

HISTORIC SCOTLAND AUDIT COMMITTEE TERMS OF REFERENCE

1. The Historic Scotland Board and the Accountable Officer have established an Audit Committee as a Committee of the Board to support them in their responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge.

Membership

2. The members of the audit committee are:

David McGibbon - non-executive director

Ann-Marie Stannard - non-executive director

Rosalyn Marshall – independent member

Sheila Terry – independent member

The Audit Committee will be chaired by David McGibbon.

The Audit Committee will be provided with a secretarial function by Policy Group.

Reporting

3. The Audit Committee will formally report in writing to the Board and the Accountable Officer after each meeting. A copy of the minutes of the meeting may form the basis of report.

4. The Audit Committee will provide the Board with an Annual Report, timed to support the finalisation of the accounts and the Statement of Internal Control, summarising its conclusions from the work it has done during the year.

Responsibilities

5. The Audit Committee will advise the Board and the Accountable Officer on:

- The strategic processes for risk, control and governance and the Statement on Internal Control;
- The accounting policies, the accounts, and the annual report of the organisation, including the process for the review of the accounts prior to the submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- The planned activity and results of both internal and external audit;
- The adequacy of management response to issues identified by audit activity, including external audit's management letter;
- The effectiveness of the internal control environment;

- Assurances relating to the corporate governance requirements for the organisation;
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

Rights

6. The Audit Committee may:
- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience; and
 - Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board or the Accountable Officer.

Access

7. The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee.

Meetings

8. The procedures for meetings are:
- The Audit Committee will meet at least four times a year. (February, June, September and December). The Chair of the Audit Committee may convene additional meetings, as he deems necessary;
 - The minimum of two members of the Audit Committee will be present for the meeting to be deemed quorate;
 - Audit Committee meetings will normally be attended by the Accountable Officer, the Director of Finance, the Head of Internal Audit and a representative of External Audit;
 - The Audit Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter;
 - The Audit Committee 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 Board or the Accountable Officer may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

Performance

9. The Audit Committee will also periodically review its own effectiveness and report the results of that review to the Board and the Accountable Officer. It will carry out a self assessment using the best practice checklist. It will also assess its performance based on the following measure:

- There should be no issue reported in the audit management letter or statement of internal control of which the committee was not aware and had not alerted the HS Board

February 2009