



**INFORMATION FOR POTENTIAL NEW MEMBERS**

<b>NAME OF STANDING COMMITTEE/AGENCY:</b>	
Audit Committee	
<b>REMIT:</b>	
<p>The General Assembly has established the Audit Committee to advise and assist the Trustees in the oversight of financial reporting, systems of internal control and risk management and processes related to these systems.</p> <p>The current full remit of the Committee can be found at the end of this form.</p>	
<b>CONVENER:</b>	Andrew Croxford
<b>MEMBERSHIP:</b>	
<b>NB: a completed Nomination Form must be submitted by anyone wishing to be put forward for proposed re-appointment</b>	
<p>The Audit Committee shall comprise the following:</p> <ol style="list-style-type: none"> <li>1. A Convener, who shall not be an Assembly Trustee, and three members appointed by the General Assembly through the Nomination Committee, all of whom shall be independent of the Unincorporated Entities and at least one of whom shall have recent and relevant financial experience.</li> <li>2. Two members appointed by the Trustees, with a right to vote.</li> <li>3. The quorum shall be three voting members, at least one of whom is a trustee member.</li> <li>4. The Chief Officer and the General Treasurer shall attend without a right to vote or make a motion.</li> <li>5. Other officials, as required by the Committee, to be in attendance from time to time without a right to vote or make a motion.</li> <li>6. Representatives of the External and Internal Auditors, who shall be entitled to attend all meetings but without a right to vote or make a motion.</li> </ol>	
<b>FREQUENCY, TIMING AND VENUE OF MEETINGS:</b>	
<b>include mention of any particular day(s) of the week when meetings would fall</b>	
<p>Meetings shall be held four times a year, subject to change. Typically, the meetings will be held on a Tuesday afternoon, at the end of the month, in: August, November, January and March.</p>	



**DETAILS OF SUB-COMMITTEES/GROUPS:**

**include frequency, timings, venue and any particular day(s) of the week when meetings would fall**

There are no sub-groups of the Audit Committee.

**EXPECTATIONS OF MEMBERS:**

- Those members appointed by the General Assembly, through the Nomination Committee, shall be independent of the Unincorporated Entities and at least one of whom shall have recent and relevant financial experience.
- Ability to meet online, via Microsoft Teams video-conference, as well as attend Committee meetings in person, if held
- Diligence in reading papers along with the ability to access papers online

**SKILLS AND EXPERIENCE SOUGHT AT THIS TIME:**

The Committee currently has members who are qualified accountants and therefor at this time seeks a minister (current or former) or someone with a ministerial background. Someone with an interest in the church reaching the highest standard of corporate governance.

**FURTHER DETAILS:**

**Include any useful web links**

## **REMIT OF THE AUDIT COMMITTEE**

### **Introduction**

1. The Assembly Trustees (the "Trustees") are the Charity Trustees of the Church of Scotland, (the Unincorporated Entities) Scottish Charity No. SC011353 (the "Charity") and have general control and management of the administration of the Unincorporated Entities. The General Assembly has established the Audit Committee (the "Committee") to advise and assist the Trustees in the oversight of financial reporting, systems of internal control and risk management and processes related to these systems.
2. Membership of the Committee shall be as set out in the Annex below. The Committee shall review its terms of reference and its own effectiveness annually and shall recommend any changes to the Trustees. The Committee's review and work shall be appraised by the Governance Group of the Trustees.
3. The Convener of the Committee shall be entitled to attend a meeting of the Trustees or their Governance Group of the Trustees on any matter which the Committee believes to be of sufficient importance.
4. The Convener of the Committee shall be entitled to report directly to the General Assembly on any matter which the Committee believes to be of sufficient importance.

## **REMIT**

### **General**

5. To oversee the financial and other relevant reporting processes implemented by management.
6. To work with the Trustees in setting appropriate standards of financial management and in overseeing compliance.
7. To keep under review the effectiveness of the systems for internal financial control, financial reporting and risk management, including compliance with the legal and regulatory environment.

### **Financial Reporting**

8. Prior to consideration and approval of the annual report and accounts of the Unincorporated Entities by the Trustees, the Committee shall consider the integrity of the annual accounts, reviewing significant financial reporting issues and judgments which they contain. In particular, the Committee shall review and challenge where necessary:
  - a) The suitability, consistency of, and any changes to, accounting policies on a year by year basis;
  - b) The methods used to account for significant or unusual transactions where different approaches are possible;
  - c) Whether the Unincorporated Entities have followed applicable financial reporting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
  - d) The clarity of disclosure in the accounts of the Unincorporated Entities and the context in which the accounts are to be published; and
  - e) All narrative reports presented with the accounts.

### **Internal control and risk management arrangements**

9. To keep under review the adequacy and effectiveness of the internal financial controls and internal control and risk management arrangements of the Unincorporated Entities. The Committee shall consider the scope and effectiveness of the systems established by the Chief Officer to identify, assess, manage and monitor financial and non-financial risks. This shall include periodic review of the principal risk register and, where applicable, the Chief Officer's assessments and reports on the effectiveness of the systems for risk management.

### **Internal Audit and Compliance**

10. To monitor and review the effectiveness of the Unincorporated Entities' internal audit and compliance functions in the context of the Unincorporated Entities' overall arrangements.
11. To consider and make recommendations to the Trustees on the appointment, re-appointment and removal of the internal auditors.
12. To oversee the relationship with the internal auditors, including approval of their terms of engagement and remuneration and assessing their effectiveness and compliance with relevant professional and regulatory requirements.
13. To consider and approve the remit of the internal audit and compliance functions and programme of work, ensuring that it is adequately resourced and has appropriate access to information to enable it to perform their functions effectively and in accordance with relevant professional standards.
14. To receive reports on the internal audit and compliance work on a periodic basis.
15. To review and monitor management's responsiveness to internal audit and compliance findings and recommendations.
16. To meet with the internal auditors at least annually without the presence of management to discuss their remit and findings.

### **External Audit**

17. To oversee the relationship with the external auditors, including: the terms of their engagement; proposed scope of work; remuneration; provision of any non-audit services; and assessing their effectiveness and compliance with relevant professional and regulatory requirements.
18. To consider and make recommendations to the Trustees on the appointment, re-appointment and removal of the external auditors.
19. To review with the external auditors: the findings of their work, including any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved, key accounting and audit judgements, levels of errors identified during the audit. They shall obtain explanations from management and, where necessary, the external auditors as to why certain errors might remain unadjusted.
20. To review the audit representation letter before consideration by the Trustees, giving particular consideration to matters that relate to non-standard issues.
21. To assess, at the end of the audit cycle, the effectiveness of the audit process.
22. To review and monitor the content of the external auditors' management report in order to assess whether it is based on a good understanding of the business of the Unincorporated Entities and establish whether recommendations have been acted upon and, if not, the reasons they have not been acted upon.
23. To meet with the external auditors at least annually without the presence of management to discuss their remit and findings.

### **Other**

24. To review procedures established by management for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or financial control.
25. In the event of the review raising a matter of concern, to raise the matter with the Trustees or their Governance Group.

### **Reporting**

26. The minutes of meetings of the Committee, once approved, shall be circulated to the Trustees or their Governance Group.
27. The Committee shall prepare an annual report to the Trustees on its role and responsibilities and the actions taken to discharge those responsibilities, including, if appropriate, such information as may be required for inclusion in the annual report of the Unincorporated Entities.

### **Liaison with the Trustees**

28. Minutes of the meetings of the Trustees, once approved, will be exhibited to the Committee; under exception of any confidential paper apart on matters such as employment which will be disclosed by the Administrative Trustee in confidence to the Convener of the Committee.

## **ANNEX**

### **Membership**

The Audit Committee shall comprise the following:

1. A Convener, who shall not be an Assembly Trustee, and three members appointed by the General Assembly through the Nomination Committee, all of whom shall be independent of the Unincorporated Entities and at least one of whom shall have recent and relevant financial experience.
2. Two members appointed by the Trustees, with a right to vote.
3. The quorum shall be three voting members, at least one of whom is a trustee member.
4. The Chief Officer without a right to vote or make a motion.
5. The General Treasurer without a right to vote or make a motion.
6. Other officials, as required by the Committee, to be in attendance from time to time without a right to vote or make a motion.
7. Representatives of the External and Internal Auditors, who shall be entitled to attend all meetings but without a right to vote or make a motion.

### **Meetings**

1. Executive support will be provided from Central Services to the Committee and its meetings.
2. Meetings shall be held four times a year, subject to change.