

Audit Committee Terms of Reference

Purpose

The Audit Committee is constituted under the provisions of para 22 (1) of the Articles of Association of East North East Homes Leeds.

The purpose of the Audit Committee is to monitor and assess (and therein provide assurance to the Board and wider stakeholders) the effectiveness of controls, systems and processes of East North East Homes Leeds, to ensure they are operating to protect the assets, staff and tenants and service users at appropriate levels of risk. It oversees the work programme and performance quality of the Internal Audit service and also oversees the operation of the Assurance Framework operated by Strategic Landlord.

The Committee has a wide responsibility to assess any issues of probity or poor controls that are brought to its attention.

The Committee will monitor East North East Homes Leeds' Risk Framework and ensure that Risk Registers are being adequately maintained.

Constitution and Membership

The Audit Committee shall comprise at least five Board Members, with representation from each category of Board Member. The membership shall be determined and ratified by the Board.

The Audit Committee shall meet quarterly.

The quorum shall be three members of the Committee, representing at least two of the Board Member categories.

At the request of the Chair of the Committee, other Board members, Executive Team members, staff or external advisers may be in attendance at meetings.

An Officer of ENEHL will support the Committee, arranging for the location of meetings, circulating papers and taking minutes. Papers shall be made available five working days prior to the meeting date.

The ENEHL Publication Scheme applies and meetings of the Committee shall be open to members of the public in so far as items that are not exempt are concerned. Members of the public shall be entitled to attend as observers but shall not be entitled to speak at meetings. The Committee may receive questions from members of the public, subject to approval by the Chair.

Responsibilities and Duties of the Committee

The following principal responsibilities are delegated to the Audit Committee:-

Internal Control and Corporate Governance

1. To review the systems and process of internal control and governance.
2. To review reports from management and internal auditors on the effectiveness of systems for internal control and governance;
3. To evaluate the control environment;
4. To consider the Statement on Internal Controls for inclusion in the Annual report;
5. To consider the external audit management letter;
6. To receive and consider reports on whistle-blowing allegations;
7. Reviewing the annual financial statements, in particular:
 - o Critical accounting policies and changes to them;
 - o Decisions requiring a major element of judgement;
 - o Unusual transactions;
 - o Audit adjustments.

Internal Audit

8. To agree the appointment of the internal auditor, and the terms on which they are appointed;
9. To review and agree the internal audit programme annually and ensure that the function is adequately resourced;
10. To consider reports from internal audit, management's response and to monitor the progress on implementation of recommendations made;
11. To consider the annual internal audit report from the internal auditor;
12. To review the performance of the internal auditor to determine if value for money is being provided and whether the service is independent and effective. In particular the Audit Committee must ensure the internal auditor has no conflicts of interest.

Assurance Framework

13. To consider and review the work programme to be undertaken under the Assurance Framework of the Strategic Landlord;
14. To consider reports made from work commissioned under the assurance framework, management's response and to monitor the progress on implementation of recommendations made.

External Audit

15. To review the external audit management letter, management's response and to monitor progress on implementation of recommendations made;
16. To review the performance of external audit;
17. To ensure effective liaison between external and internal audit.

Risk

18. To review the Risk Registers, Risk Management Strategy and Risk Management processes, together with proposed and actual responses to managing risks identified;
19. To promote a risk management culture throughout the organisation;
20. To advise the Board and ENEHL Officers on risk, business priorities and risk management needs – reporting specifically to the Board if business risks are considered to be carried inappropriately;
21. To monitor and review the business continuity plan;

Other

22. The Committee has authority to approve work of an urgent nature with joint agreement of the Board Chair, Deputy Chair and Chief Executive