bodies in the First Report of the Committee on Standards in Public Life (Cm 2850-I). LMC will make publicly available annual reports, and, where practical and appropriate, should hold open meetings, release summary reports of meetings, and invite evidence from members of the public on matters of public concern. LMC will seek to follow best practice in making available information to the public, particularly through its website, and co-operate with other bodies, such as local authorities, to place relevant information in the public domain. LMC will aim to consult their users on a wide range of issues by means of questionnaires, public meetings, or other forms of consultation, proportionate to the size and resources of the LMC. LMC will adhere to the seven principles of public service delivery.
35. LMC will ensure they can demonstrate that they are using resources to good effect, with propriety, and without grounds for criticism that public funds are being used for private, partisan or party political purposes. LMC will act consistently with the nature of the LMC's business and the possible need for confidentiality on commercial or other grounds, always subject to the rights of Parliament and the Comptroller and Auditor General to obtain information. LMC will ensure there is a well-publicised and easy-to-use complaints procedure that covers both maladministration and failure to provide access to information.

## Accountability for Public Funds

36. Board Members have a duty to ensure the safeguarding of public funds – which for this purpose should be taken to include all forms of receipts from fees, charges and other sources – and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that LMC at all times conducts its operations as

economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to relevant guidance in Government Accounting.

37. Members of the Board are responsible for ensuring that LMC does not exceed its powers or functions, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure. They are normally advised on these matters by the Chief Executive and its legal advisers.

## Annual Report and Accounts

38. As part of its responsibilities for the stewardship of public funds, the Board must ensure that it includes a full statement of the use of such resources in its Annual Report and Accounts. Such accounts will be prepared in accordance with the Accounts Direction issued by the responsible Minister and such other guidance as may be issued, from time to time, by DAERA and the Treasury, including the “Government Financial Reporting Manual” (FReM).
39. LMC will produce an Annual Report and Accounts as a single document and will give it appropriate publicity.
40. The Annual Report and Accounts will provide a full description of LMC’s activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current Members of the Board and senior staff; and provide details of remuneration of Board Members and senior staff in accordance with Treasury guidance and the law. The Annual Report should contain information on access to Registers of Interests in accordance with paragraph 22 above.

## The Role of the Chief Executive

41. The Chief Executive has responsibility, under the Board, for the overall organisation, management and staffing of LMC and for its procedures in financial and other matters, including conduct and discipline. This involves the promotion by leadership and example of the values embodied in the Seven Principles of Public Life. Board Members should support the Chief Executive in undertaking this responsibility.
42. The Chief Executive of LMC is designated as the Accounting Officer for the body. NDPB Accounting Officers are responsible to NI Assembly and the Accounting Officer of the responsible Department for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in their charge. The Accounting Officer has a responsibility to see that appropriate advice is tendered to the Board on all these matters. Satisfactory performance of these responsibilities is fundamental to the role of the Chief Executive.

43. More detailed guidance on the role of an Accounting Officer is set out in “The Responsibilities of a NDPB Accounting Officer”, which covers appearances before the Committee of Public Accounts of the House of Commons. All Board Members should ensure that they have a copy of this document. The Treasury’s handbook, ‘Regularity, Propriety and value for money’, describes what these concepts mean in a financial context. Although the handbook is intended primarily for Accounting Officers, Board Members should also familiarise themselves with it.

## Audit and Risk Assurance Committee (ARAC)

44. The ARAC Chair is also an individual Board Member and is bound by the same terms as individual Board Members and is not normally involved in the day to day management of the LMC. However, they must regularly attend Board meetings, keep up-to-date on relevant issues, and contribute to the decision making process at Board meetings. In so doing they must act in the best interests of the LMC and accept corporate decisions once made.

45. The ARAC Chair shall normally chair the independent Audit and Risk Assurance Committee, which helps the LMC Board to address the key financial and other risks facing the organisation. The Committee acts in accordance with the Cabinet Office’s *Guidance on Codes of Practice for Public Bodies*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/594345/Partnerships\\_between\\_departments\\_and\\_arm\\_s\\_length\\_bodies-code\\_of\\_good\\_practice.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/594345/Partnerships_between_departments_and_arm_s_length_bodies-code_of_good_practice.pdf)

46. LMC has an Audit and Risk Assurance Committee on which non-Executive Board Members will be expected to participate. This Committee should be chaired by a suitably qualified non-Executive Board Member other than the Chair, and who has experience of financial matters. The responsibilities of the Audit and Risk Assurance Committee overlap with those of the Accounting Officer and it is envisaged that he/she will normally attend all meetings of the Audit and Risk Assurance Committee unless, exceptionally, his or her own performance is being discussed. More detailed guidance on the role of the Audit and Risk Assurance Committee and its terms of reference are attached at Appendix 1.

## The Board as Employer

47. The Board should ensure:

- That it complies with all relevant legislation and that it employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by such bodies. All staff should be familiar with LMC’s main aims and objectives;
- That the organisation adopts management practices which use resources in the most economical, efficient and effective manner;

- That the LMC rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff. In filling senior staff appointments, the Board should satisfy itself that an adequate field of qualified candidates is considered, and should always consider the merits of full open competition. In recruiting external candidates, this should normally be used;
- That its staff, and the Board's own Members, have appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively (in line with wider Government commitments on training strategies); and
- The Board shall treat any staff employed by LMC with courtesy and respect. It is expected that employees will show you the same consideration in return. The Board will not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

48. The Board should adopt a code of conduct for its staff using the guidance issued for by Cabinet Office subject to any modifications that may be necessary – and that are agreed with the Sponsor Department – to take account of LMC's own particular characteristics and circumstances. The code should cover arrangements enabling Members of staff to raise concerns about propriety with a nominated official or Board Member of the LMC in the first instance and subsequently, if necessary, with a nominated official in the sponsor Department. There should be safeguards to prevent conflicts of interests when staff leave.

49. The Board has a responsibility to monitor the performance of the Chief Executive and other senior staff. Where the terms and conditions of employment of the Chief Executive and other senior staff include an entitlement to be considered for performance-related pay, and where such payments are assessed by Board Members, the Board should ensure that they have access to the information and advice required to make the necessary judgements.

## Social Media

50. Social media is a public forum and the same considerations, including the provisions of this Code, apply as would to speaking in public or writing something for publication, either officially or in a personal capacity. When engaging with social media you should at all times respect confidentiality, financial, legal and personal information.

51. Where any personal social media accounts used by you make reference or link to your public role, you should take care to ensure that it is clear in what capacity you are acting.

## Raising concerns

52. You should ensure that LMC has an open, transparent and safe working environment where employees feel able to speak up and raise concerns, and complaints procedures are clearly communicated to them.

53. If you have a concern about a possible breach of this Code, a concern that you or any staff of LMC are being asked to act in contravention of their own code of conduct, or a

concern about misconduct or wrongdoing in any other areas, then you have a responsibility to raise that internally with the chair of LMC or the Permanent Secretary of the sponsor department as appropriate.

## Audit and Risk Assurance Committee

1. The Guidance “Corporate governance in central government departments: Code of good practice 2017” recommends that all public bodies unless otherwise agreed with their sponsor department, should set up an Audit and Risk Assurance Committee as a committee of the Board.
2. The Audit and Risk Assurance Committee is an advisory body with no executive powers. Its main functions should be:
  - i. To help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
  - ii. To improve the quality of financial reporting by reviewing internal and external financial statements on behalf of the Board;
  - iii. To promote a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement; and
  - iv. To promote the development of internal controls systems which will help satisfy the Board that LMC will achieve its objectives and targets and is operating:
    - in accordance with any statutory requirements for the use of public funds;
    - within delegated authorities laid down by the sponsor department and the public body’s own rules on what matters should be referred to the Board;
    - in a manner which will make most economic and effective use of resources available.
3. The Audit and Risk Assurance Committee should be chaired by a non-executive Board Member, other than the chair, who has relevant experience and expertise. Other members of the committee should be non-executive Board Members.
4. The Treasury has issued The Audit and Risk Assurance Committee Handbook for Accounting Officers in departments and Executive Agencies <https://www.gov.uk/government/publications/audit-committee-handbook>
5. The Audit and Risk Assurance Committee terms of reference are shown below. A checklist for evaluating Audit and Risk Assurance Committee arrangements is available from the National Audit Office: <http://www.nao.org.uk/search/audit+committee+checklist/>



## LMC Audit and Risk Assurance Committee Terms of Reference

The Audit and Risk Assurance Committee is a Committee of the LMC Board. It supports the Board in their responsibilities for issues of risk, control and governance, by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs, and reviewing the reliability and integrity of these assurances.

These Terms of Reference were approved by the LMC Board on 25 January 2021.

### Membership

The members of the Audit and Risk Assurance Committee are:

- Mr. Joseph Stewart: Chair from February 2021 and non-executive Board Member appointed from February 2021;
- Ms. Oonagh Chesney: non-executive Board Member appointed by the Board in September 2015 for the duration of her membership of the Board;
- Mr. Harry Sinclair: non-executive Board Member appointed by the Board in September 2015 for the duration of his membership of the Board;
- Mr. Jim Lennon: non-executive Board Member appointed by the Board in September 2015 for the duration of his membership of the Board.

The Audit and Risk Committee will be provided with a secretariat function by LMC's accountant, Suzanne Blain.

### Reporting

- The Audit and Risk Assurance Committee will formally report to the Board and Accounting Officer after each meeting.
- The Audit and Risk Assurance Committee will provide the Board and Accounting Officer with an Annual statement, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has conducted during the year.

### Responsibilities

The Audit and Risk Assurance Committee will advise the Board and Accounting Officer on:

- The strategic processes for risk, control and governance and the Governance Statement;
- The accounting policies, the accounts, and the annual report of LMC, including the process for preparation of the accounts for audit, levels of error identified, and management's letter of representation to the external auditors;
- The planned activity and results of both internal and external audit;
- Adequacy of management response to issues identified by audit activity, including external audit's management letter;
- Assurances relating to the corporate governance requirements for LMC;
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;
- The approval of internal LMC business cases for expenditure of £30,001 up to £200,000 on goods and non-construction services;
- The Audit and Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board.

## Rights

The Audit and Risk Assurance Committee may, subject to Board agreement:

- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- Procure specialist ad-hoc advice at LMC expense.

## Access

Representatives of Internal Audit and External Audit will have free and confidential access to the Chair of the Audit and Risk Assurance Committee.

## Meetings

- The Audit and Risk Assurance Committee will meet between three to four times a year. The Chair of the Audit and Risk Assurance Committee may convene additional meetings, as they deem necessary;
- A minimum of two **non-executive Board**<sup>2</sup> Members of the Audit and Risk Assurance Committee will be present for the meeting to be deemed quorate;
- Audit and Risk Assurance Committee meetings will normally be attended by the Accounting Officer, the Accountant, and a representative of Internal Audit and External Audit;
- The Audit and Risk Assurance Committee will also invite a member of LMC's sponsoring body, DAERA ALB Corporate Sponsor Branch, to attend all Audit and Risk Assurance Committee meetings;
- The Audit and Risk Assurance Committee may ask any other LMC officials to attend to assist it with its discussions on any particular matter;
- The Audit and Risk Assurance Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters;
- The Board or the Accounting Officer may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

## Information Requirements

***For each meeting the Audit and Risk Assurance Committee will be provided with:***

- A report summarising any significant changes to LMC's Risk Register;
- A progress report from Internal Audit summarising:
  - work performed (and a comparison with work planned);
  - key issues emerging from Internal Audit work;
  - management response to audit recommendations;
  - changes to the Internal Audit Plan;
  - any resourcing issues affecting the delivery of Internal Audit objectives;
- A progress report from the External Audit representative summarising work done and emerging findings;
- Any management assurance reports; and
- Reports on the management of major incidents, "near misses" and lessons learned.

***As and when appropriate the Committee will also be provided with:***

- Proposals for the Terms of Reference of Internal Audit;

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<sup>2</sup> 'Non-executive Board Members' added to ensure at least two LMC Board Members are always present.

- The Internal Audit Strategy;
- Internal Audit's Annual Opinion and Report;
- Internal Audit's Service Level Agreement;
- Quality Assurance reports on the Internal Audit function (as appropriate);
- LMC draft accounts;
- The draft Governance Statement;
- A report on any changes to accounting policies;
- The External Audit Strategy;
- External Audit's management letter;
- A report on any proposals to tender for audit functions;
- A report on co-operation between Internal and External Audit; and
- LMC Risk Management Strategy.

*The above list suggests minimum requirements for the inputs which should be provided to the Audit and Risk Assurance Committee. In some cases more may be provided.*

## Evidence to Select Committees

1. Departmental Select Committees have an important role in examining the expenditure, administration and policies of NDPBs. The Government fully supports this role. Lords Committees and other Committees may also seek evidence from NDPBs from time to time.
2. NDPB Board Members may, on occasion, be invited to give evidence to Select Committees. When they do so, they should be as helpful as possible in providing accurate, truthful and full information refusing to provide information only when disclosure would not be in the public interest. This should be decided in accordance with the relevant statutes and the Freedom of Information Act 2000. Board Members should bear in mind in this context the need to respect legitimate Board confidences.
3. Before giving evidence, Board Members may find it helpful to see Departmental Evidence and Response to Select Committees (also known as the Osmotherly Rules). This gives general advice on dealing with Select Committees including their powers to summon witnesses and papers and responses to Select Committee reports. Copies are available from the Propriety and Ethics team in the Cabinet Office on 020-7276-3541 or it can be accessed at <https://www.gov.uk/government/publications/departmental-evidence-and-response-to-select-committees-guidance>
4. Similarly, the Chief Executive of an NDPB may be called, as an Accounting Officer, to give evidence to the Public Accounts Committee (PAC). Guidance on giving evidence to the PAC is set out in the Accounting Officer Memorandum which can be obtained from the Treasury Officer of Accounts.
5. Board Members wishing to give evidence should, as a matter of courtesy, advise their Chairman and colleagues on the NDPB Board and its sponsoring department of their intention. They should discuss with them the handling of any oral or written evidence they want to submit and whether they expect to be giving evidence on behalf of the NDPB or in a personal capacity. The Select Committee should be advised of the status of the witness.
6. Subject only to a Committee's power to decide to require the attendance of a witness, the decision on whether to give evidence is solely for the individual concerned. There must be no pressure placed on individuals to deter them, or action taken against them as a consequence of giving evidence to a Select Committee. Any such actions might be regarded as contempt of the House, with potentially serious consequences for those involved.

## Relevant Publications

**Committee on Standards in Public Life (the Nolan Committee), First Report**, Cm 2850-I, 1995, (ISBN 0 10 1285027).

**The Government's Response to the First Report of the Committee on Standards in Public Life**, Cm 2931, July 1995, (ISBN 0 10 129312 7).

**Standards Matter: a review of best practice in promoting good behaviour in public life 14<sup>th</sup> report of the Committee on Standards in Public Life**, January 2013.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/228884/8519.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/228884/8519.pdf)

**Public Sector Internal Audit Standards**, March 2017

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

**Audit and Risk Assurance Committee Handbook**, March 2016

<https://www.gov.uk/government/publications/audit-committee-handbook>

**Audit and Risk Assurance Committee Handbook (NI)**, April 2018

<https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/daodof0318att.pdf>

**Public Bodies: Information and Guidance for Departments**, December 2012.

<https://www.gov.uk/government/collections/public-bodies-information-for-departments>

**Regularity, Propriety and Value for Money**, November 2004.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/212460/Regularity\\_Propriety\\_and\\_Value\\_for\\_Money.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/212460/Regularity_Propriety_and_Value_for_Money.pdf)

**Guide to Freedom of Information Act 2000**, ICO

<https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>

**Managing Public Money**, July 2013

<https://www.gov.uk/government/publications/managing-public-money>

**Managing Public Money Northern Ireland**, June 2008

<https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/managing-public-money-ni-chapters.pdf>

**Code of Conduct for Board Members of Public Bodies**, June 2019, Cabinet Office

<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

**Code of Conduct for Board Members of Public Bodies (NI)**, April 2014

<https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/fddfp0414att.pdf>

**Corporate Governance in Central Government Departments: Code of Good Practice NI 2013**, April 2013 DAO (DFP) 06/13

<https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/daodfp0613att.pdf>

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