



## **Shropshire Towns and Rural Housing Ltd Finance, Audit and Risk Committee**

### **Terms of Reference**

Considered by FAR on 20<sup>th</sup> June 2013 and approved at the STAR Board Meeting on 18<sup>th</sup> July 2013.

Reviewed at STAR Board Meeting on 18<sup>th</sup> February 2016.

### **DEFINITIONS**

**Board** means the Board and directors of Shropshire Towns and Rural Housing Ltd.

**Committee** means the Finance, Audit and Risk Committee of Shropshire Towns and Rural Housing Ltd.

**Company** means Shropshire Towns and Rural Housing Ltd.

**Director of Finance and Resources** means the designated employee of Shropshire Towns and Rural Housing.

**Service Manager** means any appointed manager of Shropshire Towns and Rural Housing Ltd.

### **PURPOSE**

The Committee is responsible for keeping the Board informed about the financial reporting process, internal audit, external audit, accounting and internal control and risk management.

### **MEMBERSHIP & MEETINGS**

The Finance, Audit and Risk Committee will comprise of a minimum of 5 members of the Board who be limited to serve a maximum period of no more than 5 years. Members will be appointed by the Board each year normally at the Annual General Meeting although the Board can appoint members at any time if vacancies arise

For the purpose of Committee meetings a quorum will require 3 Members to be in attendance.

The Committee will appoint a Chair and vice Chair for each year at the first meeting following the AGM. These appointments will serve for 1 year and members are eligible to hold these positions in successive years. Neither the Chair or vice Chair of the Committee shall be the Chairman of the Board.

The Committee will meet at least 3 times during an annual cycle but may hold additional meetings at the request of the Board or where the Committee considers it necessary.

The Director of Finance and Resources (or their nominated representative) will normally attend Committee meetings although the Committee may hold meetings without the attendance of any employee of the Company should it so choose. Other attendees could also include:

- Internal auditor
- External auditor
- Note taker
- Other employees of the Company on invitation
- External advisors where appropriate

## **SPECIFIC AREAS OF RESPONSIBILITY**

### **1. Internal Audit**

- 1.1 To agree the annual internal audit plan.
- 1.2 To review and seek assurance on the effectiveness of the systems of internal control.
- 1.3 Receive and consider internal audit reports together with the response from Service Managers.
- 1.4 To monitor the implementation of recommendations made in internal audit reports.

### **2. External Auditor**

- 2.1 To agree the annual external audit plan.
- 2.2 Recommend to the Board arrangements for the appointment of the external auditor.
- 2.3 Promote effective liaison between the internal and external auditors.
- 2.4 To monitor the implementation of recommendations made in external audit reports.

### **3. Statutory Accounts**

- 3.1 To consider draft pre-audited accounts.
- 3.2 To review and approve statements to be included in the Company's annual report and accounts concerning internal controls and risk management.
- 3.3 To consider and approve the final audited annual accounts and report of the external auditor.
- 3.4 To recommend approval of audited accounts to the Board at the Annual General Meeting.

#### **4. Risk Management**

- 4.1 To receive and consider the Company's Risk Register at least twice during the annual cycle.
- 4.2 To seek assurance on the robustness of the Risk Management process in the Company.
- 4.3 Ensure the adequacy of arrangements for safeguarding assets of the Company.

#### **5. Anti-Fraud and Corruption**

- 5.1 To receive reports on any matters of whistle blowing or alleged or actual fraudulent activity that may have an impact on the Company.

#### **6. Governance and Reporting**

- 6.1 To receive reports on any financial irregularity within the Company.
- 6.2 To receive any financial reports delegated to the Committee by the Board.
- 6.3 To consider and approve the Annual Governance Statement.
- 6.4 The Chair will report to the Board on key issues and the activities of the Committee including any issues of concern arising from the Auditors or any other appropriate regularity body.

#### **7. Rights of Access**

- 7.1 The audit committee, internal auditor and external auditor have the right to hold meetings without the attendance of the Director of Finance and Resources or any other employee of the Company in order to ensure independence.
- 7.2 The Committee has right of access to all information within the Company with regard to any investigations. All employees of the Company are required to co-operate with any request made by the Committee.