

Audit and Risk Committee Terms of Reference

Revised July 2024

Quick Guide

Name	Audit and Risk Committee	Number of meetings	At least 4 in a rolling 12- month period
Size	Minimum three Maximum five	Quorum	3
Co-optees and/or independent members	Up to 2 independent members	Lead executive director	Executive Director of Finance
Membership restrictions and requirements	Aspire Housing Board Chair cannot be a member of or chair the Committee No Executive members At least one member with recent finance/accounting experience		

1. PURPOSE

- 1.1. To ensure that systems of internal control and assurance are appropriate and effective across all parts of the group, and that the legal, statutory and regulatory requirements of the group are properly audited and reviewed.

2. SIZE AND MEMBERSHIP

- 2.1. The Committee shall comprise at least two Aspire Housing Board members and have a maximum membership of five. Up to two independent members may be appointed.
- 2.2. At least one of the Committee members shall have recent and relevant financial experience.
- 2.3. The Chair of the Aspire Housing Board may not be a member of the Committee.
- 2.4. The quorum for the Committee is three.
- 2.5. The lead director for the Committee is the Executive Director of Finance.

3. COMMITTEE CHAIR

- 3.1. The Chair of the Committee must be a member of the Aspire Housing Board.
- 3.2. The Chair of the Committee will be appointed by the Aspire Housing Board.

4. AUTHORITY AND RESPONSIBILITIES

- 4.1. The Committee is a Committee of the Aspire Housing group and is established, in accordance with the group's Standing Orders, to support it in its responsibilities. The Committee's remit extends to

the control framework for the Aspire Housing group, its registered provider (Aspire Housing) and all subsidiaries who are group members and whose boards have adopted these terms of reference.

- 4.2. Any matters considered by the Committee which are of relevance to any of the group companies shall be reported to the next meeting of the relevant Board.

General Responsibilities

- 4.3. Provide assurance to the Aspire Housing Board that there is an appropriate culture of control embedded throughout the group.
- 4.4. Monitor the implementation of approved recommendations relating both to internal audit reports and external audit reports and management letters as they apply to the group.
- 4.5. Oversee and ensure the effective co-ordination between Internal and External Audit.
- 4.6. Advise the Aspire Housing Board of the budget needed to resource effective External and Internal Audit functions and other responsibilities of the Committee.
- 4.7. Receive, as appropriate, regular reports on any regulatory, compliance or audit practice matters which may affect the operation of the Committee or the scope or extent of its responsibilities.

Financial Statements

- 4.8. Review draft annual consolidated financial statements for the group and all its entities; monitor the integrity of those financial statements and recommend to Aspire Housing Board for approval.
- 4.9. Approve changes to the accounting policies for the group and its subsidiaries.
- 4.10. Review any formal announcements relating to financial performance, for which the Aspire Housing Board approval is required.

External Audit

- 4.11. Make recommendations to the Aspire Housing Board on the appointment, reappointment or otherwise, of the External Auditor.
- 4.12. Make recommendations to the Aspire Housing Board on the fees and terms of engagement of the External Auditor.
- 4.13. Review, agree and monitor a planned programme of work with the External Auditor.
- 4.14. Consider, and report to the Aspire Housing Board on, the annual statutory audit and make recommendations on the response to any audit management letters, reports and investigations.
- 4.15. Obtain assurance that external audit recommendations, which have been endorsed, are implemented by management as timetabled.
- 4.16. Discuss annually with the External Auditor any problems, reservations or issues arising from the interim or final audit or other investigations.
- 4.17. Review and monitor the External Auditor's independence and objectivity and annually appraise the effectiveness and value for money of the external audit service.

4.18. Meet the External Auditor at least once a year without the staff being present, to discuss their remit and any issues arising from external audits carried out.

Internal Audit

4.19. Consider and make recommendations to Aspire Housing Board on the Internal Audit arrangements, including the appointment, reappointment or otherwise, methods and terms of engagement, of the internal auditor.

4.20. Approve the fees of the internal audit programme.

4.21. Review and approve the internal audit needs assessment and strategy and the annual plan and monitor delivery of the plan, approving any changes during the year.

4.22. Ensure that all key control systems and procedures are reviewed within a three-year period.

4.23. Ensure that legal, statutory and regulatory requirements of the group are properly audited and reviewed in a timely manner.

4.24. Receive and consider reports by the Internal Auditor on audit findings, together with the response from managers to these reports.

4.25. Obtain assurance that internal audit recommendations, which have been endorsed by the Audit Committee, are implemented by management as timetabled.

4.26. Review and annually appraise the effectiveness of the approach, nature and scope of internal audit activities and compliance with professional standards, good practice guidance and performance indicators.

4.27. Receive and review the annual report from the Internal Auditor.

4.28. Meet the Internal Auditor at least once a year without the staff being present, to discuss their remit and any issues arising from internal audits carried out.

Internal Controls assurance

4.29. Oversee and satisfy Board that there is a sufficient and systematic review of internal control arrangements within the Group to effectively manage agreed risks, scenario tests and mitigations.

4.30. Review the statement on internal control systems within the group and make appropriate recommendations to the Aspire Housing Board.

4.31. Ensure that any significant internal control weaknesses identified are remedied and reported to the Aspire Housing Board.

4.32. Commission special investigations into matters of particular concern relating to internal control.

4.33. Approve the:-

- Anti Fraud and Bribery and Corruption Policy
- Data Protection Policy - GDPR
- Money Laundering Policy and Procedure
- Whistleblowing Policy

4.34. Ensure that the impact of alleged or fraudulent activity is properly assessed, appropriately reported or escalated and, where it considers it necessary, recommend changes to strengthen the control and assurance framework.

Other responsibilities

4.35.To review the adequacy of the group's

- risk and assurance framework
- data protection arrangements.

4.36.To review the arrangements for staff and others to raise concerns, in confidence, about possible wrongdoing. To receive reports as and when required relating to any matters of whistleblowing which may have an effect upon the group or any of its subsidiaries.

4.37.To receive a quarterly report on the group's fraud register and receive reports as and when required relating to any matters of alleged or actual fraudulent activity which may have an effect upon the Group or any of its subsidiaries.

4.38.To receive regular reports on regulatory judgements

4.39.To receive a quarterly review of health and safety performance

4.40.To receive an annual report on the provision and receipt of hospitality and gifts.

4.41.To receive an annual report on the Regulator of Social Housing's sector risk profile.

4.42.To receive an annual update on the insurance programme in place for the organisation

4.43.Ensure that appropriate business continuity arrangements and contingency plans are in place and tested regularly.