

West College Scotland – Board of Management

Audit & Risk Committee – Terms of Reference for 2026/2027

Statement of Purpose

The Audit & Risk Committee (ARC) supports the Board of Management by providing independent assurance to the Board on governance, risk management, internal control and audit arrangements.

The remit focusses on the Committee's core strategic assurance role rather than detailed procedural responsibilities. It also aligns with the Scottish Government Audit & Assurance Committee Handbook principles.

The Committee shall focus on strategic oversight within its remit and avoid duplication of responsibilities assigned to other Board Committees.

Remit

The Audit & Risk Committee shall:

1. Provide assurance to the Board on governance arrangements supporting delivery of the Strategic Plan.
2. Provide assurance to the Board on the effectiveness of the College's governance, risk management, internal control and assurance frameworks.
3. Advise the Board on the adequacy of arrangements for identifying, managing and mitigating strategic, operational, financial and reputational risks.
4. Monitor the effectiveness of the College's risk management framework, including regular review of the Strategic Risk Register and escalation of significant concerns to the Board.
5. Review the effectiveness of internal controls, governance arrangements and value-for-money processes, including fraud prevention and compliance controls.
6. Advise the Board on compliance with statutory, regulatory and governance requirements, including the Financial Memorandum, Scottish Public Finance Manual and Code of Good Governance for Scotland's Colleges.
7. Review the College's accounting policies, annual financial statements and governance statement and recommend these to the Board for approval.
8. Oversee the appointment, independence, effectiveness and performance of the Internal Auditors, and monitor delivery of the Internal Audit Plan and implementation of audit recommendations.
9. Monitor the effectiveness of External Audit arrangements, including audit plans, audit findings, management responses and implementation of recommendations.
10. Provide oversight of key assurance areas including anti-fraud, anti-bribery and corruption, whistleblowing, business continuity, information governance and cyber security.
11. Provide regular assurance reports to the Board on the effectiveness of governance, risk management and internal control arrangements, and consider any other matters within its remit as requested by the Board.
12. Ensure compliance with Scottish Government, Scottish Funding Council, QAA and other applicable statutory or regulatory requirements.
13. Provide assurance and recommendations to the Board that support effective governance, informed decision-making and delivery of the College's Strategic Plan.

Membership

A minimum of three Non-Executive 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.

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.

The Principal is not a member of the Audit & Risk Committee and does not have voting rights. However, the Principal and other Senior Leaders may attend meetings to provide information or updates, or to support discussion, as deemed appropriate by the Committee.

In Attendance

Principal (Accountable Officer)

Vice Principal Operations (Adviser to the Committee)

Director of Finance & Estates

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.
- Committee members may sit privately without any non-members present for all or part of a meeting to allow open and frank discussions of certain matters as appropriate.
- Audit & Risk Committee members will annually meet with the Internal and External Auditors without the Executive 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 non-executive members of the Board of Management.
- Committee Members are recommended to complete CDN online training module – College Audit Committees.
- 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 and appointments will be made by the Board of Management.
- Members of all 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 invite other members of the Executive / Senior Leadership Team to attend meetings of the Committee.

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.

Reporting Arrangements

The Chair of the Committee will provide an update on Committee discussions to the next Board Meeting following the Committee Meeting. Minutes of all Committee meetings will also be submitted to the Board.

The Committee will provide an Annual Report to the Board to ensure it has fulfilled its general and specific roles and remit.

Quorum

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

Secretariat

- Secretariat will be provided by the Governance Manager.
- Papers for meetings will be sent out electronically 7 days in advance of the meeting.

Review

Through delegated authority, Board Committees support the Board by scrutinising performance, reviewing risks and policies, monitoring progress and providing advice and recommendations for Board consideration.

The remit will be subject to annual review. Next review date will be September 2027.