

West College Scotland - Board of Management

Audit and Risk Committee

Statement of Purpose

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

The purpose of the Audit and Risk Committee is to assure the Board that the College has in place a system of governance, risk management and internal control which is being maintained and developed to meet legislation and regulations applying to West College Scotland. The Committee must support the Board and the Principal by reviewing the completeness, accuracy, reliability and integrity of assurances: the College's governance, risk management and internal control framework.

The Committee has two main functions:

- an audit function, with a focus on assurance arrangements over: governance, financial reporting, annual report and accounts, including the governance statement.
- an assurance function, with a focus on ensuring there is an adequate and effective risk management and assurance frameworks in place to both identify mitigate risk effectively.

1. Remit

General

- To provide advice to the Board on the framework used for the monitoring of risk within the College and its adequacy in maintaining visibility across the risks the College is exposed to.
- To ensure the College has in place a framework which supports the processes for systematically identifying risk, assessing and prioritising risk, mitigating risk which could impact on the College fulfilling its objectives, how this is controlled and governed.
- To review the management of risk assurance framework and receive reports relating to this in order to provide the necessary assurances to the Board or determine any further action or assurances required.
- 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 anti-fraud policy and processes, and on the whistle blowing process, and to receive an annual report on any matters raised through these processes.
- 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 Corporate Development 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.

.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.

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 prior to finalisation and incorporation into the Financial Statements.
- 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 and advising the Board of any potential conflict of interests.

Risk

- To annually review the process for risk management, including the Risk Management Policy and recommend to the Board for approval.
- To monitor and ensure the effectiveness of the College's approach to risk assessment and management through regular review of the Risk Register, other operational risk reports and seeking assurances from internal and external audit on the adequacy of their management.
- To provide an annual report to the Board the effectiveness of the College's approach to risk assessment and management.

- Request reviews by the College of areas of high or escalating risk ensuring that recommendations from these are adequately responded to.
- To receive ad-hoc reports on matters of potential reputational, commercial and/or financial risk and ensure that the College's approach to managing the risks is appropriate and adequate.

Other

- To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; Hospitality/Gifts Registers; and IT security / controls and their application.
- To review and advise the Board on the College's policies for counter-fraud, whistle-blowing and cyber and information security.
- 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

A minimum of three Members of the Board of Management, one of whom will Chair.

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 4 years.

In Attendance

Principal

Vice Principal Operations

Director of Finance

Head of Finance & Student Funding

Governance Manager

Internal Auditor (Wylie Bisset)

External Auditor (Azets)

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

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

Audit & Risk Committee members will annually meet with the Internal and External Auditors without the Executive Management Team present.

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

The Chair and Vice Chair of the Committee will be members of the Board of Management.

Chair, Vice Chair, and members appointments to the Committee will be between 3 to a maximum of 5 years, providing systematic opportunities for Committee members to serve on another Committee.

Members of the Audit & Risk, Corporate Development and Learning and Teaching Quality Committees can request to attend other Committees' meetings as observers, providing opportunities to gain more understanding of the respective Committees' issues.

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 an annual review and may be re-appointed annually for up to a maximum of 8 years.

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

3. Frequency of Meetings

The Committee will meet at least four times per year. The Committee will hold an annual joint meeting with the Corporate Development Committee to consider the Financial Statements and audit reports. Additional meetings will be convened as necessary.

4. Quorum

A quorum will be no less than 50% of Board members on the Committee, subject to a minimum of two Board members.

5. Secretariat

- Secretariat will be provided by the Governance Manager.
- Papers for meetings will be sent out electronically 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. Next review date will be September 2025.