

## **BASIC INFORMATION FOR POTENTIAL NEW MEMBERS**

### **NAME OF COUNCIL OR COMMITTEE:**

Audit Committee

### **AREA OF WORK:**

The Audit Committee was set up by the General Assembly to advise and assist the Charity Trustees of the Unincorporated Councils and Committees (the voting members of the Council of Assembly) in the oversight of financial management, financial reporting, accounting policies and practices and internal and external audit programmes. Its main duties are:

#### **General**

- To advise, support and oversee compliance by Councils and Committees in the proper discharge of their duties and responsibilities under charity and accounting legislation
- To oversee the financial reporting processes implemented by management
- To review, and challenge where necessary, the actions and judgements of management, in relation to the annual report and financial statements of the Unincorporated Councils and Committees and any other formal statement before submission to, and approval by, the Council of Assembly, and before clearance by the external auditors
- To work with the Finance Group in setting appropriate standards of financial management for the Unincorporated Councils and Committees and in overseeing compliance
- To keep under review the effectiveness of the systems for internal financial control, financial reporting and risk management, including compliance with the legal and regulatory environment within which the Unincorporated Councils and Committees operate
- To review procedures established by management for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or financial control

#### **Internal Audit**

- To consider and make recommendations to the Council of Assembly on the appointment, re-appointment and removal of the internal auditors
- To oversee the relationship with the internal auditors, including approval of their terms of engagement and remuneration and assessing their effectiveness and compliance with relevant professional and regulatory requirements
- To monitor and assess the effectiveness of the internal audit function in the overall context of the risk management systems of the Unincorporated Councils and Committees
- To consider and approve the remit of the internal audit function and programme of work, ensuring that it is adequately resourced and has appropriate access to information to enable it to perform its function effectively and in accordance with relevant professional standards
- To receive reports on the internal auditors' work on a periodic basis
- To review and monitor management's responsiveness to the internal auditors' findings and recommendations
- To meet with the internal auditors at least annually without the presence of management to discuss their remit and findings

#### **Audit & Compliance**

- To consider and approve the remit of the Audit & Compliance Officer and his/her programme of work, ensuring that they have appropriate access to information to enable them to perform the work effectively and in accordance with relevant professional standards

Date: 27/09/2017

- To receive reports on the Audit & Compliance Officer's work on a periodic basis
- To review and monitor management's responsiveness to the findings and recommendations of the Audit & Compliance Officer
- To meet with the Audit & Compliance Officer at least annually without the presence of management to discuss his/her remit and findings

### **External Audit**

- To oversee the relationship with the external auditors, including approval of their terms of engagement and remuneration and assessing their effectiveness and compliance with relevant professional and regulatory requirements
- To consider and make recommendations to the Council of Assembly on the appointment, re-appointment and removal of the external auditors
- To discuss with the external auditors, before the audit commences, the nature and scope of the audit
- To review with the external auditors, the findings of their work, including any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved, key accounting and audit judgements, levels of errors identified during the audit, obtaining explanations from management and, where necessary, the external auditors as to why certain errors might remain unadjusted
- To review the audit representation letter before consideration by the Council of Assembly, giving particular consideration to matters that relate to non-standard issues
- To assess, at the end of the audit cycle, the effectiveness of the audit process
- To review and monitor the content of the external auditors' management report in order to assess whether it is based on a good understanding of the business of the Unincorporated Councils and Committees and establish whether recommendations have been acted upon and, if not, the reasons they have not been acted upon
- To meet with the external auditors at least annually without the presence of management to discuss their remit and findings

### **NAMES OF CONVENER AND SECRETARY:**

**Convener:** Mr Andrew Croxford

**Secretary:** Rev Dr Martin Scott

### **NUMBER OF MEMBERS:**

The composition of this Committee is a Convener and four members appointed by the General Assembly through the Nomination Committee, together with one member of the Council of Assembly appointed by the Council on the recommendation of its Finance Group. The Convener of the Council of Assembly, the Convener of the Finance Group, the Secretary to the Council of Assembly and the General Treasurer also attend.

### **FREQUENCY, TIMING AND VENUE OF MEETINGS:**

Meetings are held four times a year, usually on a Tuesday or a Wednesday afternoon. Meetings are usually held in the months of January, March, August and November but this can be subject to change. Meetings are held in Edinburgh at 121 George Street.

### **EXPECTATIONS OF MEMBERS:**

Diligence in reading papers; capacity for asking questions on audit reports.