Tourism Northern Ireland
Audit and Risk Assurance Committee
Terms of Reference

20 August 2026

Constitution:

1. The Board of Tourism Northern Ireland (Tourism NI) has established an Audit and Risk Assurance Committee (hereafter referred to as "the Committee" or "ARAC") as a sub-committee of the Board to support them in their responsibilities for governance, risk management and control. In meeting the Board and Accounting Officer's assurance needs, ARAC will review the comprehensiveness, reliability and integrity of assurances received.

2. The Committee will be an independent advisory body, chaired by a non-executive member of the Board and shall report to the Accounting Officer.

3. ARAC's Terms of Reference (ToR) are agreed by the Accounting Officer and the Board.

4. The Terms of Reference 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.

5. The Committee will agree a meeting schedule and forward work plan and the secretariat of the Committee will circulate the minutes of meetings to all members of the Board and the Committee.

6. The Terms of Reference do not conflict with guidance in the HM Treasury's Audit and Risk Assurance Committee Handbook (August 2025).

7. The Terms of Reference are included as a standing agenda item at every ARAC for reference purposes.

Overall Purpose:

8. 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 independent advice and scrutiny in accordance with the relevant guidance issued by the Department of Finance (DoF).

9. The Audit and Risk Assurance Committee will complement the work of The Finance and Casework Committee and Marketing Committee in respect of financial management of the organisation, major projects, programmes and procurement, and Tourism NI's marketing strategy as part of overall governance arrangements.

Objectives:

10. 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 Tourism NI;
    - 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 Tourism NI; and
    - 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:

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

    - At least three non-executive Members (including Chairperson); and
    - At least one independent External Member.

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

Other Attendees:

13. 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 Officer, Tourism NI (as Accounting Officer);
    - Director of Organisational Delivery, Tourism NI;
    - Corporate Governance and Risk Manager, Tourism NI;
    - Tourism Partner Team, Department for the Economy (DfE);
    - Head of Internal Audit Services (IAS); and
    - External Auditor, Northern Ireland Audit Office (NIAO).

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

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

    - Tourism NI Executive Leadership Team (ELT) Directors;
    - Tourism NI Senior Management Team (SMT) Heads of Business Areas;
    - An Internal Audit Manager; and
    - The External Value for Money (VfM) Auditor (NIAO).

Rights:

16. The Audit and Risk Assurance Committee may, with the prior approval of the Accounting Officer:

    - Request any employee of the organisation to report on the management of risk or on the control environment within their areas of responsibility;
    - Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience; and / or
    - Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board.

Meetings:

17. The Accounting Officer will ensure that there is adequate support for the Audit Committee, including access to funding to cover the costs incurred in fulfilling its role and adequate secretariat support to perform its function.

18. The ARAC shall meet at least four times a year. The Chair of the ARAC may convene additional meetings, as they deem necessary.

19. A quorum for any meeting shall be no fewer than 50% of members.

20. The ARAC may ask any other officials of the organisation to attend to assist it with discussions on any particular matter.

21. The ARAC 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.

22. The Board or the Accounting Officer may ask the ARAC to convene further meetings to discuss particular issues on which they want the Committee's advice.

23. An outline indicative agenda for the meetings is attached at **Appendix 1**.

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

25. Papers will be provided 5 working days (1 Week) in advance of meetings.

Information requirements:

26. For each meeting, unless otherwise agreed, the ARAC shall be provided (at an agreed time in advance of the meeting) with:

    - A report summarising any significant changes to the organisation's strategic risks and a copy of the strategic / corporate Risk Register;
    - A progress report (written or verbal) from the head of internal audit summarising:
        a) Work performed (and a comparison with work planned);
        b) Key issues emerging from the work of internal audit;
        c) Management response to audit recommendations;
        d) Changes to the agreed internal audit plan for ARAC approval; and

e) Any resourcing issues affecting the delivery of the objectives of internal audit;

- A progress report (written or verbal) from the external audit representative summarising work done and emerging findings (this may include, where relevant to the organisation, aspects of the wider work carried out by the Northern Ireland Audit Office, for example, Value for Money reports and good practice findings);
- Management assurance or changes to the control environment reports; and
- Reports on the management of major incidents, "near misses", raising concerns cases and lessons learned.

27. As and when appropriate the committee shall also be provided with:

- Proposals for the review of terms of reference of internal audit / the internal audit mandate and charter;
- The internal audit strategy;
- The head of internal audit's annual overall conclusion and report;
- Quality assurance reports on the internal audit function;
- The draft annual report and accounts of the organisation;
- The draft Governance Statement;
- A report on any changes to accounting policies and any other policies delegated by the Board for review;
- External audit's management letter;
- A report on any proposals to tender for audit functions;
- An update on co-operation between internal and external audit;
- The organisation's Risk Management strategy and
- Relevant reports from any other assurance providers, for example Gateway reviews.

This list is not exhaustive.

Tabling of Items for Discussion:

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

Duties:

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

- Examine overall corporate governance arrangements and their effectiveness in Tourism NI;
- Regularly review governance arrangements against developments in good ~~best~~ practice;
- Ensure that Tourism NI's risk management and internal control systems are effective; and
- Review Tourism NI's Annual Governance Statement for inclusion in the Annual Accounts.

Responsibilities:

30. The ARAC shall consider the internal audit mandate, charter, plan, budget and resource plan on behalf of the Board and make a recommendation to the Board for approval.

31. The ARAC shall advise the Board and Accounting Officer on:

- The strategic processes for governance, risk management and control and the Governance Statement;
- The accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts, prior to submission 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 management of risk and corporate governance requirements for the organisation;
- The effectiveness of the internal control environment;
- (Where appropriate) proposals for tendering for either internal or external audit services or for purchase of non-audit services from contractors who provide audit services;
- Anti-fraud policies, raising concerns processes, and
- Arrangements for special investigations.

Internal Audit:

32. The work of Internal Audit is independent from the operations that it evaluates, reporting their work directly to the Board, via ARAC to provide effective oversight and governance. It is likely to be the single most significant resource used by ARAC in discharging its responsibilities. This is because the Head of Internal Audit, in accordance with Internal Audit professional standards, has a responsibility to provide an annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes.

33. The role of ARAC in relation to Internal Audit includes advising the Accounting Officer and Board (through ARAC) on:

- The Internal Audit strategy and periodic Internal Audit plans, forming a view on how well they reflect the organisation's risk exposure and support the Head of Internal Audit's responsibility to provide an annual opinion;
- The adequacy of the resources available to Internal Audit;
- The Internal Audit Charter & Mandate / Terms of Reference for Internal Audit;
- Receiving reports from Internal Audit Service 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; and
- Review any specific issues arising from internal and external audits as advised by IAS.

External Audit:

34. Review the major issues arising from any NIAO audits and any Value for Money (VfM) study.

35. Discuss with NIAO their audit strategy for each financial year in respect of the annual report and accounts.

36. Review NIAO's Report to Those Charged with Governance following completion of their audit of the annual report and accounts.

37. Review and discuss Tourism NI's Annual Report and Accounts prior to publication and consider any major adjustments required.

Other Responsibilities:

38. Consider other topics, as defined by the Accounting Officer or the Board, such as the Fraud and Raising Concerns (e.g. TNI Anti-Fraud & Bribery Policy and TNI Raising Concerns Policy) policies for preventing and detecting fraud, the Code of Ethics, or the policies for ensuring that Tourism NI complies with relevant regulatory requirements.

39. 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.

40. Evaluate its own performance against Terms of Reference and good practice annually and report the results of that review to the Board. The Chair may consider commissioning an external review if considered necessary.

41. Consider the implications of any new guidance issued on accountancy or accountability issues.

Reporting, Oversight and Liaison:

42. 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 Tourism NI, and to highlight relevant areas of concern. It will also review the mid-year and end of year Assurance 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. Copies of the approved Audit Committee Minutes will be circulated to all Board Members for noting at the subsequent Board Meeting.

43. The ARAC shall provide the Board and Accounting Officer with a written Annual Report, timed to support finalisation of the accounts and the Governance Statement, outlining its effectiveness and impact and summarising its conclusions on the effectiveness of the control framework in place from the work it has done during the year.

44. The Chair will meet, at least annually and individually, with the Head of Internal Audit Service 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.

Conflicts of Interest:

45. 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:

46. The Terms of Reference are reviewed on an annual basis. The Committee may make recommendations for changes to the Board.

Indicative Agenda/ Forward Work Plan — Appendix 1

Item No.	Issue:	Spring (April)	Summer (July)	Autumn (Oct)	Winter (Jan)
	Standing Opening Items:				
1	Apologies / Declarations / Conflicts of Interest	X	X	X	X
2	Minutes of Previous Meeting	X	X	X	X
3	Matters Arising – Summary of ARAC actions arising	X	X	X	X
	Items for Discussion:				
4	Internal Audit – Annual Report and Opinion	X			
	Internal Audit – Draft Audit Strategy[1]				X
	Internal Audit – Final Audit Strategy[2]	X			
	Internal Audit – Annual Plan vs. Progress Report	X	X	X	X
5	External Audit – Annual Report and Accounts (incl. Governance Statement)		X		
	External Audit – Report to Those Charged with Governance			X	
	External Audit – Strategy for Year End Accounts	X			
6	Recommendations Registers	X	X	X	X
7	Risk Management – Corporate Risk Register (incl deep dive)	X	X	X	X
8	Cyber Security & Information Security	X	X	X	X
9	Policy Framework	X	X	X	X
10	Assurance Mapping (incl deep dive)	X	X	X	X
11	TNI Assurance Statement	X		X	
12	Audit Committee's Annual Report to the Board (incl Effectiveness Review)		X		
13	Terms of Reference (ToR) – Annual Review		X		
14	PPE Test Drilling Report	**When received by DfE and DoF**			
15	Register of Interests Report	X			
16	Gifts and Hospitality Report		X		
17	Lessons Learned Report	X			
	Items for Noting:				
18	Quarterly Notifications - Guidance issued since last meeting (incl topical items)	X	X	X	X
	Quarterly Notifications – Investigations, notified frauds, near misses and special investigations	X	X	X	X
	Quarterly Notifications - Summary of Direct Award Contracts	X	X	X	X
	Quarterly Notifications - Summary of YTD External Consultancy	X	X	X	X
	Quarterly Notifications - Summary of Modifications to Extend Contracts	X	X	X	X
19	Business Case & Contracts Register	X	X	X	X
20	Losses and special payments report	X			
21	O&L Meeting – agenda and minutes	X	X	X	X
	Closing Items				
22	Any Other Business (AoB) i. Matters for reporting to Board ii. Post meeting review of efficiency and effectiveness	X	X	X	X
23	Date of Next Meeting	X	X	X	X

[1] Draft Audit Strategy may issue via correspondence after the January meeting.

[2] ARAC may approve Final Audit Strategy by correspondence in advance of April/May meeting.