

Paragon Housing Association Limited

AUDIT COMMITTEE REMIT

The Audit Committee has a scrutiny role in relation to the work of the Association and therefore there are particular provisions which are unique to the operation of this committee.

Objectives

In the pursuit of continuous improvement and effectiveness, the overarching aims of the Audit Committee are to ensure that the Association is operating in a climate of control and accountability by providing an independent assessment of reporting and controls through liaison with external & internal auditors and staff and providing an independent forum in which concerns may be raised

Regulatory Guidance

The SHR has issued regulatory guidance

Paragon Housing Association limited is not a Registered Social Landlord of systematic importance and as such does not require to meet any additional standard.

Relationship with Management Committee

The Audit Committee is a formally constituted standing committee of the Association. It acts in an advisory capacity and with due regard to any delegated authorities.

It has the opportunity to report directly to the Chair of the Association.

The Chair of the Audit Committee has the right to attend any meetings of the Management Committee and of any constituted sub committees.

The Audit Committee has the right to require any member the Management Committee or staff members to attend an Audit Committee Meeting. Those Management Committee members present in such a capacity are in attendance and not taking part in meetings as members of the Audit Committee

Chairperson

The Chair of the Management Committee is excluded from membership of the Audit Committee.

Members

Members of the Audit Committee will ideally have a background in finance, audit, accounting or similar control activities eg contract management. Training and support will be provided for members.

The members of the Audit Committee shall not have any individual responsibilities for personally handling funds or authorising contracts as an individual but may sign as delegated by management committee.

Meetings

The Chair of the Audit Committee has the right to require that those in attendance to leave a meeting when matters are being discussed which involve them and may inhibit discussion.

Relationship with Internal/External Auditors

The Audit Committee shall have the opportunity meet with the internal or external auditors without the presence of staff to ensure there are no areas of unresolved concern.

Relationship with Staff

Members of staff shall attend the Audit Committee meeting as required. Administrative support shall be provided in order to ensure that the Audit Committee may effectively carry out its duties.

Members of staff attend to report as required and provide advice. The Audit Committee has the right to require any member of staff to attend an Audit Meeting. Those present in such a capacity are in attendance and not taking part in meetings as members of the Audit Committee.

External Audit

- Consider if the association is receiving good value for money from its external auditors

Review the work of external auditors on behalf of the Management Committee

- Ensure adequacy of planning for external audit
- Make recommendations to the Management Committee on the reappointment or otherwise of the external auditor
- Make recommendations to the Management Committee on the fees to be paid to the external auditor

Internal Audit

Make recommendations to the Management Committee on the requirement for the internal audit and the form of its provision.

- Consider if the association is receiving good value for money from its internal auditors
 - Review the work of internal auditors on behalf of the Management Committee
 - Approve the internal audit needs assessment
 - Ensure adequacy of planning for internal audit
 - Make recommendations to the Management Committee on the reappointment or otherwise of the internal auditor
 - Make recommendations to the Management Committee on the fees to be paid to the internal auditor
 - Monitoring progress towards implementation of IA recommendations
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Internal Control

Satisfy the Management Committee that the systems of internal controls are effective for both financial and operational purposes

- Ensure that weaknesses in control are being corrected and reported to the Management Committee
- Consider the external auditors management letter and make recommendations on response by the Management Committee
- commission any special investigations into internal control concerns

Risk Management

Regularly review the Association's Risk Management Strategy and make recommendations to the Management Committee

Fraud

- To conduct an annual fraud risk review for approval by the Management Committee

To regularly review the Associations Fraud Policy

- To commission any special investigations. into allegations of Fraud

Business Continuity Planning

- Regularly review the Association's Business Continuity Plan and report findings to Management Committee

Continuous Improvement

- Maintain a watching brief on the appropriate regulatory and statutory requirements in relation to internal & external audit
- Regularly review BCP testing plans and processes and develop appropriate action plans in response to findings
- Consider best practice in this filed
- Make recommendations for changes to policies and procedures
- Periodically review the composition and skills of the Audit Committee

to ensure that the role can be effectively undertaken

- Undertake training and development activities as required
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Reporting

To ensure that the Management Committee receives accurate and effective reports relating to matters of control

- Produce an annual report for the Management Committee covering the following
 - adequacy & effectiveness of the Association's internal control systems
 - a review of the external auditors letter
 - a review of the internal auditor report
 - a report on the register of detected frauds and an overall report on the effectiveness of the Association's business

Produce an annual statement for the Annual Report based on its findings on the above. This is to be aimed at a wide audience including association members & tenants
