1. **Membership and Quorum**

1.1. The Committee will comprise up to 6 non-executive Board members, one of whom will be appointed as Chair and one as Depute Chair. The composition and effectiveness of the Committee will be periodically reviewed by the Board. There is no limit on the length of time a member may serve on the Committee, so long as they remain a member of the Park Authority Board. The quorum for a meeting will be any 3 members. At least one member would ideally have recent and relevant financial experience.

1.2. In addition to the members, meetings will be routinely attended by the Accountable Officer (Chief Executive), and the Director of Corporate Services and other officers as required, as well as representatives of Internal and External Audit. A note-taker will also attend. None of the non-member attendees have any voting rights.

1.3. The Committee will be provided with a secretariat function by the Director of Corporate Services and an Assistant.

1.4. Other attendance by internal staff and external advisers will be as requested by the Committee. Additional members can be co-opted onto the Committee to provide specialist skills, knowledge and experience.

1.5. The Committee may ask any or all of the officials who normally attend to withdraw to facilitate discussions on any matter. The note-taker would usually remain.

2. **Meetings**

2.1. The Committee will meet at least four times a year and, although there is no requirement to do so, meetings will usually be held in public unless the Committee wishes to consider confidential matters. The Chair may convene additional meetings of the Committee and the Board or Accountable Officer may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee’s advice.

2.2. Private meetings should be arranged between the Committee and the internal and external auditors at least once a year.

2.3. Internal and external auditors will have free and confidential access to the Chair of the Committee.

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1 The Scottish Government Audit and Assurance Committee Handbook advises that co-option should not exceed a period of one year.
3. **Purpose and Reporting**

3.1. The Audit & Risk Committee is covered by the Standing Orders for the National Park Authority Board as well as these Terms of Reference. The Audit & Risk Committee is a standing committee of the Board. The Scottish Public Finance Manual directs that public bodies such as the National Park Authority are obliged to have an Audit Committee and the overarching purpose of the Committee is to advise the Accountable Officer and the Board; it is then the Accountable Officer and the Board that make the relevant decisions.

3.2. The Committee will report to the Board and Accountable Officer after each meeting via a verbal update at the Board meeting followed by circulation of the draft minute.

3.3. The Committee will provide the Board and Accountable Officer with a written annual report, timed to support finalisation of the accounts and the governance statement, summarising its conclusions from the work it has done during the year.

4. **Responsibilities**

The Audit & Risk Committee will advise the Board and Accountable Officer on:

4.1. The strategic processes for risk, control and governance and the Governance Statement.

4.2. The accounting policies, the accounts, and the annual report of the organisation, including the process for the review of the accounts prior to submission for audit, levels of error identified and management’s letter of representation to the external auditors.

4.3. The planned activity and results of both internal and external audit.

4.4. The adequacy of management response to issues identified by audit activity, including external audit’s management letter/report.

4.5. The effectiveness of the internal control environment.

4.6. Assurances relating to the corporate governance requirements for the organisation.

4.7. Proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services.
4.8. Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations

4.9. The requirement for specialist ad-hoc advice procured at the expense of the organisation, subject to budgets agreed by the Board or Accountable Officer.

The Committee will periodically review its own effectiveness and report the results of that review to the Board and Accountable Officer.

5. Information Requirements

For each meeting the Committee will be provided with:

5.1. Minutes of prior meeting for approval

5.2. Matters arising for monitoring

5.3. An update on the Park Authority’s Corporate Risk Register.

5.4. An update on Internal Audit work performed including key issues emerging from Internal Audit work and management response to audit recommendations and any resourcing issues affecting the delivery of Internal Audit objectives.

5.5. A progress report on the clearance of Internal Audit Recommendations

As and when appropriate the Committee will also be provided with:

5.6. Business update reports from the Accountable Officer

5.7. The Internal Audit Charter

5.8. The draft and final Internal Audit Plan, and any subsequent significant changes to the plan

5.9. Internal Audit’s Annual Opinion and Report

5.10. Client satisfaction questionnaires on Internal Audit

5.11. Quality assurance reports on Internal Audit

5.12. The draft accounts of the organisation
5.13. The draft governance statement including senior staff assurance statements prepared to support the governance statement

5.14. A report on any changes to accounting policies

5.15. A progress report from the External Audit representative summarising work done and emerging findings.

5.16. External Audit’s management letter/report

5.17. Register of Interests Review including gifts and hospitality

5.18. The Draft Audit & Risk Committee Annual Report to the Board

5.19. A report on any proposals to tender for audit functions

5.20. A verbal update on co-operation between Internal and External Audit.

5.21. A Best Value progress report

5.22. A report on the Counter Fraud and Bribery arrangements and performance

5.23. Reports from other sources within the “three lines of assurance” integrated assurance framework

The above list suggests minimum requirements for the inputs which should be provided to the Audit & Risk Committee; in some cases more may be provided.