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AUDIT AND RISK COMMITTEE

29 May 2024

Review of Committee Terms of Reference

1.0 PURPOSE OF PAPER

For decision

- 1.1 To discuss and agree any amendments to the current Committee Terms of Reference (ToR).

2.0 EXECUTIVE SUMMARY

- 2.1 The Committee ToR were last amended and agreed by Board in October 2023.
- 2.2 An annual cycle of revision will now be undertaken at the last Committee meeting of the academic year to check that the ToR covered all pertinent Committee business and that Committee business reflected the ToR.
- 2.3 The current ToR are attached at the end of the paper.

3.0 RECOMMENDATION

- 3.1 Members review the current ToR, discussing and agreeing for recommendation to Board any amendments and confirming they are fit for purpose.

4.0 IMPLICATIONS AND CONSIDERATIONS

4.1 Financial Implications

There are no direct financial implications from the contents of this report.

4.2 Learner Implications

There are no direct learner implications from the contents of this report.

4.3 Staff Implications

There are no direct staff implications from the contents of this report.

4.4 Equality and Diversity Implications/Equality Impact Assessment

There are no direct equality implications from the contents of this report.

4.5 Sustainability/Environmental Implications

There are no direct sustainability implications from the contents of this report.

5.0 RISK COMMENTARY

- 5.1 n/a

6.0 CONCLUSION

- 6.1 Once agreed at Committee the revised ToR (if there are any revisions) will be taken to full Board at the end of June.

I Earp, Board Secretary

Previous Board or College Committee Approvals:

None

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Current Terms of Reference

BORDERS COLLEGE AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE

1. Constitution

A minimum of six Members of the Regional Board, excluding the Chair of the Board, Chair or Member of the Finance and Resources Committee and Principal. The Vice Principal Finance and Corporate Services would normally be in attendance but may be excluded at the request of the Committee. There may be other Committee members co-opted as appropriate. The Regional Board will be advised of the details of any proposed co-opted individual. The co-opted individual will not count for the purposes of constituting a quorum.

At least one member of the Committee should have a background in finance, accounting or auditing; if no such member has the requisite background then the Committee may co-opt an individual with the appropriate background.

1.1 Quorum: Three members of the Committee shall constitute a quorum. There should always be a majority of independent members present.

1.2 Chair: To be elected by the Regional Board.

2. Terms of Reference

The Audit Committee provides assurance to the Board that the appropriate measures are in place for governance, internal control and risk management, and provides oversight of, and guidance on, such matters.

Key remit areas for the Audit Committee are:

- External Audit
- Internal Audit
- Annual Accounts and Auditor's Management Letter
- Corporate Governance
- Risk Register, Risk Management and Business Continuity Plan
- Data Protection and Freedom of Information
- Register of Gifts
- Impropriety/Fraud
- Annual Report to the Regional Board
- Annual Review of Effectiveness

- 2.1** To advise the Regional Board of the process for the appointment of the external auditor (currently appointed by Audit Scotland) its remuneration and of any issues relating to the role of the external auditor;
- 2.2** To consider and review the College's Annual Accounts and Annual Report and the external auditor's report prior to submitting to the Regional Board;
- 2.3** To review the external auditor's Management letter and monitor Management's response and to advise the Regional Board on relevant issues arising from the external auditor's management letter, other external audit reports and College's Management response;
- 2.4** To make a recommendation to the Regional Board on the appointment, reappointment, remuneration or removal of the internal auditors;
- 2.5** To review the scope, efficiency and effectiveness of the work of internal audit and advise the Regional Board;
- 2.6** To advise the Regional Board on relevant issues arising from the Audit Committee's consideration of internal audit, progress reports, annual reports and College Management's response;
- 2.7** To review the processes and advise the Regional Board on the internal and external auditor's assessment of the College's financial and other internal control systems;
- 2.8** To promptly pursue recommendations arising from audit reports and monitor their implementation;
- 2.9** To monitor and ensure the effectiveness of the College Strategic Risk Register, the Risk Management Framework and the College approach to risk assessment and risk appetite, undertaking reviews as appropriate, and to oversee and approve revisions of, and amendments to, the College Business Continuity Plan;
- 2.10** To oversee, and be assured that, all legislation and guidelines are being adhered to and followed with reference to Data Protection (DP) and Freedom of Information (Fol) Requests;
- 2.11** To approve changes and amendments to the Financial Regulations and provide assurance that they are being adhered to and that any compliance exceptions are appropriately dealt with;
- 2.12** To note any updates of the Register of Gifts;
- 2.13** To respond appropriately to any notification to the Audit Committee of fraud or other improprieties and to review previously reported cases of impropriety to establish whether they have been handled appropriately;

- 2.14** To review and advise the Regional Board on compliance with corporate governance requirements and good practice guidance;
- 2.15** In accordance with the Scottish Funding Council Code of Audit Practice, to submit an annual report to the Regional Board; and
- 2.16** Annually review the Committee effectiveness and report the results of that review along with a Development and Improvement Plan.

3. Meetings

- 3.1** The Committee shall meet four times a year and more frequently if necessary;
- 3.2** The Committee shall sit privately without any non-members present for all or part of a meeting if they so decide; and
- 3.3** The members of the Audit Committee should meet with the internal and external auditors without the Executive team present at least annually.

4. Reporting

All Members of the Regional Board shall receive a copy of the minutes of each meeting and the Chair of the Committee shall make a report at the following Regional Board meeting.

Approved by the Board – 26 October 2023
2024

Date of next review – June