

REGISTERS OF SCOTLAND AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

The Registers of Scotland (RoS) Board has established an Audit and Risk Committee to support it and the Accountable Officer (AO) in their responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge. The Audit and Risk Committee is a sub-committee of the RoS Board and has no executive powers.

Membership

The members of the Audit and Risk Committee are:

- the non-executive RoS Board member appointed to act as Chair of the Audit and Risk Committee; and
- between two and four non executive members

Audit and Risk Committee members will initially serve for up to three years and may be appointed for one further term.

The Audit and Risk Committee will be provided with a secretariat support service by the RoS Secretariat.

Meetings

- The Audit and Risk Committee will meet at least four times a year.
- The Chair of the Audit and Risk Committee may convene additional meetings as he/she deems necessary.
- The AO or RoS Board may also ask the Audit and Risk Committee to convene further meetings to discuss particular issues on which they want the Audit and Risk Committee's advice.
- A minimum of two members of the Audit and Risk Committee, one of whom is the Chair, will be present either in person or by suitable digital connectivity for the meetings to be deemed quorate.
- If the Chair is absent he/she will nominate one of the other Audit and Risk Committee Members in his/her place. In this circumstance one of the Non Executive Directors from the RoS Board will also attend the meeting.
- Attendance at Audit and Risk Committee meetings is a decision for the Audit and Risk Committee and invitations may be extended by the Chair of the Audit and Risk Committee as appropriate. Audit and Risk Committee meetings will normally be attended, by invitation, by the AO, the Chief Finance Officer~~Director of Finance~~, the Head of Risk and Information Governance, a representative of the Internal Auditors, ~~and~~ a representative of the External Auditors and others as the agenda requires.
- The Audit and Risk Committee may ask any other officials of RoS to attend to assist it with its discussions on any particular matter.

- The Audit and Risk Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- The Audit and Risk Committee will meet privately with the Internal and/or External Auditors at least once a year and will also meet privately with the AO at least once a year. The Committee may also meet privately as often as it sees fit.

Access

The representatives of the Internal and External Auditors will have free and confidential access to the Chair of the Audit and Risk Committee.

Authority

The Committee is authorised by the RoS Board to:

- Investigate any activity within its terms of reference using its own resources and/or the Internal Auditors and External Auditors as appropriate, subject to the usual budgetary controls or approval from the AO.
- Seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- The committee may also seek advice from Audit Scotland, or the [Scottish Government \(SG\)](#) legal directorate, as appropriate.

Reporting

The Audit and Risk Committee will formally report back to the RoS Board after each meeting; a copy of the minutes of the meeting may form the basis of the report. The Audit and Risk Committee will also produce an Annual Report to the [RoS](#) Board and the ~~Accountable Officer~~ describing the work of the Committee over the past year and advising the ~~Accountable Officer~~ in respect of the Annual [Report and Accounts \(ARA\)](#).

Responsibilities

The Audit and Risk Committee will support the AO in monitoring the corporate governance, risk, value for money and control systems in RoS. The Audit and Risk Committee will review and advise the AO and the RoS Board on:

- the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements: [anti-fraud policies; whistle-blowing processes; and arrangements for special investigations](#);
- the risk and control related disclosures made in the annual accounts;
- the accounting policies and the accounts of the organisation, including the process for review of the ~~ARA accounts~~ prior to submission for audit, levels of error identified, major judgemental areas and management's letter of representation to the external auditors;

- the planned activity, results and effectiveness of internal audit, ensuring that the internal audit function is accountable to the Audit and Risk Committee, that it is adequately resourced and has appropriate standing within the organisation, and that the role and effectiveness of the internal audit function is monitored and assessed;
- development of the risk management policy and regular review of the key risk register and assurance framework, to assess the adequacy of the proposed risk response strategies and controls mitigations and attend an annual risk workshop with the RoS Board and Executive Management Team (EMT);
- the planned activity, results and effectiveness of external audit, assessing at the end of the audit cycle the effectiveness of the audit process, including any unadjusted mis-statements in the financial statements and significant adjustments resulting from the Audit, and reviewing and monitoring the external auditor's reports to assess whether they are based on a good understanding of the business;
- the adequacy of management response to issues identified by audit activity or any other external sources of assurance where they affect the organisation's overall performance;
- assurances relating to the corporate governance requirements for the organisation, e.g. relating to the AO's signing of the ARA Governance Statements;
- proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services; and
- any significant areas of concern identified by any member of staff can be escalated, by exception, to the Audit and Risk Committee, usually through the AO or Chief Head of Finance Officer ~~unction~~

The Committee will have the right to seek guidance and /or support directly from Audit Scotland and/or the Scottish Government Legal Directorate.

Performance Measurement

Each year the Audit and Risk Committee will assess its own effectiveness and seek the views of the RoS Board on the same issue with the intention of conducting business efficiently and meeting the needs of the RoS Board.

These Terms of Reference will be reviewed annually by the RoS Board following a review by the Committee.

Registers of Scotland
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