Audit and Risk Committee Terms of Reference

1. Internal Control and Risk Management

a) reviewing and advising Court concerning the internal and external auditors' assessments of the effectiveness of the institution's risk identification and mitigation procedures and financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness;

b) monitoring and reviewing the effectiveness of the institution's risk management, control and governance arrangements including review and approval of the GCU Financial Procedures, Financial Regulations and Treasury Management Policy;

c) reviewing and advising Court on its compliance with corporate governance requirements and good practice guidance.

d) monitoring the University's compliance with the Data Protection Legislation through receiving and considering reports from the Information Governance Committee on the management and oversight of the University's information compliance framework.

e) reviewing and approving the Annual Procurement Strategy and Action Plan prepared in accordance with the requirements of the Procurement Reform (Scotland) Act 2014.

f) Receiving an annual report on any usage of the University's Public Interest Disclosure Policy.

2. Internal Audit

a) advising Court on the scope and nature of the internal audit provision;

b) advising Court on the selection (in compliance with Scottish Government Procurement Regulations), appointment or re-appointment and remuneration, or removal of the internal audit provider where the service is contracted-out. The responsibility regarding selection of a contracted-out provider may be delegated to an Evaluation Committee;

c) advising Court on the terms of reference for the internal audit provider;

d) reviewing and agreeing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising Court on these matters;

e) advising Court of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes;

f) approving the criteria for grading recommendations in assignment reports as proposed by the internal audit provider;

g) reviewing the internal audit provider's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports;

h) considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing Court thereof;

i) informing Court of the Audit Committee's approval of the internal audit service's annual report;

j) ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service;

k) securing and monitoring appropriate liaison and co-ordination between internal and external audit;

l) ensuring good communication between the Committee, the University and the person responsible for the internal audit service; and

m) responding appropriately to notification of fraud or other improprieties received from the person responsible for the internal audit service or other persons.

3. External Audit

a) considering the University's annual financial statements and the external auditor's report prior to recommending to Court for approval. The Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter;

b) advising Court on the selection (in compliance with Scottish Government Procurement Regulations), appointment, annual re-appointment and remuneration, or removal, of the external auditors and the scope of their work. The responsibility regarding selection may be delegated to an Evaluation Committee ;(see 5 below).

c) reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein;

d) advising Court of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto;

e) reviewing the statement of corporate governance included within the University's Annual Accounts;

f) establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision

g) reviewing the external audit strategy and plan;

h) holding discussions with external auditors and ensuring their attendance at Audit Committee and Court meetings as required;

i) considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising Court of any potential conflict of interest;

j) requiring appropriate liaison and co-ordination between external and internal audit.

4. Private Meetings

a) having a process in place to allow meetings (or parts thereof) with only the committee members present to discuss any issues or concerns among themselves in order to allow them to understand and constructively challenge management and the auditors better;

b) having a process in place for holding private meetings with both the internal and external auditors to discuss matters which may not have been addressed as part of the audit;

c) having a process in place to communicate any issues arising from such meetings to management where necessary.

5. Appointment of auditors: Evaluation Committee

Establishing an Evaluation Committee to oversee the procurement exercises to appoint internal and external auditors. The composition of the Evaluation Committee will be: the Chair of Audit Committee (Chair), the Chief Operating Officer & DVC and Chief Financial Officer.

6. Value for Money

a) establishing and overseeing a review process for evaluating the effectiveness of the institution's arrangements for securing the economical, efficient and effective management of the institution's resources and the promotion of best practice and protocols and reporting to Court thereon;

b) advising Court on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience; and

c) advising Court of action that it may wish to consider in the light of national value for money studies in the higher education sector.

7. Advice to the University Court

a) producing an annual report for Court and subsequent transmission to the Scottish Funding Council;

b) advising Court of significant, relevant reports from the Scottish Funding Council and Audit Scotland and successor bodies and, where appropriate, management's response thereto;

c) reviewing reported cases of impropriety to establish whether they have been appropriately handled; and

d) advising Court on Business Continuity and Institutional Risk Appraisal.

8. Communication with Finance & General Purposes Committee

Communication between the Audit Committee and the Finance and General Purposes Committee is by an exchange of committee papers and minutes between the Committee Chairs and with the Chairs having a standing invitation to attend each other's Committee meetings. A joint meeting of the two Committees is held annually, chaired by the Audit Committee Chair and attended by the external auditors, to review and discuss the Annual Financial Statements.

9. Monitoring Risk

To map the Committee's terms of reference onto the corporate risk register and to monitor those risks which are encompassed in the committee's sphere of responsibility.

10. Committee Membership

To keep the committee membership under review in order to maintain consistently the relevant balance of skills, knowledge and experience and to advise the Court Membership Committee accordingly.

Composition of Committee

Lay Members must form majority membership

No fewer than four lay members of Court
One Staff Court Governor
One Student Court Governor

In attendance

The Principal
The Chief Operating Officer & Deputy Vice Chancellor
Chief Financial Officer
Financial Controller
The University Secretary & Vice Principal Governance
A representative from the internal auditors and when appropriate, the external auditors

Quorum

A quorum comprises no fewer than three members of the Committee, one of whom must be the Chair or his/her nominee, and there must be a lay member majority.

Audit Committee Composition and Membership 2025/26

Composition	**Membership**
No fewer than four lay members of court	Bill McDonald (Chair) Danny Gallacher Asif Haseeb Alan Dickson
One staff governor	Catriona Miller
One Student Governor	Hamza Siddiqi
In Attendance	
The Principal	Professor Stephen Decent
University Secretary and Vice Principal Governance	Jan Hulme
Chief Operating Officer and DVC	Susan Mitchell
Chief Financial Officer	Paul Queen
Financial Controller	Heather Leitch
Secretary (Department of Governance and Legal Services)	Representative from Governance and Legal Services
Internal Auditor	PriceWaterhouseCoopers Gillian Collin, Director, PwC Shanita Padaruth, Senior Manager, PwC
External Auditor	KPMG Michael Wilkie Taimoor Alam