

Group Audit, Risk and Assurance Committee

Role and Responsibilities:

The role of this Committee is to provide assurance to the Group Board on the systems of internal control, risk management, and the internal and external audit functions to ensure that they are effective and well managed.

This Committee also takes the lead role in providing assurance to the Group Board that legal and regulatory requirements are being met in the areas of procurement, probity, safeguarding, data protection and IT.

The following strategies set the parameters within which this Committee operates:

- Corporate Plan
- Risk Management Policy

Meetings	Membership	Lead Officer
At least 4 times a year Quorum: any two members or 50% of the total number of members, whichever is the greater	Up to 6 members	Director of Finance & Governance

Other Matters:

Membership is open to all non-Executive Board members except for the Group Chair. The Committee may also include one co-optee or Independent Committee Member.

The Group Audit, Risk and Assurance Committee has the following specific duties to:

Audit and Internal Control & Assurance

- 4.1 Approve the objectives, scope and timing of arrangements for external audit of the annual accounts and recommend the approval of the appointment of external auditors to the Group Board. This includes scrutinising the performance of the external auditors, ensuring they meet independence and ethical standards.
- 4.2 Scrutinise the annual external statutory audit of the annual accounts, including subsidiary accounts, and recommend approval of the financial statements and accounts to the Group Board. This includes responses to audit management letters, reports or investigations and to monitor implementation of any follow up actions.

- 4.3 Ensure appropriate arrangements for internal audit for the whole business are in place including recommending approval of the appointment of internal auditors and the annual review of their performance.
- 4.4 Approve a rolling three-year internal audit strategy and an annual programme of internal audit across the organisation. Agree the outline scope of each audit prior to the start of the audit. Commission additional work by the internal auditors or other consultants as necessary.
- 4.5 Scrutinise all internal audit reports and agree any further actions to be taken and monitor implementation of recommendations to ensure that identified weaknesses in control are corrected and deadlines are met.
- 4.6 Scrutinise the annual Statement of Internal Controls Assurance and recommend approval to the Group Board. This includes ongoing review during the year by the Committee to gain assurance that the appropriate internal controls are in place and maintained.
- 4.7 **Agree the arrangements for the organisational assurance framework and assessment of the operation of controls. This will include a twice yearly review of the assessments on assurance and compliance for key business activities.**
- 4.8 Meet with the internal and external auditors without any employees present at least annually.
- 4.9 Approve the Speaking Up (Whistleblowing) Policy.
- 4.10 Review any Homes England audit reports of the development programme and recommend sign off by the Chair of the Board.

Risk Management

- 4.11 Ensure Raven Housing has (i) an effective and comprehensive Risk Management Policy in place which should be reviewed annually, and any significant changes recommended for approval to the Group Board; and (ii) an effective and comprehensive assurance and compliance framework.
- 4.12 Ensure two-way identification of risk across the governance structure ensuring that the Committee has a single view of the risk profile of Raven Housing.
- 4.13 Scrutinise Raven Housing's Strategic Risk Register and subsidiary Board risk registers on a quarterly basis and undertake a thorough review annually. This includes providing assurance to the Board on risk management controls, ensuring that adequate controls and mitigations are in place, escalating any significant changes in risk profile to the Group Board or appropriate Committee.

- 4.14 Identify matters within the Committee's areas of responsibility that create significant financial, reputational or other risk(s) to Raven Housing and refer them to the Board for inclusion on the Strategic Risk Register.
- 4.15 Ensure that appropriate arrangements are in place for business continuity and disaster recovery and that they are tested regularly.

Probity Matters

- 4.16 Approve the Anti Money Laundering Policy and Fraud and Bribery Policy, and consider matters relating to gifts and hospitality referenced in the Probity Policy and Code of Conduct.
- 4.17 Receive reports on frauds and attempted frauds, ensuring appropriate investigation and any identified weaknesses in internal controls are addressed.
- 4.18 Scrutinise the system of controls in place to ensure compliance with the requirements of the Code of Conduct and to promote high standards of probity. Review, at least annually, any registers dealing with: exemptions to the Code of Conduct, declarations of interest, gifts and hospitality, speaking up, frauds and losses.

Procurement

- 4.19 Ensure that an effective Procurement Policy is in place for Raven Housing that meets legislative and value for money requirements.
- 4.20 Scrutinise procurement activity, including the procurement plan, on at least an annual basis. This is to ensure that compliance with procurement rules and value for money is being achieved and high standards of probity are maintained.

Insurance and Other

- 4.21 Review and approve Raven Housing's insurance arrangements at least annually to ensure policies are in place to minimise exposure to potential losses and claims.
- 4.22 Review and/or approve documents in relation to risk, probity, health and safety, procurement and audit in line with agreed delegations detailed in Appendix 2.
- 4.23 Scrutinise reports on the performance of the IT infrastructure and the overall programme of IT projects.
- 4.24 Approve the Information Governance Strategy/Framework, ensuring it complies with good practice and receive regular reports on Information Governance compliance including GDPR and cyber security.
- 4.25 Scrutinise reports on safeguarding activities and performance on an annual basis to identify any areas of risk and agree follow up actions.

- 4.26 Approve the write off of bad debts or waiver of income greater than £10,000 relating to tenant or leaseholder debt and any commercial or other income.
- 4.27 Approve the write off of bad debts or waiver of income greater than £5,000 relating to employees or ex-employees.
- 4.28 Approve the write off or disposal of non-housing assets greater than £1m.
- 4.29 Review the level of arrears, debt write offs (over the limits in 4.25 and 4.26) , waiver of income and write off or disposal of non-housing assets on an annual basis.
- 4.30 Undertake a self-assessment of the Audit, Risk and Assurance Committee performance at least annually and regularly evaluate training needs.

Group Investment Committee

Role and Responsibilities:

The role of this Committee is to oversee the delivery of the Development and Sales Strategy and the Commercial Strategy. The Committee approves higher value development schemes and scrutinises the delivery of the development programme to ensure programme targets, financial requirements and quality standards are successfully achieved.

The Committee has common membership with the subsidiary boards of Raven Development Homes Limited, Raven Repairs Limited and Raven DEVCO Limited. The Committee will discharge its duties to these organisations in accordance with their constitutional documents, these Standing Orders, including the Financial Regulations. The following strategies set the parameters within which this Committee operates:

- Business Plan
- Development and Sales Strategy
- Commercial Strategy
- Financial Development and Commercial Appraisal Framework

Meetings	Membership	Lead Officers
<p>At least 4 times a year</p> <p>Quorum: any two members or 50% of the total number of members, whichever is the greater (excluding co-optee) including at least one Board member for each subsidiary and at least 2 non-executive Group Board members.</p>	<p>Up to 6 members plus one co-optee</p>	<p>Director of Strategy and Growth</p>

Other Matters:

Ad hoc meetings shall be called on at least two days' notice except where the Committee Chair in their absolute discretion considers a meeting is required at short notice. There may also be ad hoc scheme approvals to consider as and when necessary, either by meeting or by virtual meeting, which fall outside the agreed delegated authorities for the Leadership Team.

The Group Investment Committee has the following specific duties to:

Development and Sales Strategy

5. Review the Development and Sales Strategy on its review cycle and recommend approval to the Group Board. Review progress against the Development and Sales Strategy on a regular basis and not less than annually and recommend for approval to the Group Board.

Development Programme

- 5.1 Monitor the development programme performance on a quarterly basis against initial scheme appraisal, scheme milestones and long-term cash flow forecasts and Homes England targets. Maintain a more detailed oversight of high-risk schemes as appropriate, escalating any significant risks to the Group Board.
- 5.2 Approve all development schemes where total costs are between £6m to £15m.
- 5.3 Review development schemes in excess of £15m recommending approval to the Board.
- 5.4 Review any new development scheme appraisals or changes to existing scheme appraisals that fall outside of strategy parameters, and if appropriate, recommend approval to the Group Board.
- 5.5 Approve any land purchase or option with a forecast total scheme cost between £6m to £15m.
- 5.6 Review land purchases, or land options with a total scheme cost in excess of £15m, or schemes outside of the Development Strategy, recommending approval to the Board.
- 5.7 Review and approve any schemes to be delivered via joint venture up to a total scheme cost of up to £15m. Where the total scheme cost exceeds £15m, review and recommend to the Group Board for approval.
- 5.8 Receive exception reports and agree mitigation plans on any individual development schemes, where there is considered to be a significant risk and/or a forecast adverse variance of more than 2.5% of approved total scheme budget, including contingency.
- 5.9 Recommend mitigation plans to the Group Board on any individual development scheme, previously approved by the Board, where there is considered to be a significant risk or material issues or where there is a forecast adverse variance of more than 5% of approved total scheme budget (including contingency).
- 5.10 Scrutinise programme funding bids, where the funder requires Board approval and recommend to Group Board for approval.
- 5.11 Approve any Homes England Affordable Homes Programme contracts.
- 5.12 Review any joint venture partnership proposals to enable delivery of development schemes, recommending approval to the Group Board. Any

material changes to approved joint ventures would also be referred to the Group Board for approval.

- 5.13 Review information on national, regional and local housing markets, housing needs assessments and housing policy to inform the Development Strategy.
- 5.14 Scrutinise the sales and marketing programme on a quarterly basis to ensure sales targets are met and to identify options to manage sales risk if under-performing against sales targets.
- 5.15 Approve the lease length for all new build Shared Ownership and Market Sale schemes.

Other Commercial Activity

- 5.16 Review the Commercial Strategy on an annual basis and recommend its approval to the Group Board.
- 5.17 Approve new commercial projects and investments where total investment or contract value is between £250,000 and £1m.
- 5.18 Any commercial investment requiring a change in on-land facilities to a subsidiary company will require Group Board approval, following review and recommendation from Group Investment Committee.
- 5.19 Review commercial projects and investments where total investment or contract value is in excess of £1m and/or where the commercial activity is of significant strategic importance or risk and recommend approval to the Group Board.
- 5.20 All approvals or recommendations of commercial projects and investments are subject to the advice of Director of Transformation (via Change Board) regarding resourcing and prioritisation.
- 5.21 Receive progress reports and agree mitigation plans on any commercial investment or project on an exception basis, where there is considered to be a significant risk and/or a forecast adverse variance of more than £25,000 against approved investment/cost.
- 5.22 Report on progress and recommend mitigation plans to the Group Board on any commercial investment or project, previously approved by the Group Board, where there is considered to be a significant risk and/or a forecast adverse variance of more than 5% against approved total investment/cost.

Asset Management

- 5.23 Review land and property asset disposals work plan and performance against annual disposals plan and criteria plus individual asset disposals schemes and report to the Board as required.

- 5.24 Approve disposals of all existing land and property assets (excluding Right to Acquire, Right to Buy and Staircasing), between £500,000 and £1m.
- 5.25 Review and recommend to the Group Board approval of existing land and property assets above £1m or outside of any investment and regeneration strategy parameters and where there is significant complexity and/or financial and reputational risk.

Finance and Value for Money

- 5.26 Monitor performance of development and commercial projects/schemes against financial and completion targets including cashflow requirements, scheme outturn costs, profits in the context of overall liquidity and covenant compliance and to advise the Group Board of any significant risks.
- 5.27 Review the development appraisal assumptions on an annual basis, to ensure that appropriate financial parameters are in place to maintain the long-term financial viability of Raven Housing, recommending approval to the Group Board.
- 5.28 Review the commercial appraisal parameters on an annual basis to ensure that appropriate financial parameters are in place to maintain the long-term financial viability of Raven Housing, recommending approval to the Group Board.

Risk

- 5.29 Identify matters within the Committee's and each subsidiary's areas of responsibility that create significant financial, reputational or other risk(s) to Raven Housing and refer them to the Board for inclusion on the Strategic Risk Register.
- 5.30 Monitor risk to development activity on a regular basis to ensure the continued financial viability of the development programme.

Oversight of Subsidiary Boards

- 5.31 Provide oversight, scrutiny of and advice to the role of the Board or Trustees for all subsidiary companies, including management companies formed from time to time for development schemes, ensuring that they fulfil all statutory and regulatory requirements as Directors or Trustees of the above companies and ensure that each company's affairs are conducted lawfully and in accordance with the NHF Code of Governance and that subsidiaries support and enhance delivery of Raven Housing's mission.
- 5.32 Ensure that each company complies with all Raven Housing policies and Raven Housing's Standing Orders and Governance Framework.
- 5.33 Review and recommend the budgets and business plans for the subsidiary companies to the Group Board for approval.

- 5.34 Review and recommend approval of the annual accounts and financial statements for each company to the Group Audit, Risk and Assurance Committee, prior to submission to the Group Board for approval.
- 5.35 Agree the terms of intra-group loan arrangements relating to the subsidiary companies, ensuring they are in line with covenants and recommend to the Group Board for approval.
- 5.36 Scrutinise regular management account reports relevant to the commercial activities of the companies and review costs and spending in the light of any agreed targets and objectives.
- 5.37 Receive an annual report on Health and Safety relevant to the companies' operations and notification of any serious incidents, with a full report to the next available meeting.
- 5.38 Advise on gift aid payments, where applicable, for each company.