



Audit & Risk Committee

Terms of Reference

September 2025

Purpose

The Committee ensures that risk management, internal controls and assurance frameworks are effective, transparent and aligned with LHP's purpose and values.

Specifically, the Committee:

- Provides **assurance to the Board on financial reporting, audit and probity arrangements**, ensuring compliance with legal, regulatory and constitutional requirements.
- Ensures LHP has a **comprehensive and effective risk management framework**, aligned with the Board's risk appetite.
- Oversees **internal and external audit functions**, ensuring they are independent, effective, and provide value for money.
- Provides **assurance on compliance** in key risk areas including safeguarding (including domestic abuse), health and safety, landlord compliance, procurement, data protection, and raising concerns.
- Supports a culture of **transparency, accountability and integrity** in line with the NHF Code of Governance 2020.

Membership and Meeting Arrangements

Membership	<p>Between three and five members, including up to two places for independent members.</p> <p>Colleagues are not permitted to be members of this Committee.</p> <p>At least one member must have recent and relevant financial experience.</p> <p>The Chair of the Board cannot be a member of</p>	Meetings	<p>Meet at least five times a year with the scope for additional ad hoc meetings should a significant need arise.</p> <p>Will meet privately with the external auditors and internal auditors at least annually, without management present.</p>
-------------------	--	-----------------	--



	this Committee. The CEO is to attend by invitation only.		
Quorum	Three members, at least two of which must be Non-Executive Directors.	Lead Officer	Executive Director of Finance and Resources



Duties

Risk and Internal Controls	Financial Reporting and External Audit
<ul style="list-style-type: none"> • Ensure LHP maintains an effective Risk Management Framework* • Scrutinise the Strategic Risk Register and advise on strategic and emerging risks, likelihood / impact and mitigation* • Recommend [annually] the Risk Appetite Statement* • Provide assurance on stress testing of the Business Plan, ensuring tests reflect LHP risk profile and controls, and consider the sector and regulatory risk outlook • Scrutinise the internal controls framework [annually]* • Scrutinise Assets and Liabilities [annually] to gain assurance on integrity of the register* • Scrutinise insurance arrangements, claims and coverage, and receive assurance on significant grants awarded to ensure internal controls minimise potential losses and claims [annually] • Assure arrangements for business continuity and disaster recovery, including testing outcomes and mitigations [annually] • Review the key risks and relationships arising from LHP's subsidiaries, joint ventures and partnership vehicles – at least once every two years* 	<ul style="list-style-type: none"> • Scrutinise the Annual Accounts, Strategic Report and Financial Statements, including subsidiary accounts* • Review accounting policies, significant estimates and judgements, going concern assumptions and compliance with legal and regulatory requirements • Approve the scope and timing of the external audit plan • Oversee the selection process, tendering, appointment, reappointment and removal of external auditors* • Assess the independence, objectivity, effectiveness and value for money of external audit [annually] including any non-audit work undertaken – ensuring quality supports regulatory assurance • Ensure issues arising from the external audit are fully considered and actioned – including resignation of the External Auditor



Internal Audit	Compliance and Raising Concerns
<ul style="list-style-type: none"> • Approve the three-year internal audit strategy and annual audit plan – which should reflect strategic and regulatory risks • Review all internal audit reports and management responses, ensuring timely and effective implementation of recommendations • Approve and oversee the selection process, tendering, appointment, reappointment and removal of internal auditors • Assess the independence, effectiveness and value for money of the internal audit function [annually] 	<ul style="list-style-type: none"> • Provide assurance on raising concern arrangements including: Code of Conduct exemptions, Declarations of Interest, Gifts and Hospitality, Whistleblowing, Bribery, Fraud and misuse of the Seal – escalating to Board where appropriate • Scrutinise compliance with landlord health and safety, safeguarding (including domestic abuse), data protection, IT security and resilience, and procurement standing orders • Review Health and Safety performance [annually]* • Scrutinise procurement assurance, including supply chain due diligence and controls to manage modern slavery risks and monitor significant waivers and procurement activity [annually] • Oversee a self-assessment of compliance with the Economic Standards, Code of Governance and all relevant law [annually]
Assurance	Governance and Culture
<ul style="list-style-type: none"> • Ensure compliance with the NHF Code of Governance 2020, RSH regulatory standards, legislation and internal policies 	<ul style="list-style-type: none"> • Seek assurance that LHP's risk management and internal control frameworks are aligned with its purpose, values, and strategic



<ul style="list-style-type: none"> • Commission external advice as needed • Undertake a self-assessment of Committee effectiveness [annually] • Reflect on emerging best practice and horizon scanning for emerging risks and regulatory expectations in relation to its purpose – specifically reviewing the Sector Risk Profile • Consider risks relevant to its purpose, recommending any changes in risk levels or identifying areas for further assurance or mitigation – escalating to Board where appropriate • At the request of the Board, review any other areas within its remit 	<p>objectives, and support long-term sustainable success</p> <ul style="list-style-type: none"> • Promote a culture of integrity, fairness and accountability in LHP’s assurance and compliance arrangements • Seek assurance that reward and incentive structures do not encourage behaviours or decisions which undermine effective risk management, regulatory compliance or LHP’s purpose and values • Review, recommend and approve policies in line with delegations • Ensure alignment with consumer standards expectations and customer insight for all decisions and proposals within its remit
--	--