



## SCOTTISH COURT SERVICE AUDIT COMMITTEE

### REMIT

The SCS Board established an Audit Committee (AC) to support them in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them by the SCS Chief Executive (Accountable Officer). The Committee will also provide advice and support to the Accountable Officer in her responsibility for maintaining a sound internal control regime.

### Membership

The AC current members are:

Debbie Crosbie, SCS (Non-Executive) Board Member (since June 2010)  
Tony McGrath, SCS (Non-Executive) Board Member (since June 2010)  
Elizabeth Carmichael, SCS (Non-Executive) Board Member (since June 2010)  
Ian Doig, Independent External Member (since March 2011)  
Angus Mackenzie, Independent External Member (since March 2011)

Debbie Crosbie is Chair of the AC; Elizabeth Carmichael is deputy chair.

At least one member of the Committee must hold a professional accountancy qualification from one of the UK's Consultative Committee of Accountancy Bodies (CCAB). Both the independent external members hold accountancy qualifications.

The period of appointment to the Committee shall, in the case of SCS Board members, be linked to their Board appointment. For other members, appointment will be for a period of **three years, renewable once** by mutual consent.

A secretariat function will be provided by the Chief Executive's secretariat.

### Reporting

The AC will formally report to the SCS Board through the issue of minutes after each meeting. Draft minutes will be sent initially to the Chair for review before being circulated to other Committee Members for comment. As far as possible, the minutes will be approved at an Audit Committee meeting before they require to be presented to the SCS Board. In the event that there will be no Audit Committee meeting prior to the next Board meeting, the minutes will be approved by the Committee during the circulation process and be made ready for presentation.

The AC will report to the SCS Board through an Annual Report. This will be timed to support finalisation of the accounts and the Statement on Internal Control and will summarise its conclusions from the work it has done during the year.

### Responsibilities

The AC will advise the SCS Board on:

- the effectiveness of processes for risk, control and governance and the Statement on Internal Control, taking into account key risks and issues raised by other SCS Board subcommittees;
- the accounting policies, the accounts, and the annual report, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity, results and effectiveness of internal audit, taking into account the risks facing the SCS;
- the results of external audit work and assurance that this work is effectively co-ordinated with that of internal audit
- adequacy of management response to issues identified by audit activity, including external audit's management letter;
- assurances relating to the corporate governance requirements for the organisation;
- (where appropriate) proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;
- The AC will also periodically review its own effectiveness and report the results of that review to the SCS Board.

### **Rights**

The AC may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the SCS Board.

### **Access**

- The Head of Internal Audit and the representative of External Audit (Audit Scotland) will have free confidential access to the Chair of the AC.

### **Meetings**

- The AC will meet at least four times a year. The Chair of the AC may convene additional meetings, as he/she deems necessary;
- a minimum of **three members** of the AC will be present for the meeting to be deemed quorate;
- AC meetings will normally be attended by the **Accountable Officer, Director Finance, Head of Internal Audit (currently Scottish Government) and a representative of External Audit (currently Audit Scotland)**;
- the AC may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter;
- the AC may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters;
- the Accountable Officer may ask the AC to convene further meetings to discuss particular issues on which he/she wants the Committee's advice.

#### **CORE WORK PROGRAMME**

- Review management actions relating to audits, ensuring that they are completed to agreed timescales.
- Agree Internal Audit's work plan, review progress during year and consider final audit opinion.
- Consider (emerging) External Audit opinion and advise the Accountable Officer on signing the accounts and Statement on Internal Control (SIC).
- Review and consider the accounts.
- Consider the External Audit management letter for the previous year, any emerging findings from the current interim/in-year work of External Audit, and External Audit's approach to their work.
- Consider any residual actions arising from the previous year's work of both Internal and External Audit.
- Consider the Committee's own effectiveness in its work.
- Review Audit Committee Remit (Terms of Reference)
- Agree the annual AC report to the Board.
- Consider the External Audit audit strategy/plan.
- Consider areas in which the Committee will particularly promote co-operation between auditors and other review bodies in the coming year.

Audit Committee  
March 2011