



Audit Committee

Remit

To provide Court with such advice as it considers appropriate on matters relating to audit and internal control to assist Court in ensuring the proper discharge of its responsibilities for proper financial management, for the effectiveness of the internal control and management systems, for the safeguarding of the assets of the University and public funds, for the economy, efficiency and effectiveness of the University's activities, and in regard to risk management and corporate governance and the conduct of the University's operation.

To carry out the under-noted duties, namely:

To review the processes for ensuring the effectiveness of financial and other internal control systems, including monitoring arrangements for risk management within the University;

To review and comment upon the assessment carried out by the internal auditors and external auditors of the effectiveness of the University's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness;

To ensure that where internal audit reports or other information indicate a failing in controls which have been identified as being part of the University's risk management process, these failures or deficiencies are promptly acted upon and remedied by the Senior Management Group (SMG);

To monitor compliance with corporate governance requirements and good practice guidance in the context of the remit of the Governance & Nominations Committee to consider, and bring forward, recommendations in relation to best practice in institutional governance that it [i.e. Governance & Nominations Committee] considers relevant to Court's current and future effectiveness;

To monitor compliance with the University's risk management framework and report annually to Court;

Internal audit

To advise Court on the terms of reference for internal audit and the criteria for the selection, appointment and remuneration of internal auditors, and to recommend, following consideration of appropriate candidates, the appointment of such auditors;

To review the scope, efficiency and effectiveness of internal audit work, including the adequacy of the resourcing made available;

To initiate, consider and approve, and review as appropriate, the internal audit needs assessment;

To agree with the internal auditors the criteria for grading recommendations in reports, and to review the management responses and implementation of the agreed recommendations therein;

External audit

To advise Court on the criteria for the selection, appointment and remuneration of external auditors and the scope of their work, and to recommend, following consideration of appropriate candidates, the appointment of such auditors;

To consider and comment upon the University's annual financial statements and the external auditors' report prior to their consideration by the Finance & Corporate Performance Committee;

To review the external auditors' management letter and the response thereto of senior management, to monitor implementation of agreed recommendations with direct access to the external auditors, and to keep under review any salient issues arising therefrom;

To review and monitor on an appropriate basis the effectiveness of the external audit service;

Value for money¹

To ensure that appropriate liaison and co-ordination exists between external and internal auditors;

To evaluate the University's arrangements for securing the economical, efficient and effective management of its resources and the promotion of best practice in the light of experience and national studies;

To advise Court on potential topics for inclusion in any programme of value for money reviews and to provide a view on persons or bodies most appropriate to undertake assignments decided upon;

Other duties

To advise Court on any significant relevant reports from SFC (Scottish Funding Council) and Audit Scotland and other appropriate bodies;

To review the University's compliance with the SFC Financial Memorandum, and to advise Court thereon;

To review reported cases of impropriety to establish whether they have been appropriately dealt with;

To carry out such other duties as the Court may from time to time require;

¹ The University's strategy for VFM is to obtain explicit feedback from internal audit, which is then reported on to the Audit Committee via reports.

To produce an annual report which shall incorporate any significant matters arising from the internal audit work and comment on the Committee's assessment of its own effectiveness, for submission to Court and to SFC.

In carrying out its duties, to have authority to investigate any matters within its remit, and to have access as it requires to information and appropriate members of staff, and the resources necessary to carry out its remit.

Membership

Not less than four lay members of Court, one to act as Convener. The Committee may co-opt lay persons who are not members of Court but who have appropriate experience or expertise, provided there is always a majority of lay members of Court.

In Attendance

The Principal
The Vice-Principal (University Services)
The University Secretary
The Head of Finance
Representatives of the internal and external auditors.

Note: representatives of the internal and external auditors will be invited to attend all meetings where relevant matters are under consideration.

Secretary

Clerk to Court & Corporate Governance Manager (nominated as Secretary by the University Secretary)

Quorum

Three members of the Committee. If, within ten minutes after the time appointed for a meeting, or if before the business of any meeting has been completed, the number of members present is less than three, the members present shall address urgent business only and thereafter adjourn the meeting. Any decisions reached at an inquorate meeting shall be submitted to the subsequent meeting of the Committee for approval.

Meetings

The Committee shall meet at least 3 times in each session. One meeting each year will be preceded by a private meeting of the Committee with the internal and external auditors without officers present.