

Policy :	Group Audit & Risk Group Remit
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Compliant with Regulatory Standards :	Standard 3 – the RSL manages its resources to ensure its financial well-being and economic effectiveness.
Compliant with Tenant Participation Strategy :	n/a
Compliant with Equal Opportunities :	Commitment within Policy
Compliant with Budget/Business Plan :	Budget : audit and various others Business Objective : 3 (VfM), 8 (governance) and operational obj 5 (internal audit and risk strategy)

Approved at Meeting on :	May 2018
Date for review :	May 2021

Responsible Officer :	Chief Executive
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History
Last approved April 2017
Updated May 2018
Updated Jan 2020

Barrhead Housing Group Remit Audit & Risk Group

1. Role of the Group

The Audit & Risk Group has been established by the Governing Board to ensure that the Group (both BHA and LPS) has in place and operates appropriate controls to safeguard its assets and manage associated risks.

It is a full Group of the BHA/LPS Governing Boards and is accountable to the BHA Governing Board for the fulfilment of its responsibilities. It has delegated authority to make decisions and approve actions in accordance with this Remit and the terms of the approved scheme of delegated authority to the Chief Executive and as stated in the Group Standing Orders/Remit.

At all times, the Group will ensure that its activities are carried out in accordance with BHA's Rules, Standing Orders, relevant policies, the Scottish Housing Regulator's requirements and expectations, relevant legislation and recognised good practice.

The Group cannot undertake any functions that are reserved for the Governing Board, nor can it act without the Governing Board's approval on any matters not specifically delegated to it within the terms of this remit.

2. Membership

Membership of the Audit & Risk Group will be appointed annually by the Governing Board, at its first meeting following the AGM. Appointments to the Audit & Risk Group will normally be for a minimum of three years, subject to continuing membership of the Governing Board and this annual appointment process, in order to gain experience of dealing with audit and financial matters, and to ensure increasing knowledge of risk control and mitigation.

Membership of the Audit & Risk Group will be a minimum of four elected Governing Board members and a maximum of sixteen members, with LPS Board members being co-optees. Not more than a third of its members may be co-optees, and all co-options must be approved by the Governing Board. Audit & Risk Group membership is therefore available to all BHA and LPS Governing Board members.

The Governing Board should satisfy itself that normally at least one member of the Audit & Risk Group has recent and relevant financial experience. This can be achieved by co-option.

The Convener of the Audit & Risk Group will be appointed annually by the BHA Governing Board, and must be an elected BHA Governing Board member, but

cannot be the Chairperson of the BHA Governing Board. In the absence of a convener at the meeting, the remaining members shall elect one of themselves to chair the meeting.

Changes to the membership or convener of the Audit & Risk Group prior to the AGM must be approved by the BHA Governing Board.

3. Responsibilities

General

To ensure there is an appropriate culture of control throughout the organisation, for both BHA and LPS.

To approve the annual report on the effectiveness of the system of internal control throughout the organisation.

To review regularly (as required by the agreed review schedule) the framework and process for risk assessment and management incorporated within the Risk Management Policy, making recommendations for change where appropriate.

To ensure effective co-operation between internal and external audit providers.

Financial reporting

To review and monitor the integrity of the annual financial statements. To approve quarterly management accounts, and review and where appropriate, approve statutory financial returns within agreed timescales.

To ensure that any changes in accounting policy, any significant adjustments resulting from audit, the assessment of going concern, and compliance with accounting standards and legal, funder and regulatory requirements are all the subject of careful review.

To properly appraise all financial and economic matters including reports on loan conditions and covenants, treasury management controls and updates; updated financial forecasts and long term corporate planning requirements.

Performance Reporting

To monitor review and approve all quarterly performance reports against each indicator including the Social Housing Charter and ESSH indicators; and target; and where appropriate, ensure the development and monitoring of improvement plans, where required, to address poor performance.

External audit

To meet with the external auditors in order to agree, monitor and review a planned programme of work.

To review and approve the annual audited accounts for both the parent and subsidiary, and make recommendations on the response to any audit management letters, reports and investigations.

To review any additional requirements for the subsidiary as recommended by external auditor that will support the constitutional, legal and financial arrangements between the parent and the subsidiary including advice on VAT and on growth and funding where appropriate.

To obtain assurance that external audit recommendations, which have been approved by the Governing Board of the Audit & Risk Group, are implemented by management as timetabled.

To discuss with the external auditor any problems, reservations or issues arising from the audit process or other work, to review and monitor their independence and objectivity, and annually appraise the effectiveness and value for money of the external audit service.

To approve and recommend to membership at the annual general meeting on the appointment, re-appointment and removal of the external auditor.

To determine and oversee the process for the selection and appointment of the external auditor.

To recommend the fees and terms of engagement of the external auditor.

Internal Audit

To review and approve the internal audit needs assessment and strategy, and the annual internal audit plan. To monitor the delivery of the plan, approving any changes made during the year in the context of a three-year audit plan.

To receive and consider reports from the internal auditor and the proposed management response, and to obtain assurance that internal audit recommendations are implemented by management as timetabled.

To receive and review the annual report from the internal auditor.

To review and appraise the effectiveness of the approach, nature and scope of internal audit activities, and compliance with professional standards, good practice guidance and any performance indicators.

To consider any recommendations on internal audit arrangements, including the appointment, reappointment or otherwise, fees, terms of engagement, etc. of the internal auditor.

To determine and oversee the process for the selection of the internal auditor where required.

Internal control and risk management

To keep under review the effectiveness of the internal controls and risk management system.

To undertake at least annually a comprehensive review of BHA's strategic risk logs including specifically the risk logs for LPS.

To receive at each meeting a summary report on material new and emerging risks, and on material changes in existing risk ratings or the risk climate.

To ensure that risk management and internal controls are embedded in the culture of the organisation at Governing Board and staff levels.

To commission special investigations into matters of particular concern relating to internal control, independently of the Governing Board.

To receive reports relating to actual or attempted fraudulent activity, and to ensure that the impact of such alleged activity on the framework of internal controls is properly assessed, recommending changes where appropriate.

Other responsibilities

To receive, as appropriate, reports on any governance, regulatory or compliance issues which may affect the operation of the Audit & Risk Group, or the scope or extent of its responsibilities.

To ensure that appropriate business continuity and contingency plans are in place and are tested regularly.

Audit & Risk Group members shall be provided with appropriate and timely training both by way of induction for new members, and on an ongoing basis for all members.

4. Policy, Action Plans and Workplans

To oversee the review of all policies designated within the group's policy schedule including finance regulations and treasury management policies, plus any quarterly reviews and new risk controls, overseeing delivery of action plans and workplans.

To agree a final draft of each such reviewed policy for approval at the Audit + risk Group or full BHA Governing Board for adoption.

5. Accountability and assurance

The Audit & Risk Group is accountable to the Governing Board for the fulfilment of responsibilities delegated to it under this remit and BHA's scheme of delegated authority, as

set out in Standing Orders/Remits. Group members must receive adequate training to enable them to discharge these responsibilities appropriately.

The Governing Board will obtain assurance on the Audit & Risk Group's work via minutes which will be presented for information to the next Governing Board meeting (in draft form, if necessary). The Convener will ensure that key issues are brought promptly to the attention of the Governing Board.

The Audit & Risk Group will conduct an annual self-assessment of the effectiveness of its work, and make changes as appropriate to improve its performance.

The Audit & Risk Group will present a report annually to the Governing Board on its work.

The Audit & Risk Group may obtain independent legal/professional advice, within reasonable budgetary constraints.

6. Meetings

The Audit & Risk Group will meet at least four times a year.

7. Quorum

A quorum for any meeting will be four full Governing Board members. Co-optees do not count towards the quorum.

8. Attendance

The Audit & Risk Group shall meet on its own if required and in exceptional circumstances which relate to the responsibilities of this Remit.

Senior staff and others may attend all or part of meetings at the invitation of the Governing Board. Attendees will normally include:

- Director of Corporate Services
- Chief Executive and Departmental Directors
- External and internal auditors, as required
- Other staff as required

The Director of Corporate Services is responsible for servicing this Group, including liaising with the Convener regarding the agenda for meetings; lead responsibility for coordinating the preparation and distribution of papers for the meeting according to agreed timescales; and arranging for minute-taking.

9. Review

This remit was approved by the Governing Board in Jan 2020. It can only be amended with the approval of the Governing Board, and will be reviewed no later than Jan 2023.