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1. Delegation from the Board

The Board of Adullam Homes Housing Association Ltd delegate authority to this Committee to deal with the detailed scrutiny of financial performance, external and internal audit, internal control, risk management and other matters as described below.

The Board will receive minutes from each Committee meeting at its first available Board meeting.

2. Composition of the Committee

2.1 Board appoints the members of the Committee and will approve the appointment of the Chair. It would normally be anticipated that the Chair of the Finance, Audit and Risk Management Committee would be a Board member.

2.2 Membership will include three Board members. The Board recognises the necessity and value to the Association of independent, external co-opted members on this Committee. Changes in membership will be ratified by Board at its first available meeting.

2.3 A quorum will be two, Board members. The Chair will have a casting vote should any vote result in a tie.

2.4 The Group Financial Controller will service the Committee and will normally attend meetings along with the Chief Executive, although they may be asked to leave at the discretion of the Committee members.

3. Frequency of Meetings

The Committee will meet at least three times a year, meeting dates will be co-ordinated with the main Board meeting dates. It will be ensured that sufficient time is allowed to draft Finance, Audit & Risk Management minutes so that they can be presented to the next available meeting of the Board of Management.

4. Responsibilities

4.1 General

To advise the Board on the effectiveness of the Association's management and control systems for ensuring value for money, social value, data integrity and cyber security, propriety and regulatory compliance, economy, efficiency, competence and accountability. Approval of financial strategies, policies and plans to achieve business objectives within the remit of this Committee.

4.2 Internal Audit

To advise the Board on the appointment and remuneration of internal auditors and the scope of their work.

To approve the Annual Audit Plan and monitor progress on delivery of the plan.

To consider the issues and management responses presented within internal audit reports and monitor progress against actions, to ensure that management react appropriately to implement any recommendations arising from the reports. To receive an annual report from internal audit.

To meet with the internal auditors at least annually without the presence of officers.

4.3 External Audit

To advise the Board on the appointment and remuneration of external auditors and the scope of their work.

To monitor and review the independence, objectivity and effectiveness of the Group's external auditors and the standard of their work, taking into consideration relevant UK professional and regulatory requirements.

To review and recommend to the Board the approval of the audited Annual Accounts.

To receive the Audit Planning Memorandum, the external audit Annual Report and the Management Letter, and to monitor the implementation of recommendations contained in external audit reports and Management Letters.

To meet with the external auditors at least annually without the presence of officers.

4.4 Internal Control

To satisfy the Board that there is a sufficient and systematic review of the internal control arrangements within the Association.

To ensure that any significant weaknesses identified are addressed and reported to the Board though the Committee minutes and other communication as appropriate.

To monitor any instances of fraud, whistleblowing and bribery, and the arrangements for dealing with gifts and hospitality.

To commission special investigations into matters of particular concern relating to internal control.

4.5 Risk Management

To agree and oversee the implementation of the Risk Management Framework.

To ensure that there is a rigorous process for identification, recording, classification and monitoring of risk, including new and emerging risks.

To receive and review the Risk Register at each meeting.

To challenge, check and verify risk mitigation activities and controls (including insurance and business continuity and in relation to health and safety).

To ensure that adequate insurance is in place to mitigate insurable risks. Specifically, arrangements in relation to Directors and Officers Liability Insurance cover, affecting Board members will be reported to the Committee annually.

To receive reports of any amendments or near misses in relation to the Association's operations.

4.6 Financial Management

To oversee and monitor a framework for and systems of financial control, including receiving Management Accounts and Treasury Management Reports.

To monitor cashflow forecasts and covenant compliance.

4.7 Other

To receive and review the Key Performance Indicators in relation to the areas of responsibility of the Committee (Appendix 1).

5. Review

These Terms of Reference will be reviewed periodically (at least every three years) to ensure best practice and relevance to the work of the Board of Management. The Board is the approval body for these Terms of Reference.

Appendices

1. Key Performance Indicators
2. Scheduled Annual Workload of the Committee
3. Agenda Template

Appendix 1

Finance, Audit & Risk Management Committee

Key Performance Indicators

A. Internal Audit	Actual	Target	Date	Trend ↑↓
1. Number of outstanding internal audit recommendations				
2. a) Number of fundamental compliance recommendations raised in the year				
b) Number of fundamental good practice recommendations raised in the year				
3. Percentage of recommendations fully implemented within agreed timescales:				
a) Fundamental				
b) Non-Fundamental				
4. Number of internal audit reviews with no or limited assurance				
B. External Audit				
1. Number of Management Letter points				

Appendix 2

Scheduled Annual Workload of the Committee

Meeting 1: **February / March**

External Audit Plan
Internal Audit Plan for forthcoming financial year

Meeting 2 **June / July**

Receive Internal Control Assurance report (Internal Audit)
Receive Audit Highlights Memorandum and Management letter (External Audit)
Receive draft final financial statements
Formal opportunity for Committee members to meet Internal/External Auditors without officers being present

Meeting 3 **September**

Focus on Risk Management/Insurance arrangements

Meeting 4 **December**

Focus on Internal Audit recommendation and implementation

Appendix 3

Standard Items for Finance, Audit & Risk Management Committee Agenda

1. Welcome and Introductions
   1.1. Welcome and prayer
   1.2. Apologies for absence
   1.3. Declarations of interest

2. Standing agenda items
   2.1. Minutes of last meeting
   2.2. Matters arising
   2.3. Health and Safety - Accidents and 'Near Misses'
   2.4. Potential liability claims

3. Internal Audit
   3.1. New Audit Reports
   3.2. Review of IA recommendations follow up

4. Risk Management
   4.1. New risks identified
   4.2. Review of risk management activity

5. External Audit

6. Confidential items
   6.1. Suspected fraud reported
   6.2. Confidential Disclosures (Whistleblowing)

7. Date of Next Meeting