



AUDIT & RISK COMMITTEE REMIT as at September 2019

1. Role

- 1.1. Maryhill Housing's (MH) Board have overall responsibility of ensuring that MH is adequately resourced and effectively managed to meet its objectives and fulfil its obligations.
- 1.2. In accordance with MH's Rules and Standing Orders, the Board has delegated authority to the Audit & Risk Committee to ensure that these affairs are managed appropriately.
- 1.3. This remit sets out those areas in which authority has been delegated to the Audit & Risk Committee. Where there is any doubt about the extent of the Audit & Risk Committee's responsibilities, the matter is referred to the MH Board for decision.

2. Constitution

- 2.1. The Audit & Risk Committee will:
 - be constituted formally as a Standing Committee of Management
 - have sufficient authority and resources, including the right of access to obtain all the information it considers necessary and to consult with any professional advisors it considers necessary
 - act in an advisory capacity to the Board but will also be able to take decisions as defined within its delegated authority

3. Membership

- 3.1. All MH Board members will also be members of the Audit & Risk Committee and will be able to attend meetings. When attending they will count towards quorum (excluding co-optees). The Committee will however have a core membership of at least three members due to attend every meeting. This core membership will be agreed at the first Board meeting following the Association's Annual General Meeting.
- 3.2. The Audit Committee will appoint a Chair at the first Audit & Risk Committee meeting following the AGM. The Chair must be appointed from members of the MH Board. The Chair of the Association may be a member of the Audit & Risk Committee but cannot

also be the Chair of the Audit & Risk Committee. Appointment of the Chair of the Audit & Risk Committee must be approved by the MH Board.

- 3.3. The Chair of the Committee shall have a casting vote.
- 3.4. In the event the Chair is absent from a meeting of the Audit & Risk Committee, the other members will select one of their number to chair the meeting (excluding co-opted members), who shall be entitled to use the casting vote.
- 3.5. The Audit & Risk Committee can co-opt members to the Committee either from the Board or directly to the Committee. Co-optees need not be members of MH. Co-optees are only able to serve on Committee until the next AGM or until removed by the Board. Co-opted members must not make up any more than one-third of Committee members and do not count as part of the number required for the Committee to be quorate. Co-opted members cannot stand for any Office Bearer position and although they can vote, they are not able to vote on any matters directly affect the Rules, Membership of the Association or Election of Office Bearers.
- 3.6. The Board must be satisfied that at least one member of the Audit & Risk Committee (including co-opted members) has recent and relevant financial and/or internal/external audit experience.
- 3.7. The Director of Resources will support and advise the Committee, and will act as principal advisor and liaise with the Chair over the preparation of the agenda, minutes and papers.
- 3.8. Other MH officers, the Internal Auditor and the External Auditor will attend meetings in full or for particular agenda items as required. Any person in attendance at meetings will leave the meeting at the request of the Audit & Risk Committee Chairperson in relation to relevant agenda items.

4. Meetings

- 4.1. The Audit & Risk Committee will meet at least four times per year, as required by the cycle of internal and external audit reports, business plans and financial reports and on such dates and times as determined by the Committee.
- 4.2. Additional meetings may be convened by the Director and the Chair if it is considered that such a meeting is necessary.

5. Quorum

- 5.1. A quorum will be not less than three members excluding any co-opted members.

6. Agenda, Minutes and Reporting

- 6.1. The agendas for meetings will be agreed with the Audit & Risk Committee Chair and will be circulated, electronically, to all members, together with appropriate reports, seven days before a meeting.
- 6.2. A summary of the quarterly management accounts approved by Committee will be presented to the next MH Board for noting.
- 6.3. Any matter that is referred to the Board for approval or decision will be subject of a separate paper that will be prepared and circulated with MH Board papers.
- 6.4. A full copy of the minutes of each Audit & Risk Committee will be provided to all Board members for the next available Board meeting.
- 6.5. The Chair of the Audit & Risk Committee will speak to the minutes of the last Audit & Risk Committee meeting(s), at the next available meeting of the Board, and will account to the Board for all decisions taken under delegated authority.
- 6.6. The Chair of the Audit and Risk Committee will present a report to the Board at least once a year that describes the activities of the Committee over the year, highlights matters of significance.

7. Key Responsibilities

7.1. Introduction

The Director of Resources is responsible for providing advice to the Audit & Risk Committee, for ensuring MH's affairs are managed appropriately with reference to approved strategies, policies, the financial business plan and budget and that all legal and regulatory requirements and accounting standards are met.

The Audit & Risk Committee is responsible for:

7.2. Finance:-

- to ensure that financial regulations and associated procedures are being complied with and that appropriate and accurate financial records are maintained
- to review the quarterly management accounts and raise any issues of concern or recommend approval to the Board
- annual review of treasury management and review of MH's treasury management policy including accounting principles and policies, banking arrangements and investment of surpluses. Recommending any changes to the Board.
- consider MH's proposed terms of borrowing and recommend approval to the Board

7.3. External Audit:-

- to receive from the external auditor the annual report and financial statements and ensure that these give a true and fair view of the Associations affairs and have been prepared in accordance with applicable accounting standards and that suitable accounting policies have been applied.
- to advise the Board on any matters of concern identified by the external auditor and recommend appropriate action and confirm to the Board that action has been/is being there are no outstanding areas of disagreement between officers and the external auditors
- to discuss with the external auditor any principal matters of concern, including the review of the annual management letter, to act upon the issues raised and ensure that there are no outstanding matters of concern. The Committee will recommend the annual accounts for approval to the Board
- to ensure that the Association has appropriate external audit arrangements in place and overseeing the procurement of these services including agreeing the tender evaluation criteria
- to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and monitoring their effectiveness, performance and value for money
- to consider the remuneration and terms of engagement of the external auditors

7.4. Internal Audit:-

- to ensure that the Association has appropriate internal audit arrangements in place and overseeing the procurement of these services including agreeing the tender evaluation criteria
- to have input to, review and monitor the planned programme of internal audit work to ensure its appropriateness
- to consider the annual internal audit programme and recommend approval to the Board.
- To oversee the delivery of the annual programme, consider internal audit reports, approve management responses, monitor the implementation of recommendations, and receive an annual report on the internal audit function and process

7.5. Overview of internal control and performance:-

- to satisfy the Board that there is a sufficient and systematic review of the internal control arrangements of the Association
- to ensure that any weaknesses identified are dealt with and reported to the Board
- to consider the external auditor's management letter
- to learn from the internal audit function of any major audit findings, determine any action required, monitor its implementation and report to the Board thereon
- to commission and report on special investigations into matters of particular concern relating to internal control and performance
- to review the Fraud Register at each meeting, to include all alleged, attempted and actual instances of Fraud, Bribery or Corruption.

7.6. Risk:-

- to monitor the operations and implementation of MH's approved corporate risk management strategy to ensure effective and appropriate assessment, management and mitigation of risk.
- The Committee will review all Strategic Risks at each meeting, and highlight to the Board any changes in risk score of key strategic risks and appropriate mitigation strategies.

7.7. Scrutiny:

- To monitor the implementation of scrutiny (Service Improvement Panel) recommendations once approved by the Board.

7.8. Other Regulator's Recommendations:

- To monitor the implementation of other Regulator's recommendations, such as the Information Commissioner and the Scottish Public Service Ombudsman.

8. Other

8.1. The Internal and External Auditors will have a right of access to the Chair of the Audit & Risk Committee and also the right to request that a meeting of the Audit & Risk Committee be convened if necessary.

8.2. The Audit & Risk Committee will meet with the internal and external auditors in the absence of staff at least annually to seek appropriate independent support and guidance.

9. Review of Remit

9.1. This remit shall be reviewed and amended at least every three years.

9.2. Proposed changes to the remit will be presented to the MH Board for approval. The remit of the Audit & Risk Committee cannot be amended without the approval of the MH Board.