

Rural Stirling Housing Association

Audit and Risk Committee: Remit

Name	Audit and Risk Committee
Quorum Requirement	3 Board Members (elected)
Membership	Not more than 6 members appointed by the Board Chair (who cannot also be the Chair of RSHA) elected by Committee and approved by Board
Power to co-opt	No (although specialist advice may be commissioned as required)
Frequency of Meetings	Quarterly
Principal Adviser	Depute CEO/FCSM
Accountable to	Board
Other Relevant Documents	Standing Orders and Scheme of Delegation Financial Regulations Internal Audit Policy and Annual Plan Health and Safety Legislation, Policy and Controls EVH Terms and Conditions of Employment HR Employment and Related Policies Staff Code of Conduct Entitlements, Payments and Benefits Policy Grievance and Disciplinary Procedures Dignity at Work Policy Equalities and Diversity Policy Financial Regulations Ant-Fraud and Bribery Policy Health and Safety Policy Regulatory Standards of Governance and Financial Management – Notifiable Events Attendance and Absence Management Policy

Remit

The role of the Committee is to provide assurance to the Board that risk management, robust internal control and legal and regulatory compliance are embedded within the culture of RSHA.

The role of the Committee is also to deal with any disciplinary or grievance matter that is raised by a member or members of RSHA staff, in accordance with the agreed terms and conditions of employment and related procedures. As a member of EVH, RSHA has adopted the policies and procedures agreed as part of the collective negotiation process and the Staffing Committee will fulfil RSHA's responsibilities in that regard.

To enable it to fulfil this role, the Board has delegated responsibility to the Audit and Risk Committee for:

- Overseeing the preparation and implementation of the annual external audit plan
- Planning and overseeing the annual programme of internal audit and monitoring the implementation of the consequent recommendations
- Meeting with the external and internal auditor as required
- Developing and maintaining RSHA's risk register and overseeing the management of risk; advising the Board on the identification, mitigation and management of key risks
- Overseeing RSHA's compliance with health and safety legislation and good practice
- Advising the Board on the effective discharge of the association's responsibilities as employer, ensuring compliance with all statutory requirements and for the effective implementation of the agreed terms and conditions and employment practices, policies and procedures and dealing with disciplinary and grievance matters.
- Developing the Association's Policy Schedule and carrying out regular updates and reviews
- Reporting to the Board on the discharge of this remit and, where required, seeking the Board's approval to recommendations

Membership of the Committee

Membership of the Committee will be made up of elected members of the Board. Committee members should have relevant experience and/or be willing to participate in training to equip them for their role. Training will be provided to all committee members following the AGM to ensure that they are able to fulfil their responsibilities whenever these may be required. Committee members will be expected to participate in ongoing training during the course of their membership of the committee.

The Committee has delegated authority to:

General

- monitor and advise the Board on the effectiveness of controls throughout the organisation and report annually on their operation
- monitor and regularly review the framework and process for risk assessment and management
- make recommendations to the Board on the appointment of external and internal auditors
- receive and act on internal and external audit reports and make recommendations, where appropriate, to the Board
- monitor RSHA's compliance with statutory and regulatory requirements
- oversee RSHA's compliance with the association's responsibilities relating to Health and Safety; report any matters of concern to the Board and make an annual Health and Safety report to the Board
- make recommendations to the Board on HR and staffing related matters
- meet with the internal and external auditor (separately), without staff being present, at least annually or at the request of the auditor to obtain assurance that there are no outstanding issues or matters of concern
- monitor the review of policies and the Association's Policy Register to ensure that the required policies are in place and kept up to date

To fulfil these general responsibilities, the Committee will:

Internal Control and Risk Management

- Approve, monitor and keep under review the effectiveness of RSHA's internal controls and risk management policy and framework
- Undertake a comprehensive annual review of RSHA's Key Risk Register
- Advise the Board on the key risks affecting RSHA and the effectiveness of their mitigation and management
- Consider quarterly reports on material new and emerging risks, and on material changes in existing risk scores or the risk climate and agree any necessary action
- Commission special investigations into matters of particular concern relating to internal control or risk management, independently of the Board
- Consider and instruct any necessary action arising from reports relating to actual or attempted fraudulent activity
- Oversee the development, maintenance and testing of appropriate business continuity and contingency plans
- Review and report on all Registers i.e. Fraud, Bribery and Corruption, Payments and Benefits, Gifts and Hospitality and Declarations of Interest to on an annual basis or more frequently as and when required.

Financial Monitoring and Reporting

- Review and monitor the integrity of the annual financial statements and assessment of going concern and report to the Board in advance of the AGM
- Recommend adoption of the annual accounts and appointment / re-appointment of the auditors to the Board
- Oversee and ensure compliance with accounting standards and policy, legal, funder and regulatory requirements and provide assurance to the Board by means of regular reporting
- Agree any significant adjustments resulting from the external audit; consider the auditors' annual management letter and oversee the implementation of all recommendations

External Audit

- Agree, monitor and review the plan for the conduct of the annual external audit planned programme of work.
- Discuss any problems, reservations or issues arising from the audit process or other related work with the external auditor and, where necessary, make recommendations to the Board
- Review and monitor the independence and objectivity, and annually appraise the effectiveness and value for money of the external audit service and monitor the independence and objectivity of the external auditor throughout the period of their appointment
- Determine and oversee the process for the selection and appointment of the external auditor and make recommendations to the Board for approval in a general meeting on the appointment, reappointment and removal of the external auditor.
- Approve the fees and terms of engagement of the external auditor

Internal Audit

- Review and approve the internal audit needs assessment and strategy and the three -year internal audit plan.
- Oversee the delivery of the internal audit plan and approve any amendments to the planned scheduling of audits during the agreed three-year programme
- Consider reports from the internal auditor and the proposed management response
- Obtain assurance that internal audit recommendations are implemented effectively by management
- Consider and review the annual report from the internal auditor
- Appraise the effectiveness of RSHA's internal audit programme including the nature and scope of internal audit activities, conduct and performance of the internal auditor and their compliance with professional standards, good practice guidance and agreed performance standards
- Determine and oversee the process for the selection, appointment and remuneration of the internal auditor where required and agree their appointment following completion of the agreed process

Health & Safety

- Ensuring compliance with all statutory and regulatory requirements and good practice bringing any matter of serious concern to the Board's attention
- The development and effective implementation of health and safety strategy and policy including policies to deal with environmental issues such as, but not limited to, legionella and the management of asbestos
- Monitor and review health and safety audits, the management response and the effective implementation of recommendations for change and improvement
- Ensuring that the Risk Register accurately identifies and assesses health and safety related risks
- Considering training requirements and ensuring the implementation of a programme of regular health and safety training and development to enable the organisation to fulfil responsibilities effectively

Human Resources

- Recommend amendments to the terms and conditions of employment, either as a consequence of legislative change, proposals from EVH, the actions of pensions providers or local negotiation, in accordance with regulatory requirements
- Review of Pension Scheme/Contributions
- Scrutinise and make recommendations on the financial implications of any changes proposed
- Consider proposals relating to structure, including proposals to add to or remove posts from the structure and Job Evaluation as required
- Review employer-related accreditations such as Investors in People and Healthy Working Lives
- Review of policies on recruitment, training and development
- Monitor performance in respect of matters such as staff training, sickness and absence and equal opportunities
- Oversee arrangements for the annual performance appraisal of the CEO and making any recommendations to Board

Disciplinary and Grievance Issues

- Deal with any disciplinary or grievance matter in accordance with the agreed policies and procedures. All of the committee's deliberations and discussions will be recorded in confidential minutes and all reports prepared for the committee shall be similarly confidential.
- Where a disciplinary matter requires to be addressed, the Committee has full authority to deal with the matter in accordance with agreed policies and procedures. Normally, a disciplinary matter will be dealt with by a three members of the Committee who will deal with the matter throughout. To aid its consideration, the Committee may seek and/or instruct advice from RSHA staff, EVH, RSHA's solicitors and any other specialist adviser that may be appropriate.

- The role of the committee is to fulfil RSHA's obligations as set out in the disciplinary policy. In the event that the Committee's decision is subject to appeal by the staff member, the matter shall be referred to the Board.
- Where a grievance is raised by a member of staff that requires to be resolved by the Board, the committee – normally made up of three members – shall seek to resolve the matter in accordance with RSHA's agreed policies and procedures.
- The role of the committee is to fulfil RSHA's obligations as set out in the grievance policy. In the event that the Committee's decision is subject to appeal by the staff member, the matter shall be referred to the Board.
- In the event that a disciplinary or grievance matter and/or its resolution has implications for RSHA's policy, or if there are reputational or regulatory implications, the Committee shall ensure that the Board is advised (whilst respecting and maintaining individual confidentiality), that the necessary action is taken and that appropriate recommendations are made to the Board for its consideration once the matter is concluded.

Meetings and Conduct of Business

The committee will normally meet four times a year and meetings will be planned to ensure that the Management Accounts are presented as soon after the quarter close as possible. Additional meetings may be held as required, with the approval of the Chair, but there will not normally be more than six meetings of the committee in any one year.

Membership of the committee will be approved by the Board at its first meeting after the AGM. Membership of the committee will not exceed six and the quorum is three (who must not be co-opted Board members).

The committee will elect a Chair from amongst its membership (who cannot be a co-optee or the Chair of the Association). To support committee member development and aid succession planning, the committee Chair should not normally serve for more than two consecutive years in that role.

In advance of the first meeting of the committee following the AGM, the Finance and Corporate Services Manager will provide a briefing to the members on the issues that fall within the committee's remit and the key business to be considered during the course of the year.

The principal adviser is responsible for drawing up the agenda for meetings, in consultation with the Chair of the committee. The Chair and principal adviser will normally meet (or otherwise communicate) in advance of a committee meeting to ensure the business is conducted effectively.

Reporting and Accountability

The committee is accountable to the Board. Minutes of committee meetings will be presented to the Board for information. The Chair of the committee is responsible for ensuring that the Board is kept informed of the business of the committee by:

- Ensuring that all matters that require the Board's approval are the subject of written reports to the relevant Board meeting
- Drawing any significant matters to the attention of the Board by means of the regular update to be provided to the Board immediately following a meeting of the committee

This remit was approved by the Board on 21st February 2019 and will be reviewed at the end of its first year.