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AUDIT & RISK COMMITTEE

21 May 2026

Committee Terms of Reference

1.0 PURPOSE OF PAPER
For decision

1.1 To discuss any amendments required and agree on the Committee Terms of Reference (ToR).

2.0 EXECUTIVE SUMMARY

2.1 The Committee ToR should be regularly revisited to ensure that they are fit for purpose and reflect any changes in legislation or compliance requirements.

2.2 Members are asked to review the current ToR and ensure they are fit for purpose, discussing and agreeing any amendments or adjustments.

3.0 RECOMMENDATION(S)/ACTION(S) REQUIRED

3.1 It is recommended that the Committee agree any amendments to the current Committee Terms of Reference for recommendation to Board or agree to continue with the current Terms without any amendments for the year 2026/27.

4.0 MAIN PAPER

4.1 The current ToR are attached in Appendix A.

4.2 Members are asked to consider if the current ToR reflect the purpose of the Committee and provide a comprehensive structure for the work of the Committee and propose any changes that may be required.

5.0 IMPLICATIONS AND CONSIDERATIONS

5.1 Financial Implications

There are no direct financial implications from the contents of this paper.

5.2 Learner Implications

There are no direct learner implications from the contents of this paper.

5.3 Staff Implications

There are no direct staff implications from the contents of this paper.

5.4 Equality and Diversity Implications/Equality Impact Assessment

There are no direct equality and diversity implications from the contents of this report.

5.5 Sustainability/Environmental Implications

There are no direct sustainability or environmental implications from the contents of this report.

6.0 CONCLUSION

6.1 If Committee recommends amendments to the ToR this will be taken to Board in June for formal approval. These ToR will guide the work of the Committee over the next academic year.

Ingrid Earp, Board Secretary

Previous Board or College Committee Approvals:

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For publication ☒	**Not for publication** ☐ **If not, why not?**

Appendix A

BORDERS COLLEGE

AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE

1. Constitution

A minimum of six Members of the Regional Board, excluding the Chair of the Board, Chair or Member of the Finance and Resources Committee and Principal. The Vice Principal Finance and Corporate Services would normally be in attendance but may be excluded at the request of the Committee. There may be other Committee members co-opted as appropriate. The Regional Board will be advised of the details of any proposed co-opted individual. The co-opted individual will not count for the purposes of constituting a quorum.

At least one member of the Committee should have a background in finance, accounting or auditing; if no such member has the requisite background then the Committee may co-opt an individual with the appropriate background.

1.1 **Quorum:** Three members of the Committee shall constitute a quorum. There should always be a majority of independent members present.

1.2 **Chair:** To be elected by the Regional Board.

2. Terms of Reference

The Audit Committee provides assurance to the Board that the appropriate measures are in place for governance, internal control and risk management, and provides oversight of, and guidance on, such matters.

Key remit areas for the Audit Committee are:

- External Audit
- Internal Audit
- Annual Accounts and Auditor's Management Letter
- Corporate Governance
- Risk Register, Risk Management and Business Continuity Plan
- Data Protection and Freedom of Information
- Register of Gifts
- Impropriety/Fraud
- Value for Money
- Annual Report to the Regional Board
- Annual Review of Effectiveness

2.1 To advise the Regional Board of the process for the appointment of the external auditor (currently appointed by Audit Scotland) its remuneration and of any issues relating to the role of the external auditor;

2.2 To consider and review the College's Annual Accounts and Annual Report and the external auditor's report prior to submitting to the Regional Board;

2.3 To review the external auditor's Management letter and monitor Management's response and to advise the Regional Board on relevant issues arising from the external auditor's management letter, other external audit reports and College's Management response;

2.4 To make a recommendation to the Regional Board on the appointment, reappointment, remuneration or removal of the internal auditors;

2.5 To review the scope, efficiency and effectiveness of the work of internal audit and advise the Regional Board;

2.6 To advise the Regional Board on relevant issues arising from the Audit Committee's consideration of internal audit, progress reports, annual reports and College Management's response;

2.7 To review the processes and advise the Regional Board on the internal and external auditor's assessment of the College's financial and other internal control systems;

2.8 To promptly pursue recommendations arising from audit reports and monitor their implementation;

2.9 To monitor and ensure the effectiveness of the College Strategic Risk Register, the Risk Management Framework and the College approach to risk assessment and risk appetite, undertaking reviews as appropriate, and to oversee and approve revisions of, and amendments to, the College Business Continuity Plan;

2.10 To oversee, and be assured that, all legislation and guidelines are being adhered to and followed with reference to Data Protection (DP) and Freedom of Information (FoI) Requests;

2.11 To approve changes and amendments to the Financial Regulations and provide assurance that they are being adhered to and that any compliance exceptions are appropriately dealt with;

2.12 To note any updates of the Register of Gifts;

2.13 To respond appropriately to any notification to the Audit Committee of fraud or other improprieties and to review previously reported cases of impropriety to establish whether they have been handled appropriately;

2.14 To ensure efficient, effective and economical management of the College's resources by overseeing the systems and procedures in place to achieve value for money;

2.15 To review and advise the Regional Board on compliance with corporate governance requirements and good practice guidance;

2.16 In accordance with the Scottish Funding Council Code of Audit Practice, to submit an annual report to the Regional Board; and

2.17 Annually review the Committee effectiveness and report the results of that review along with a Development and Improvement Plan.

3. Meetings

3.1 The Committee shall meet four times a year and more frequently if necessary;

3.2 The Committee shall sit privately without any non-members present for all or part of a meeting if they so decide; and

3.3 The members of the Audit Committee should meet with the internal and external auditors without the Executive team present at least annually.

4. Reporting

All Members of the Regional Board shall receive a copy of the minutes of each meeting and the Chair of the Committee shall make a report at the following Regional Board meeting.

Approved by the Board – 27 June 2025 Date of next review – June 2026