



Terms of Reference

Audit Performance & Risk Committee

1. Purpose

- 1.1 The Audit Performance & Risk Committee has been established by the Board to take responsibility for ensuring that financial, performance and other controls are in place in the organisation and operate effectively, including processes for internal and external audit, risk management and scrutiny and review of our finances.
- 1.2 This document sets out how Audit Performance & Risk Committee will operate and provides details of its responsibilities and delegated authority. Additional information on how all Committees report their work to the Board and are monitored and reviewed are included in the Standing Orders for the Board and Committees.

2. Frequency and Composition

- 2.1 Audit Performance & Risk Committee meetings will be held **four** times a year. Additional meetings may be held as necessary, as set out in the Standing Orders.
- 2.2 The Committee will consist of no fewer than **five** Board Members. From these members, a Chair and Vice Chair will be appointed by the Board.
- 2.3 The Chair and Vice Chair of the Board will not sit on the Audit, Performance & Risk Committee.
- 2.4 Responsibility for servicing the Committee will sit with the Company Secretary, or as agreed by the Board.

3. Quorum

- 3.1 **Three** members will form a quorum at each Audit Performance & Risk Committee meeting.

4. Other Attendees

- 4.1 The Chief Executive will normally attend meetings, as will other members of the Executive Leadership Team as required. Attendance by other staff will be agreed by the Chair in advance.
- 4.2 The Internal Auditor and External Auditor will be invited to attend the Committee to present their reports. The Committee may choose to hear their reports without staff present where appropriate. There will be a short discussion annually (at the Meeting where the Annual Financial Statements and External Audit Findings are presented) held between the Audit Committee Members and the Internal Auditor and External Auditor without staff being present.

5. Responsibilities

Area	Responsibility	Power to Approve?
Financial Planning to support Business Plan	Review the 5-year Business plan in line with the medium-term business plan and recommend to Board for approval	No
Annual Delivery Plan	Committees to receive reports as required on major projects from the Annual Delivery Plan.	No
Treasury Management Strategy	Review regular reports on our Treasury Management Strategy including covenant compliance. Monitor performance on our Treasury Strategy including compliance with lender requirements and level of funds	No
Budget, Management Accounts, Forecasts & Cash Flow Projections	Review the Annual Budget in line with the 5-year Business Plan and recommend to Board for approval. Further scrutinise the quarterly management accounts, forecasts and cash flow as directed by Board. Approve material changes to Accounting Policies as required.	No
Financial Control Framework	Review the Financial Control Framework on a 3-year cycle, or earlier if required. Approve (if only minor amendments) or if necessary, recommend to Board for approval.	Yes – minor amendments
Statutory Accounts	Review the Statutory Accounts, Annual Report to the Board and Final Audit Findings and recommend them to Board for approval.	No – recommend to the Board
Reactive Planned & Cyclical Maintenance Programmes & associated procurement as appropriate	Receive an annual report on the progress of Procurement of Reactive, Planned & Cyclical Maintenance Contractors in line with the Financial Control Framework and approved budget.	No
Rent, Care, Service Charge & Factoring Write Offs	Receive an annual report on rent, care, service charge and factoring arrears write offs.	Yes
Consultations to support the sector and national housing & care agenda	Participate in consultations if input is required from the Committee as requested by CEO.	No

Area	Responsibility	Power to Approve?
Compliments, Suggestions & Complaints	Approve the Complaints and Unacceptable Actions Policies. Review Compliments, Suggestions & Complaints on a quarterly basis and make recommendations for improvement.	Yes
Policies & Strategies	Review and approve new and substantive / material changes to revised policies and strategies as appropriate for each Committee's remit.	Yes
Performance Management Framework	Review all performance reporting quarterly and make recommendations for improvement. Annually approve KPI targets. Review the Annual Return on Charter submission and make recommendation for approval to the Chair for sign-off.	No – final sign off on ARC by Chair of Board
Hanover Improvement Framework	Approve Policies in relation to quality and improvement as delegated by Board. Be aware of any service improvement issues which may affect the strategy & business plan	Yes
Business Continuity & Emergency Response Planning	Approve Policies in relation to Business Continuity, Emergency Response Planning and Disaster Recovery. Approve any major actions arising out of Business Continuity or Disaster Recovery Testing or incidents and review post incident reports as required.	Yes
Internal Audit	Annually approve the Internal Audit Programme. Consider and approve Internal Audit reports, including the Annual Report, and monitor the implementation of agreed actions.	Yes
External Audit	Discuss the scope and timetable of the Annual External Audit in advance. Review the Final Audit Findings and External Auditor's management letter and recommend Blackwood's response to Board for approval.	No – recommend to Board
Appointment of Auditors – Internal & External	Select Internal and External Auditors, receiving information from and, where appropriate, conducting interviews with prospective organisations. Recommend appointments to Board.	No – recommend appointments to Board
Risk Management Framework	Consider on a quarterly basis the Strategic Risk Register and approve the plans in place to mitigate risks highlighted. Consider and approve proposals for updating the Risk Management Framework.	Yes
Compliance with Rules, law, and statute	Approve documents to support compliance as appropriate for each Committee's delegation.	Yes

Area	Responsibility	Power to Approve?
Compliance with SHR Regulatory Framework & Annual Assurance Statement	Review the evidence bank & Board Self-assessment results and make recommendations to Board in relation to the Annual Assurance Statement.	No – Board to approve
Committee Structure	Ensure the Committee complies with its delegated responsibilities	No
Committee Annual Reports	Ensure an annual report of each Committee is prepared and recommended for Board approval, including any recommended changes to the Terms of Reference.	No – recommend to Board
Statutory Policies	Approve the Fraud Policy and review any major fraud incidents which arise and agree any improvement actions. Review any Whistleblowing Reports and agree any improvement actions.	Yes
Data Management & Information	Approve the Data Protection & Policies related to Information Risk Management & Security. Receive regular reporting on stats in relation to Subject Access Requests, FOI requests and EIR requests.	Yes
Other	Consider any other matter that the Board may from time to time determine.	Dependent on matter arising