

National Library of Scotland

Terms of Reference – Audit Committee

1. 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.

1.1. Specific Duties

The Audit Committee will, on behalf of the Board:

- Review the comprehensiveness of available assurances in meeting the assurance needs of the Library and reviewing their reliability and integrity.
- Assess the strategic processes for risk and control and the Governance Statement in the Annual accounts.
- Receive and review financial monitoring reports regularly.
- Approve 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 policy.
- Approve risk policy.
- Review the procurement strategy for significant items of capital and revenue spending (capital items over £250k and revenue items of £1m over a three year period).

The Audit Committee will advise the Board and Accountable Officer (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.
- Assurances relating to the corporate governance requirements for the organisation.
- Consideration that the Library is achieving value for money.

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.

2. Reporting

A minute of each meeting is made available to the Board and the Accountable Officer (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.

3. 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. 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.

3.1. Membership at February 2019

Simon Learoyd (Chair)
Dianne Haley
Iain Marley
Isabel Hinds (co-opted member)

3.2. Secretariat

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

3.3. Officers

Audit Committee meetings are normally minuted by the Board Support and Compliance Officer and attended by the Director of Business Support and the Associate Director of External Relations and Governance. The internal audit and external audit suppliers attend to report on delivery of services.

3.4 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.

4. Meetings

The Committee normally meets quarterly, 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 two members of 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.

5. Access

The internal and external auditors will have free and confidential access to the Chair of the Audit Committee.

6. Good Practice Guidance

Please see the Scottish Government's [Audit Committee Handbook](#).