

## **West College Scotland**

### **Board of Management**

#### **Audit Committee**

#### **Statement of Purpose**

The Board provides the principal governance mechanism through which activities are managed in accordance with legislation and regulations, as well as ensuring that systems are in place to provide efficiency, effectiveness and economy. However, the Board has delegated some of its responsibilities to certain committees.

The role of the Audit Committee is to support the Board in its responsibilities of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the assurance needs of the Board, and by reviewing the reliability and integrity of these assurances through a process of constructive challenge.

#### **1. Remit**

##### **.1 General**

- To provide advice to the Board on the strategic processes for risk, control and governance;
- To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness (value for money);
- To advise the Board on the adequacy of the whistle blowing process and to receive an annual report on any matters raised through this process;
- To consider and advise the Board accordingly on any arrangements for special investigations and the outcomes of such investigations;
- To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPFM and the Code of Good Governance for Scotland's Colleges;
- To consider the College's Annual Financial Statements at a joint meeting with the Finance and General Purposes Committee, and to recommend to the Board for approval;
- To provide an annual report to the Board, timed to support the finalisation of the accounts and the Statement on Internal Control, and summarising its conclusions from the work it has done during the year;
- To report to the Board after each meeting;
- To review its own effectiveness at least annually and to report the results of that review to the Board.

##### **.2 Internal Audit**

- To advise the Board on the selection, appointment or re-appointment and remuneration, or removal of the Internal Auditors. The responsibility for selection of the Internal Auditor may be delegated to a Selection Committee as agreed by the Committee;
- To advise the Board on the terms of reference for the Internal Auditors;
- To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters;

- To agree the Internal Audit Plan and review the Internal Audit Annual Report;
- To review the Internal Audit reports, the management response to them and to review implementation of the actions required;
- To review the Rolling Audit Action Plan at each meeting;
- To encourage appropriate liaison and co-ordination between internal and external audit;
- To establish appropriate performance measures and indicators to monitor the effectiveness of the Internal Auditors

### **.3 External Audit**

- To receive information on the general terms and conditions of appointment of the External Auditors who are engaged by Audit Scotland to provide audit services to the College;
- To consider the External Auditors report on the Financial Statements and the management letter prior to submission to the Board, and to review the implementation of the recommendations;
- To review the Statement of Corporate Governance;
- To review the External Audit strategy and plan;
- To establish appropriate performance measures and indicators to monitor the effectiveness of the External Auditors;
- To consider the objectives and scope of any non-statutory audit work to be undertaken by the External Auditors firm and advising the Board of any potential conflict of interests.

### **.4 Risk**

- To review the Risk Management Strategy and recommend to the Board for approval;
- To consider the Strategic Risk Register and to advise the Board accordingly;
- To consider matters of risk at each meeting and to satisfy itself that risks are being managed, including seeking assurances from internal and external audit on the adequacy of their management, and to report to the Board.

### **.5 Other**

- To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; and Hospitality/Gifts Registers;
- To request any member of the College staff to attend and/or to provide a written report on any matter that falls within the remit of the committee;
- To procure ad-hoc specialist advice at the expense of the College as appropriate and when necessary, subject to budgets being agreed by the Board.

## **2. Membership**

Four Members, at least two of whom shall be members of the Board of Management, one of whom will Chair. The Chair of the Committee shall be a member of the Board of Management.

At least one member should have a background in finance, accounting or auditing but membership should not be drawn exclusively from people with such a background.

The Committee will **not** include any of the following as members:

- The Principal or other senior post holders
- The Chair of the Board of Management
- Members of the Finance and General Purposes Committee

- Connected parties such as the employee, partner, spouse or family member of the College's solicitors, bankers, auditors, insurers or other professional advisers.

Attending:

The Principal.  
 Vice Principal Operations  
 The Director of Finance and Estates  
 The College's Internal Auditor.  
 The College's External Auditor.

The Committee is empowered to invite other members of the Senior Management/Executive team to attend meetings of the Committee.

The Committee is empowered to co-opt additional members, subject to approval by the Nominations Committee. Such members will normally be appointed for one year, will be subject to annual review, and may be re-appointed annually up to a maximum of 8 years.

Chairs of other Committees, other than the Chair of the Board of Management, can attend the meetings, with the approval of the Chair of the Audit Committee.

Committee members will be appointed to serve a four- year term, or for the period of their term of office.

Committee members may sit privately without any non-members present for all or part of a meeting if appropriate.

Committee members will meet with the Internal and External Auditors without the Executive Team present at least annually.

External and Internal Auditors will have the right to unrestricted and confidential access to Chair of the Audit Committee.

### **3. Frequency of Meetings**

The committee will meet at least four times per year and will also hold an annual joint meeting with the Finance and General Purposes Committee. Additional meetings will be convened as necessary.

### **4 Quorum**

A quorum will be two Members of the Committee, one of whom must be a member of the Board.

### **5 Secretariat**

Secretary to the Board of Management

Papers for meetings will be sent out 7 days in advance of the meeting

The Committee will report to the Board of Management and the minutes of its meetings will be circulated to the Board for information.

### **6 Review**

The Remit will be subject to review annually.

Approved by Board - 15 March 2017