

Audit Committee Terms of Reference

Arawak Walton Housing Association	Policy Statement	<i>Section:</i> Corporate
<i>Date of Issue:</i>	<i>Title</i>	
21 July 2026	Audit Committee - Terms of Reference	

A. Terms of Reference

- 1 The **Terms of Reference** of the Committee are matters relating to:
- 1.1 Internal and External audit service, programming and reports
 - 1.2 Review annual statutory financial statements
 - 1.3 Internal control environment
 - 1.4 Risk, insurance, fraud and disaster recovery
 - 1.5 To approve and review Business Continuity plans
 - 1.6 Monitor and Review the Association's Health and Safety Policies and performance as part of the internal audit framework

B. Standing Orders

The **Delegated Powers** of the Committee are:-

1. External Audit

- 1.1 to make recommendations to Board in relation to the appointment, reappointment and removal of external auditors;
- 1.2 to discuss with the external auditor before the audit commences, the nature and scope of the audit;
- 1.3 to review the external auditors' management letters and management's response, and to submit them to Board for consideration;
- 1.4 to discuss problems and reservations arising from any interim and final audit, and any matters the external auditors may want to discuss (in the absence of the Executive Directors if necessary);
- 1.5 to monitor the role and effectiveness of the external auditors

2. Internal Audit

- 2.1 to make recommendations to Board in relation to the appointment, reappointment and removal of internal auditors;
- 2.2 to agree and review the internal audit programme, consider major findings of internal audit investigations and the monitor the implementation of both external and internal audit recommendations throughout the Group;
- 2.3 to monitor the role and effectiveness of the internal auditors
- 2.4 to ensure co-operation and co-ordination between internal and external auditors;

3. Financial statements

- 3.1 to review the annual financial statements and management letter before submission to the Board considering:-

- 3.1a accounting policies and practices
 - 3.1b major judgemental areas
 - 3.1c material adjustments resulting from the audit
 - 3.1d compliance with accounting policies and standards
 - 3.1e compliance with legal and regulatory requirements
- 3.2 to advise Board on any matters of discretion available within the Annual Financial statements.

4. Internal Control and Risk Management

- 4.1 to keep under review the effectiveness of internal control systems, to receive and consider the annual report on internal controls and to have responsibility for recommending to the Board the annual statement of internal control;
- 4.2 to propose, review and monitor the implementation of policies, strategies and procedures in respect of risk management so as to minimise and take appropriate action in respect of those risks which will adversely affect the Association's ability to meet its business objectives and deliver services successfully;
- 4.3 to monitor, consider and assess on a periodic basis a risk analysis produced by the Executive within the approved risk analysis framework and to take action and make recommendations to Board;
- 4.4 to ensure the Association's assets are protected including the maintenance of adequate insurance cover, and make appropriate recommendations to the Board;
- 4.5 to establish and review a disaster recovery / Business Continuity plan for the Association
- 4.6 to investigate any matter or activity which falls within the committee's Terms of Reference and to commission, where necessary and with the approval of Board, special investigations into matters of particular concern relating to internal controls.
- 4.7 to obtain outside legal or other independent professional advice and to secure the attendance of third parties with relevant expertise and experience if considered necessary;
- 4.8 to ensure that the impact of alleged or fraudulent activity on the organisation's framework of internal control is properly assessed and, where it considers it necessary, to recommend changes to strengthen the control framework;
- 4.9 To receive reports relating to any matters of whistleblowing or alleged or actual fraudulent activity that may have an effect upon the organisation and ensure that any necessary reports about fraud are made to the Regulator.

5. Other

- 5.1. to consider any proposals to change the Association's Financial Regulations.
- 5.2 to ensure that systems are in place to ensure compliance with funding contracts.
- 5.3 Review all AWA policies regarded by Board as policies which are relevant to these Terms of Reference.
- 5.4 To review AWA's gifts and hospitality register at least once per year.
- 5.5 Through the internal audit programme oversee the implementation of the Association's Health and Safety Policy

- 5.6 Through the internal audit programme oversee the risk management framework.

6. Meetings, membership and quorum

- 6.1 The Committee will meet at least three times each year as an ordinary meeting. Special meetings may be called as required.
- 6.2 The core membership of the Committee shall be determined by the Board and shall be at least three members and not more than eight members. Members will be appointed based on skills, knowledge and experience. The Chair of the Board should not be a member of the Audit Committee.
- 6.3 The quorum shall be three members. The Committee shall have power to co-opt persons other than Board members who in its opinion have relevant skills, knowledge and experience provided that the total number of those co-opted does not exceed three. Persons co-opted shall not have voting rights nor shall their number or their presence at a meeting be included in the calculation of a quorum.
- 6.4 The Finance Director shall attend meetings. Representatives of the internal and external auditors shall attend as required.
- 6.5 On an annual basis the Committee will meet with the external auditors without any employee or the internal auditors being present and periodically may meet with the internal auditors without any employee being present.
- 6.6 The Committee shall elect a Chair from amongst members of the Committee. This election shall be held at least once a year, at the Committee meeting immediately following the Association's Annual General Meeting.

7. Authority and Access to information

- 7.1 The Committee is authorised by the Board to obtain outside legal or other independent professional advice up to a value agreed by the Board and to secure the attendance of outsiders with relevant expertise and experience if considered necessary.
- 7.2 The Committee Chair will report the exercise of this authority to the Board Chair together with the advice received. Unless the Board Chair is of the opinion that to reveal the advice would compromise any investigation or to do so would be contrary to the interests of the AWH, all relevant facts relating to the advice will be reported to the Board at its next meeting or as soon as appropriate thereafter.
- 7.3 The Committee has right of access to information within its terms of reference and shall receive the co-operative of AWH's staff so as to be able to carry out its responsibilities.

8 Accountability

- 8.1 The Committee is accountable to AWH Board for the fulfilment of the responsibilities delegated to it as set out in this Terms of Reference.
- 8.2 All committee members share responsibility for its decisions and should act only in the interests of AWH and not on behalf of any constituency or interest group.
- 8.3 The AWH will obtain assurance on the committee's work via minutes and regular verbal feedback from the Committee Chair on all of the Committee meetings.

- 8.4 The Chair of the Committee will ensure that key issues are promptly brought to the attention of AWHHA Board.
- 8.5 The Committee will report formally on its work to AWHHA Board on an annual basis.

9 Review

- 9.1 The AWHHA Board has approved these terms of reference and they will bind the Committee from (date).
- 9.2 At least every two years, the Committee shall review its structure, delegated responsibilities, reporting arrangements and its terms of reference and report its conclusions to AWHHA Board, including any recommendations for change.

Approved by Audit Committee - 14th July 2026

Approved by Board - 21st July 2026