

## REGISTERS OF SCOTLAND AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

### Who are we?

The Audit and Risk Committee (ARC) is a ~~sub~~-committee established by the Registers of Scotland (RoS) Board. Its role is to support the Board and the AO in monitoring the corporate governance, risk, value for money and control systems in RoS. The committee has no executive powers and its members are:

- the non-executive RoS Board member appointed as Chair
- between two to four non-executive members.

Committee members serve for an initial period of up to three years and may be appointed for one further term. The committee is provided with secretariat services by the RoS Secretariat (email [rossecretariat@ros.gov.uk](mailto:rossecretariat@ros.gov.uk)).

### Why does the committee comprise non-executive members?

The appointment of non-executive members supports the purpose of the ~~Ce~~committee in:

- providing an external perspective
- bringing constructive challenge
- bringing specific expertise to discussions

### What is our role?

We 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;
- development of the risk management policy and regular review of the key risk register and assurance framework;
- the accounting policies and the accounts of the organisation, including the process for review of the annual report & accounts, major judgemental areas and management's letter of representation to the external auditors;
- the risk and control related disclosures made in the annual report and accounts;
- assurances relating to the corporate governance requirements for the organisation; e.g. relating to the AO's signing of the ARA Governance Statement;
- the planned activity, results and effectiveness of both internal and external audit;
- the adequacy of management response to issues identified by audit activity or any other external sources of assurance;
- proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services.

### What authority do we have?

We are authorised by the RoS Board to:

- Investigate any activity within our terms of reference using our own resources and/or the Internal and External Auditors as appropriate, subject to the usual budgetary controls or approval from the AO.
- Seek any information we require from any employee; ~~and~~ all employees are directed to co-operate with any request made by us.
- ~~We may also s~~ Seek guidance, advice and /or support directly from Audit Scotland or the Scottish Government (SG) Legal Directorate.

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

#### How do we work?

- We meet at least quarterly. We can convene additional meetings as we deem necessary or at the request of the AO or RoS Board to discuss particular issues on which they want our advice. Additional meetings (which are not formal minuted meetings) may take the form of 'deep dive' reviews which allow us to look in more detail at a specific area of risk.
- A minimum of two members of the Committee must be present either by suitable digital connectivity or in person for our meetings to be deemed quorate. ~~If absent, the Chair will nominate one of the other committee members as chair and arrange for a Non-Executive member of the RoS Board to attend the meeting. In the event of the ARC Chair's absence from a meeting of the Committee, the members of the Committee present at the meeting will agree which of them shall chair that particular meeting. That person will attend the next meeting of the Board to report to it, alongside the ARC Chair if they are available. In the event that the ARC Chair's absence from a meeting of a Committee is a planned event, the Keeper will nominate a member of the Board to attend that ARC meeting as an observer~~
- Attendance at meetings is a decision for the Chair and normally includes the AO and representatives from the Finance team, Risk and Information Governance team, Internal and External Auditors. The Chair may ask other staff from RoS or from outside RoS to attend to assist us with our discussions.
- We may ask any of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- We meet privately with the Internal and External Auditors and with the AO at least once a year. We may also meet privately as often as we see fit.
- Our work is planned by means of a rolling annual agenda. Papers for meetings must be submitted ten working days before a meeting and are normally circulated a week in advance.
- There is a standing item on our agenda to consider whether there are any items we wish to escalate to the Board for ~~their-its~~ attention. Similarly, the Board has ~~ve~~ a standing item on ~~their-its~~ agenda to allow ~~them-it~~ to delegate any particular issue to us.
- Minutes of our meetings are made available within four weeks and once approved, are published on the RoS website with RoS Board papers.
- We provide a formal report to the RoS Board after each meeting which includes a copy of the most recently approved minutes and highlights any items we wish

to escalate to the Board. Minutes of the RoS Board meeting are included for noting in ARC papers.

- o We produce an Annual Report to the RoS Board and the AO describing the work of the committee over the past year and advising the AO in respect of the Annual Report and Accounts (ARA).

### **How can staff engage in committee business?**

A variety of staff members are involved in preparing papers for the committee and will be invited to attend to present their paper or give background information on the issue. Staff can feed in comments on [Committee](#) business either through their team leaders, their director or the RoS secretariat and the RoS Staff Handbook provides information on the established channels through which they can raise any significant area of concern.

### **Performance assessment and relevant training**

Each year we assess our performance with the intention of continuously improving our effectiveness. As part of this process, we seek feedback from a variety of sources including the RoS Board, the AO and Executive Management Team members, Internal and External Audit and all regular attendees at our meetings. Individual Committee member reviews are undertaken by the Committee Chair and Accountable Officer; the Committee Chair (in their role on the Committee and as a non-executive director) is reviewed by the Keeper.

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We track actions and outcomes from our assessment, including the identification of any training needs for the Committee or for individual members. All Committee members are provided with a bespoke induction programme on their appointment to the Committee.

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Our Terms of Reference have been developed in line with [guidance from the Scottish Government](#) and are reviewed annually by the RoS Board following a review by the [Committee](#).

**Registers of Scotland  
August 2023~~2~~**