

## **Terms of Reference**

### **Audit & Assurance Committee of the Board of Management**

#### **1. Purpose**

- 1.1. The Audit & Assurance Committee, referred to hereafter as “the Committee”, will review the effectiveness of the College’s governance arrangements, financial systems, internal controls and risk management practices. The Committee will provide assurance to the Board of Management that the College continues to meet the legislative and regulatory requirements applicable to the college sector.

#### **2. Remit**

- 2.1. Review the processes for ensuring the effectiveness of the financial, and other internal control and governance systems of the College and College Group.
- 2.2. Advise the Board on the criteria for the selection and appointment of the internal auditor, and to select and recommend the appointment of the provider of an internal audit service.
- 2.3. Review the scope and effectiveness of internal audit’s work including planning and operation of the work and the internal audit annual report, and to hold an annual closed meeting.
- 2.4. Ensure that the College has systems and procedures to promote economy, efficiency and effectiveness, including where appropriate the identification of specific value-for-money studies.
- 2.5. Advise the Board of the process for the appointment of the external auditor, who is currently appointed by the Auditor General for Scotland, for his/her remuneration.
- 2.6. Agree the scope of the external auditor’s work and determine any non-audit services to be provided.
- 2.7. Consider the College’s annual financial statements after review by the Finance Committee and prior to submission to the Board focusing in particular on any changes in accounting policy, major judgemental areas, significant audit adjustments, the going concern assumption and compliance with accounting standards and the Scottish Funding Council’s Financial Memorandum.
- 2.8. Review the external auditor’s Management Letter and management’s response, and have direct access to the external auditor, including an annual closed meeting.
- 2.9. Review relevant reports from the Scottish Government, Auditor General for Scotland, Scottish Funding Council and other organisations.
- 2.10. Monitor the performance and effectiveness of external and internal audits.
- 2.11. Monitor and review the College’s Strategic Risk Register and Management Action Plans as appropriate to ensure that the College’s approach to risk management is appropriate and adequate.
- 2.12. Maintain oversight of whistleblowing, anti-fraud, anti-money-laundering, and anti-bribery policies.
- 2.13. Maintain oversight of the management of Data Protection (including GDPR).
- 2.14. Ensure that all significant losses, including those in excess of the delegated limits set out in the Financial Memorandum, have been properly investigated, and that the internal and external auditors and the Scottish Funding Council have been fully informed of all such losses.

- 2.15. Ensure the committee operates in compliance with the terms of the Scottish Public Finance Manual and the Glasgow Colleges' Regional Board Financial Memorandum.
- 2.16. Advise the Board and Accountable Officer on the strategic processes for risk, control and governance and the governance statement; the adequacy of management response to issues identified by audit activity; the effectiveness of the internal control environment; and assurances relating to the corporate governance requirements for the organisation.
- 2.17. Review an Assurance Framework for the College, following Scottish Government and HM Treasury guidance.
- 2.18. Report annually to the full Board of Management.
- 2.19. Undertake a self-evaluation exercise annually to ensure that the Committee complies with best practice in relation to governance and that the internal and external audit service is satisfactory.
- 2.20. Recommend to the Board of Management any matters of significance that fall within the Committee's remit.

### **3. Membership**

- 3.1. At least three Board members will be represented on the Committee, all of whom being non-executive members. The current composition of the Committee is as follows:
  - **Non-Executive Members:** C. Singh; D. Anderson; L. Hamilton; and P. Hillard.
- 3.2. Additional members may be co-opted to the Committee with the approval of the Board of Management. Co-opted members shall contribute to the business of the Committee but will not have the right to vote. There are currently no co-opted members on the Committee.
- 3.3. Members of the Committee shall elect a Convener from among their number. In accordance with the Standing Orders, approved and issued by the Board of Management, the Convener should be a non-executive member. The Committee may also choose to elect a Vice Convener.

### **4. Meetings and Quoracy**

- 4.1. The Committee shall meet at least four times in each academic year. Meetings will be conducted in accordance with the Standing Orders as approved and issued by the Board of Management.
- 4.2. The quorum for a meeting of the Committee shall be no less than one-half of the members, as outlined in section 3.1, who are entitled to vote.
- 4.3. The Committee may sit privately without any non-members present for all or part of a meeting if they so decide.

### **5. Review**

- 5.1. Members will review the Committee's Terms of Reference at least annually. Any amendments shall be submitted to the Board of Management for consideration and final approval.

*Approved by the Board of Management: 14 June 2023*