# National Library of Scotland - Audit Committee Terms of Reference

## Purpose

The Audit Committee supports the Board in fulfilling its responsibilities for issues of risk and control and associated assurance through a process of constructive challenge. It makes recommendations to the Board and National Librarian on all aspects of finance, audit, risk and control.

## Specific duties

The Audit Committee will, on behalf of the Board:

* Review the comprehensiveness of available assurances and ensure an appropriate assurance framework is in place.
* Assess the strategic processes for risk and control and the Governance Statement in the Annual Accounts.
* Receive and review financial monitoring reports regularly.
* Approve and monitor the planned activity of internal audit.
* Approve the appointment of internal auditors following the completion of a tendering exercise.
* Approve the purchase of non-audit services from contractors who provide audit services.
* Approve anti-fraud policies, whistle-blowing processes and arrangements for special investigations.
* Approve Treasury Management and Investment Policy.
* Review the procurement strategy for significant items of capital and revenue spending (capital items over £300,000 and revenue items of £1.2 million over a three-year period).
* In the absence of a Board sub-committee, review major capital projects on behalf of the Board.

The Audit Committee will advise the Board and National Librarian on:

* The accounting policies, the accounts and annual plans and report of the organisation, audit report from external auditors, and management's letter of representation to the external auditors.
* The adequacy of management response to issues identified by audit activity, including external audit's management letter/report.
* The effectiveness of the internal control environment.
* Assurances relating to compliance with procurement processes.
* Consideration that the Library is achieving value for money.
* Recommending approval of the Risk Management Policy and Appetite.
* The adequacy of management in capturing key risks and ensuring appropriate organisational resilience and compliance with relevant statutory legislation.

The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and to seek any information it requires from any: Board member; member of staff; contractor or agency worker; or person working on secondment to the Library or as part of a shared service for the Library, all of whom are required to co-operate with the Committee.

The Committee is authorised to obtain independent professional advice and procure specialist ad-hoc advice at the expense of the Library if it deems necessary.

## Reporting

* A minute of each meeting is made available to the Board and the National Librarian.
* An annual report on Audit Committee's activities will be included in the annual Governance Statement, summarising the work it has done during the year.

## Membership and attendance

There will be three to five Board members of the Audit Committee. The Committee may nominate and co-opt up to two additional members who need not be Board members of the Library. Co-opted members are not entitled to vote at meetings of the Committee. The majority of Committee members will always be Board members.

In addition, the Chair may co-opt Board members for specific meetings as required. The Chair and members of the Committee are appointed by the Board.

## Membership at March 2023

* Ruth Crawford KC (Committee Chair).
* Drummond Bone (Board Chair).
* Emily Drayson.
* Robert Kilpatrick.
* Lesley McPherson.

## Secretariat

The Audit Committee is provided with a secretariat function by the Board Support and Compliance Officer.

## Officers

Audit Committee meetings are normally minuted by the Board Support and Compliance Officer and attended by the Chief Operating Officer. The internal audit and external audit suppliers attend to report on delivery of services.

## **Other attendees**

As per Schedule 1 to the National Library of Scotland Act 2012, members of the Scottish Executive, persons authorised by the Scottish Ministers and the Dean of the Faculty of Advocates or a person authorised by the Dean are entitled to attend and take part in, but not vote at, Committee meetings.

## Meetings

The Committee normally meets quarterly, usually in February, May, August and November. Further meetings may be convened to discuss particular issues. The Committee may also meet by correspondence. A minimum of 50% (rounded up to the next full number) of Board members serving on the Committee will be present for the meeting to be deemed quorate.

The Audit Committee may require the attendance of any: Board member; member of staff; contactor or agency worker; or person working on secondment to the Library or as part of a shared service for the Library to assist it with its discussions on any particular matter.

## Voting

Every decision shall be made by a majority of the Committee Chair and members present and voting. If the number of votes for and against are equal, the Chair shall have a second, or casting, vote.

## Access

The internal and external auditors will have free and confidential access to the Chair of the Audit Committee. The Chair of the Audit Committee is also a point of contact in the Whistleblowing Policy.

## Good Practice Guidance

Please see the Scottish Government's [Audit Committee Handbook](https://www.gov.scot/publications/audit-assurance-committee-handbook/).

Updated March 2024

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