



**Audit, Risk and Finance Committee**  
**Annual Report for 2023-24**

**June 2024**

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## Foreword

It is my pleasure to introduce the Audit Risk and Finance Committee's (the Committee's) Annual Report for 2023-24, which provides an overview of the work undertaken by the Committee during the last 12-months.

The Committee continued to oversee and scrutinise the embedding of the Charity's risk and assurance arrangements and the steps put in place to enhance oversight and scrutiny of the Charity's audit, risk and finance arrangements. The Committee was delighted to see the Charity end the year in such a good financial position

I would like to thank all those who contributed to the audit, risk and finance agenda over the last 12-months and I look forward to another year of further improvement and development.

Andrew Sloman

Audit, Risk and Finance Committee Chair

## 1. INTRODUCTION TO THE REPORT AND THE AUDIT AND RISK COMMITTEE

1.1 The Articles of Association of Brunelcare (referred to throughout this document as the Charity) state that:

*“The Directors may delegate any of their powers or functions to a committee of two or more Directors but the terms of any delegation must be set out in terms of reference approved by the Board and included as a Schedule to its Standing Orders.” [Article 26.1]*

1.2 In line with Article 26.1, the Board established the Audit, Risk and Finance Committee (referred to throughout this report as ‘the Committee’). Changes to the Terms of Reference of the Committee were reviewed at the meeting held on 12 March 2024 and approved by the Board in March 2022 (see [Appendix A](#)).

1.3 This report describes how the Committee complied with, and satisfied the requirements set out within, its Terms of Reference during the period 1 April 2023 to 31 March 2024.

## 2. FREQUENCY OF COMMITTEE MEETINGS, MEMBERSHIP AND QUORACY

2.1 During 2023-24, the Committee met five times:

- 9 June 2023;
- 6 September 2023;
- 7 November 2023;
- 14 February 2024; and
- 12 March 2024

Details of the Trustees and Senior Leadership Team members who attended these meetings are provided at [Appendix B](#).

2.2 All meetings were quorate. At 31 March 2023, the Committee comprised the following Trustee Members:

- Andrew Sloman - Committee Chair
- Kate Innes;
- Jo Makinson; and
- Anthony Oldfield.

2.3 Committee meetings were regularly attended by representatives

from:

- RSM, Brunelcare's Internal Auditors; and
- KPMG, Brunelcare's External Auditors.

### **3. KEY ISSUES CONSIDERED BY THE COMMITTEE DURING 2023-24**

3.1 Amongst the key issues considered by the Committee during 2023-24 were the following:

- 30 Year Business Plan Review
- Annual Report and Financial Statements for the Year Ending 31 March 2023
- Annual Review of the Effectiveness of Key Governance Documents: Standing Orders, Scheme of Reservation and Delegation and Financial Regulations
- Annual Self-Assessment Against the RSH's Economic Standards
- Assets and Liabilities Register: Annual Review
- Audit Recommendations: Progress Reports
- Business Plan: Stress testing and Development
- Committee's Annual Programme of Business for 2024-25
- Committee Annual Report for 2022-23
- Committee Dashboard for 2023-24
- Committee's Terms of Reference: Annual Review
- Corporate Risk Register
- Credit Control: Update, Progress and Measures
- Development Appraisal Assumptions
- Draft and Final Budget for 2024-25 (including assumptions and timetable)
- External Auditor's Report on the Audit of the Financial Statements and Draft Letter of Representation
- External Audit Tender Exercise

- External Audit Updates
- Insurance Arrangements: Adequacy Annual Review
- Integrated Financial Performance Report
- Internal Audit: Annual Report for 2022-23 and Internal Audit Opinion
- Internal Audit Plan for 2024-25
- Internal Audit Reports and Progress Updates
- Losses and Special Payments Annual Report for 2022-23
- Rent, Service Charge and Fee Review for 2024-25
- Self-assessment Against the Charity Corporate Governance Code
- Solar Panel Installation Proposal and Next Steps
- Treasury Management: Quarterly Updates
- Treasury Strategy and New Loan Arrangements

#### **4. THE COMMITTEE'S ARRANGEMENTS FOR REPORTING TO THE BOARD**

- 4.1 A Committee Chair's Assurance Report was submitted to the Board following each meeting, outlining matters considered by the Committee, decisions made and matters that it wished to escalate to the Board for information or consideration.

#### **5. AUDIT AND ASSURANCE**

- 5.1 The Committee reviewed and approved the audit strategies and plans for the auditors as listed below and received audit reports produced in support of them during 2023-24:

- External Auditors, KPMG
- Internal Auditors, RSM

In approving the strategies and plans, the Committee ensured that they were robust and linked to the Charity's risk profile.

##### *Internal Audit*

- 5.2 The Committee approved the internal audit plan for 2023-24 on 16 February 2022. During the year the Committee received Internal Audit reports in line with the agreed programme for 2023-24, including the

management response from the relevant member of the Senior Leadership Team.

5.3 In total eight audit reviews were undertaken during the year;

Audit	Opinion	Actions Agreed			Status at Time of Reporting
		H	M	L	
Data Quality	Reasonable Assurance	-	1	-	Final Report Agreed
Debt Recovery	Reasonable Assurance	-	2	3	Final Report Agreed
Medicines Management	TBC	-	-	-	Draft Report to be Finalised
Payroll	Partial Assurance	-	4	11	Final Report Agreed
Risk Management	Reasonable Assurance	-	1	-	Final Report Agreed
Contract Management and Value for Money	Advisory Audit	-	-	-	Draft Report to be Finalised
Payroll Follow-up	Reasonable Progress	0	1	3	Final Report Agreed
Follow Up 2024	-	-	-	-	Draft Report to be Finalised

5.4 Where reports received a less than reasonable assurance audit rating or where there were specific areas of concern, the appropriate members of the Senior Management Team were requested to attend Committee meetings. This process provided opportunities to discuss the reports more fully, and for the Committee to satisfy itself that the findings and recommendations raised in the reports were being addressed in a timely manner and implemented to address control weaknesses or compliance issues.

5.5 The Committee also received regular reports on progress with the implementation of the recommendations arising from internal audits. Authority to extend the deadline for the implementation of recommendations or to close audits where all recommendations were considered to be implemented was sought from the Committee where necessary.

## **6. SELF-ASSESSMENT AND EVALUATION**

- 6.1 In line with recommended practice, the Committee's terms of reference and programme of business for 2024-25 were reviewed to ensure that they remain fit for purpose when the Committee met in February 2024.
- 6.2 Committee Members were satisfied that its scope was appropriate and manageable. It considered audit, risk and finance to be subjects that fitted well with the skill set of committee members.

## **7. CONCLUSION AND KEY AREAS OF FOCUS IN 2024-25**

- 7.1 This report provides a summary of the work undertaken by the Audit & Risk Committee during the 2023-24 financial year. As Chair of the Committee, I am satisfied that it demonstrates that the Committee fully met its Terms of Reference.
- 7.2 In the year ahead the Committee will continue to focus on those matters that will strengthen audit, risk, assurance and finance arrangements. The Committee's Annual Programme of Business for 2024-25 has been developed to ensure that it supports the Board by:
- reviewing and providing advice to the Board on the adequacy of the Charity's Articles of Association, Standing Orders and Scheme of Reservation and Delegation;
  - reviewing the arrangements in place to ensure a sound budgeting process and robust financial management, including related strategies and policies;
  - reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report;
  - independently monitoring, reviewing and reporting to the Board on the processes of governance, financial management, risk management and internal control in accordance with standards of good governance;
  - advising the Board on where, and how, its system of assurance may be strengthened and developed further;
  - maintaining an appropriate financial focus demonstrated through robust financial reporting and maintenance of sound systems of internal control;
  - working with the other committees of the Board to provide assurance that governance and risk management arrangements are adequate



and part of an embedded Board Assurance Framework that is 'fit for purpose'.

## Appendix A

### Audit, Risk and Finance Committee Terms of Reference

#### 1. INTRODUCTION

1.1 Article 26(1) of Brunelcare's Articles of Association states that:

*'The Directors may delegate any of their powers or functions to a committee of two or more Directors but the terms of any delegation must be set out in terms of reference approved by the Board and included as a schedule to Standing Orders.'*

1.2 In accordance with Article 26(1) the Board of Directors has established a committee to be known as the *Audit, Risk and Finance Committee* (referred to throughout this document as 'the Committee'). The Terms of Reference and operating arrangements set by the Board in respect of this committee are provided below.

#### 2. PURPOSE

2.1 The purpose of the Committee is to support the Board by:

- 2.1.1 reviewing and providing advice to the Board on the adequacy of the Charity's Articles of Association, Standing Orders and Scheme of Reservation and Delegation;
- 2.1.2 reviewing the arrangements in place to ensure a sound budgeting process and robust financial management, including related strategies and policies;
- 2.1.3 reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report;
- 2.1.4 independently monitoring, reviewing and reporting to the Board on the processes of governance, financial management, risk management and internal control in accordance with standards of good governance;
- 2.1.5 advising the Board on where, and how, its system of assurance may be strengthened and developed further;
- 2.1.6 maintaining an appropriate financial focus demonstrated through robust financial reporting and maintenance of sound systems of internal control;

- 2.1.7 working with the other committees of the Board to provide assurance that governance and risk management arrangements are adequate and part of an embedded Board Assurance Framework that is 'fit for purpose'; and
- 2.1.8 perform certain, specific functions as delegated by the Board and listed in section 3 of these Terms of Reference.

### **3. DELEGATED RESPONSIBILITIES AND AUTHORITY**

#### **3.1 Governance, Risk and Assurance**

The Committee shall:

- 3.1.1 advise the Board on the adequacy and robustness of its:
  - 3.1.1.1 Articles of Association;
  - 3.1.1.2 Standing Orders;
  - 3.1.1.3 Scheme of Reservation and Delegation;
  - 3.1.1.4 Financial Regulations;
  - 3.1.1.5 Treasury Strategy;
  - 3.1.1.6 30 Year Business Plan;
  - 3.1.1.7 Stress Testing arrangements;
  - 3.1.1.8 Standards of Behaviour Policy;
  - 3.1.1.9 Arrangements for declaring and managing interests
  - 3.1.1.10 Procurement Arrangements
- 3.1.2 advise the Board on the Charity's overall risk appetite, tolerance and risk management strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by the Regulator for Social Housing (RSH) and other relevant industry and regulatory authorities including the Bank of England, the Prudential Regulation Authority, the Financial Conduct Authority and other authoritative sources that may be relevant for the Charity's risk policies;
- 3.1.3 advise the Board on its Board Assurance Framework and the adequacy of this;

- 3.1.4 oversee and advise the Board on the current risk exposures of the Charity and future risk strategy;
- 3.1.5 in relation to risk assessment:
  - 3.1.5.1 keep under review the Charity's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;
  - 3.1.5.2 review regularly and approve the parameters used in these measures and the methodology adopted; and
  - 3.1.5.3 set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
- 3.1.6 in relation to assurance:
  - 3.1.6.1 keep under review the Charity's overall assurance processes that inform the Board's decision making,
  - 3.1.6.2 set a standard for the accurate and timely monitoring of the Charity's assurance arrangements.
- 3.1.7 review the Charity's capability to identify and manage new risk types;
- 3.1.8 before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focussing in particular on risk aspects and implications for the risk appetite and tolerance of the Charity, and taking independent external advice where appropriate and available;
- 3.1.9 review reports on any material breaches of risk limits and the adequacy of proposed action;
- 3.1.10 keep under review the effectiveness of the Charity's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report concerning internal controls and risk management;
- 3.1.11 review the Charity's corporate governance arrangements and ensure that they comply with the requirements set out in relevant Corporate Governance Codes (for example the Charity, NHF and UK Corporate Governance Codes);

- 3.1.12 consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate independence and is free from management and other restrictions;
- 3.1.13 review promptly all reports on the Charity from the Company Secretary and Director of Corporate Governance (Chief Risk Officer);
- 3.1.14 review governance, risk and assurance related policies;
- 3.1.15 review and monitor management's responsiveness to the findings and recommendations of the Company Secretary and Director of Corporate Governance.

## **3.2 *Budgeting and Financial Reporting***

The Committee shall:

- 3.2.1 review and provide advice to the Board in relation to:
  - 3.2.1.1 the annual Treasury Strategy/policy
  - 3.2.1.2 the 30 Year Business Plan
  - 3.2.1.3 the Financial Regulations
  - 3.2.1.4 Banking Arrangements
- 3.2.2 review and provide advice to the Board in relation to the allocation capital and revenue budgets, based on allocation of funding and other forecast income;
- 3.2.3 monitor the integrity of the financial statements of the Charity, including its annual and half-yearly and quarterly reports, interim management statements, preliminary announcements and any other formal statements relating to its financial performance. As part of this role the Committee will monitor:
  - 3.2.3.1 financial performance against revenue budgets and statutory financial duties;
  - 3.2.3.2 performance against capital budgets;
  - 3.2.3.3 progress against savings plans and cost improvement programmes;

- 3.2.3.4 budget expenditure variance and the corrective actions being taken to improve performance;
  - 3.2.3.5 activity and financial information for external contracts to ensure performance is within specified contract terms, conditions and quality thresholds;
  - 3.2.3.6 arrangements to ensure efficiency, productivity and value for money;
  - 3.2.3.7 delivery against the agreed Capital Programme; and
  - 3.2.3.8 the adequacy of Financial Regulations, including the application of capital and estates controls.
- 3.2.4 review and report to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor. In particular, review and challenge where necessary:
- 3.2.4.1 the application of significant accounting policies and any changes to them;
  - 3.2.4.2 the methods used to account for significant or unusual transactions where different approaches are possible;
  - 3.2.4.3 whether the Charity has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements; and
  - 3.2.4.4 all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.
- 3.2.5 review any other statements requiring Board approval which contain financial information first, where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation;
- 3.2.6 approve finance related policies;
- 3.2.7 where it is not satisfied with any aspect of the proposed financial reporting by the Charity, report its views to the Board; and

- 3.2.8 receive reports (where appropriate) on action taken within the Board's Scheme of Delegation as regards to: use of single tender waivers; extensions of contracts: writing off of losses; or the making of special payments.

### **3.3 *Narrative reporting***

- 3.3.1 Where requested by the Board, the Committee should review the content of the Annual Report and Accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for all stakeholders to assess the Charity's performance, business model and strategy and whether it informs the Board's statement in the Annual Report on these matters.

### **3.4 *Compliance, whistleblowing and fraud***

The Committee shall:

- 3.4.1 review the adequacy and security of the Charity's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- 3.4.2 review the Charity's procedures for detecting fraud;
- 3.4.3 review the Charity's systems and controls for the prevention of bribery and receive reports on non-compliance;
- 3.4.4 review the adequacy and effectiveness of the Charity's anti-money laundering systems and controls; and
- 3.4.5 review regular reports from the Company Secretary and Director of Corporate Governance and keep under review the adequacy and effectiveness of the Charity's compliance arrangements.

### **3.5 *Internal audit***

The Committee shall:

- 3.5.1 approve the appointment or termination of the head of internal audit (external role);

- 3.5.2 review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work, and annually approve the internal audit charter ensuring it is appropriate for the current needs of the organisation;
- 3.5.3 review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out;
- 3.5.4 ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- 3.5.5 ensure the internal auditor has direct access to the Board chair and to the Committee chair, providing independence from the executive and accountability to the Committee;
- 3.5.6 carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment:
  - 3.5.6.1 meet with the head of internal audit (external role) without the presence of management to discuss the effectiveness of the function;
  - 3.5.6.2 review and assess the annual internal audit work plan;
  - 3.5.6.3 receive a report on the results of the internal auditor's work;
  - 3.5.6.4 determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and
  - 3.5.6.5 review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.
- 3.5.7 monitor and assess the role and effectiveness of the internal audit function in the overall context of the company's risk management system and the work of compliance, finance and the external auditor; and



- 3.5.8 consider whether an independent, third party review of processes is appropriate.

### **3.6 External audit**

The Committee shall:

- 3.6.1 consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the Charity's external auditor;
- 3.6.2 develop and oversee the selection procedure for the appointment of the audit firm, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process;
- 3.6.3 if an external auditor resigns, investigate the issues leading to this and decide whether any action is required;
- 3.6.4 oversee the relationship with the external auditor. In this context the committee shall:
  - 3.6.4.1 approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted; and
  - 3.6.4.2 approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
- 3.6.5 assess annually the external auditor's independence and objectivity taking into account relevant UK law, regulation, and other professional requirements and the group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats including the provision of any non-audit services;
- 3.6.6 satisfy itself that there are no relationships between the auditor and the Charity (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- 3.6.7 agree with the Board a policy on the employment of former employees of the Charity's auditor, taking into account the FRC's Ethical Standard and legal requirements, and monitor the application of this policy;

- 3.6.8 monitor the auditor's processes for maintaining independence, its compliance with relevant UK law, regulation, other professional requirements and the FRC's Ethical Standard, including the guidance on the rotation of audit partners and staff;
- 3.6.9 monitor the level of fees paid by the Charity to the external auditor compared to the overall fee income of the firm, office and partner and assess these in the context of relevant legal, professional and regulatory requirements, guidance and the FRC's Ethical Standard;
- 3.6.10 assess annually the qualifications, expertise and resources, and independence of the external auditor and the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;
- 3.6.11 seek to ensure coordination of the external audit with the activities of the internal audit function;
- 3.6.12 evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee;
- 3.6.13 develop and recommend to the Board the Charity's formal policy on the provision of non-audit services by the auditor, including approval of non-audit services by the Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements. The policy should include consideration of the following matters:
  - 3.6.13.1 threats to the independence and objectivity of the external auditor and any safeguards in place;
  - 3.6.13.2 the nature of the non-audit services;
  - 3.6.13.3 whether the external audit firm is the most suitable supplier of the non-audit service;
  - 3.6.13.4 the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and
  - 3.6.13.5 the criteria governing compensation.
- 3.6.14 meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the

external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit;

- 3.6.15 discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- 3.6.16 review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
  - 3.6.16.1 a discussion of any major issues which arose during the audit;
  - 3.6.16.2 the auditor's explanation of how the risks to audit quality were addressed;
  - 3.6.16.3 key accounting and audit judgements;
  - 3.6.16.4 the auditor's view of their interactions with senior management; and
  - 3.6.16.5 levels of errors identified during the audit;
- 3.6.17 review any representation letter(s) requested by the external auditor before they are signed by management;
- 3.6.18 review the management letter and management's response to the auditor's findings and recommendations; and
- 3.6.19 review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the committee.

### **3.8 *Liaison with other Board Committees***

Committee will:

- 3.3.1 Work and liaise as necessary with all other board committees

### **3.9 *Authority***

The committee is authorised by the Board to:

- 3.4.1 seek any information it requires from any employee of the Charity in order to perform its duties;

- 3.4.2 obtain, at the Charity's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;
- 3.4.3 call any employee to be questioned at a meeting of the Committee as and when required; and
- 3.4.4 have the right to publish in the Charity's annual report, details of any issues that cannot be resolved between the Committee and the Board.

#### **4. MEMBERSHIP**

- 4.1 The Committee shall comprise at least four members, all of whom shall be Members of the Board.
- 4.2 All members of the Committee shall be non-executive Board Members, at least one of whom shall have recent and relevant financial experience and with competence in accounting and/or auditing. The Chair of the Board shall not be a member of the Committee.

##### ***Attendees***

- 4.3 Only members of the Committee have the right to attend committee meetings. However, the Director of Finance and IT, internal audit lead and external audit lead will be invited to attend meetings of the committee on a regular basis. Other individuals such as the Chief Executive Officer, Chair of the Board may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 4.4 The Company Secretary and Director of Corporate Governance (Corporate Risk Officer (CRO)) will be a regular attendee.

##### ***Appointment of Members***

- 4.5 Members of the Committee shall be appointed by the Board, on the recommendation of the Remuneration and Nomination Committee. Membership will be reviewed by the Board each year as part of its annual review of committee terms of reference.
- 4.6 The Board shall appoint the Committee Chair who shall be a member of the Board. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the

meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not be the Chair of the Committee.

## **5. COMMITTEE MEETINGS**

### *Quorum*

- 5.1 The quorum necessary for the transaction of business shall be two.
- 5.2 Where members notify the Committee Chair or committee secretariat that they are unable to attend a meeting, and there is a danger that the Committee will not be quorate, the Chair can invite another independent member to become a temporary member of the Committee. Further, in the event that only two members attend, and attendees are unable to reach an agreement on any matters for approval or decision, these will be taken to the next Board meeting for ratification.

### *Frequency of Meetings*

- 5.3 The committee shall meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required and otherwise as required.
- 5.4 The Chair of the Committee may call additional meetings if urgent business is required to be taken forward between scheduled meetings.
- 5.5 Outside of the formal meeting programme, the committee chair, and to a lesser extent the other committee members, will maintain a dialogue with key individuals involved in the Charity's governance, including the Board Chair, the Chief Executive Officer, the Director of Finance and IT, the external audit lead and the head of internal audit (external role).

### *Openness and Transparency*

- 5.6 In line with the Board's commitment to openness and transparency in the conduct of all its business, which extends equally to the work carried out on its behalf by committees, these terms of reference shall be published on

Brunelcare's Intranet and Internet sites. Further, an overview of matters discussed at meetings of the Committee will also be published within 10 days of the meeting.

### **Secretariat**

- 5.7 The Corporate Governance Team will provide secretariat services to the Committee.

## **6. NOTICE OF MEETINGS**

- 6.1 Meetings of the committee shall be called by the secretary of the committee at the request of the Committee Chair or at the request of the CRO if he or she considers a meeting necessary.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and other attendees, as appropriate, at the same time. The templates issued by the Corporate Governance Team will be used for all papers.

## **7. MINUTES OF MEETINGS**

- 7.1 The committee secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 7.2 The draft minutes of the meeting will be circulated to the Committee Chair within 10 working days of the meeting. Final signed copies of the minutes of the meetings of the Committee should be maintained for the company's records, in hard and soft copy where possible.

## **8. SUPPORT TO COMMITTEE MEMBERS**

The Committee shall:

- 8.1.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

- 8.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 8.1.3 give due consideration to laws, relevant regulations and any published guidelines or recommendations and any other applicable rules, as appropriate;
- 8.1.4 be responsible for coordination of the internal and external auditors;
- 8.1.5 oversee any investigation of activities which are within its terms of reference;
- 8.1.6 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

## **9. CHAIR'S ACTION ON URGENT MATTERS**

- 9.1 There may, occasionally, be circumstances where decisions which would normally be made by the Committee needs to be taken between scheduled meetings, and it is not practicable to call a meeting of the Committee. In these circumstances, the Chair of the Committee, supported by the Company Secretary as appropriate, may deal with the matter on behalf of the Committee - after first consulting with at least two other Representative Members of the Committee. The Company Secretary must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.
- 9.2 Chair's action may not be taken where the Chair has a personal or business interest in the urgent matter requiring a decision.

## **10. REPORTING RESPONSIBILITIES**

- 10.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. This report shall include:
  - 10.1.1 the significant issues that it considered in relation to the financial statements and how these were addressed;

- 10.1.2 its assessment of the effectiveness of the external audit process,  
the approach taken to the appointment or reappointment of the external auditor, length of tenure of audit firm, when a tender was last conducted and advance notice of any retendering plans;
  - 10.1.3 the significant issues that it considered in relation to the Charity's internal control, risk management and assurance arrangements; and
  - 10.1.4 any other issues on which the board has requested the Committee's opinion.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall compile a report on its activities to be included in the Charity's annual report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor; the Charity's risk management and strategy and all other information requirements set out in the Charity Code of Governance and UK Corporate Governance Code.
- 10.4 The directors' report in the annual report and accounts should set out risk management objectives and policies including in relation to financial instruments.
- 10.5 In compiling the reports referred to in 10.1 and 10.3, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the Board's assessment of the inputs to the Board's viability statement.

## **11. RELATIONSHIP & ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS**

- 11.1 Although the Board has delegated authority to the Committee for the exercise of certain functions (as set out within these terms of reference), the



Board retains overall responsibility for its performance in exercising the functions set out in these terms of reference.

11.2 The Committee will work closely with the Board's other committees, joint and sub committees and groups taking particular account of the impact of risk management and internal controls being delegated to different committees to provide advice and assurance to the Board through the:

- 11.2.1 joint planning and coordination of Board and Committee business;
- 11.2.2 sharing of appropriate information; and
- 11.2.3 applicable escalation of concerns.

In doing so, this will contribute to the integration of good governance across the Charity, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.

11.3 The Committee shall embed the Charity's agreed Values and Behaviours, through the conduct of its business.

11.4 The Committee will arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board

## **12. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS**

12.1 The requirements for the conduct of business as set out in Brunelcare's Standing Orders are equally applicable to the operation of the Committee, except in the following areas:

- 13.1.1 Quorum
- 13.1.2 Issue of Committee papers

## **13. REVIEW**

13.1 These Terms of Reference shall be reviewed annually by the Committee. The Committee Chair will report any changes to the Board and seek ratification of the proposed changes.

## Appendix B

### Attendance at Meetings of the Audit, Risk and Finance Committee

Date of Meeting	Committee Members	In Attendance
<b>19 June 2023</b>	<ul style="list-style-type: none"> <li>- Andrew Sloman, Committee Chair &amp; Trustee</li> <li>- Kate Innes, Trustee</li> <li>- Anthony Oldfield, Trustee</li> </ul>	<ul style="list-style-type: none"> <li>- Mandy Collins, Company Secretary and Director of Corporate Governance</li> <li>- John Rew, Director of Finance &amp; IT</li> <li>- Roger Setchell, Interim Director of Finance</li> <li>- David Broughton, RSM</li> <li>- Adam George, RSM</li> <li>- Harry Mears, KPMG (partial)</li> <li>- Daniel Cooper, Secretariat</li> </ul>
<b>6 September 2023</b>	<ul style="list-style-type: none"> <li>- Andrew Sloman, Committee Chair &amp; Trustee</li> <li>- Kate Innes, Trustee</li> <li>- Anthony Oldfield, Trustee</li> </ul>	<ul style="list-style-type: none"> <li>- Mandy Collins, Company Secretary and Director of Corporate Governance</li> <li>- John Rew, Director of Finance &amp; IT</li> <li>- Adam George, RSM</li> <li>- Richard Buist, Head of Financial Accounting (partial)</li> <li>- Edward Mills, KPMG (partial)</li> <li>- Shannon O'Connor, Income Manager (partial)</li> <li>- Graham Russell, Chair of Trustees (observer)</li> <li>- Jonathan Spearing, Centrus (partial)</li> <li>- Brian Whittaker, Director of HR&amp;OD (partial)</li> <li>- Daniel Cooper, Secretariat</li> </ul>
<b>7 November 2023</b>	<ul style="list-style-type: none"> <li>- Andrew Sloman, Committee Chair &amp; Trustee</li> <li>- Kate Innes, Trustee</li> <li>- Jo Makinson, Trustee</li> <li>- Anthony Oldfield, Trustee</li> </ul>	<ul style="list-style-type: none"> <li>- Mandy Collins, Company Secretary and Director of Corporate Governance</li> <li>- Oona Goldsworthy, CEO</li> <li>- John Rew, Director of Finance &amp; IT</li> <li>- David Broughton, RSM</li> <li>- Sandra Payne, Director of Nursing and Care Services (partial)</li> <li>- Graham Russell, Chair of Trustees (observer)</li> <li>- Jonathan Spearing, Centrus (partial)</li> <li>- Daniel Cooper, Secretariat</li> </ul>
<b>14 February 2024</b>	<ul style="list-style-type: none"> <li>- Andrew Sloman, Committee Chair &amp; Trustee</li> <li>- Kate Innes, Trustee</li> <li>- Jo Makinson, Trustee</li> <li>- Anthony Oldfield, Trustee</li> </ul>	<ul style="list-style-type: none"> <li>- Mandy Collins, Company Secretary and Director of Corporate Governance</li> <li>- Oona Goldsworthy, CEO</li> <li>- John Rew, Director of Finance &amp; IT</li> <li>- Claire Martin, Head of Finance: LTFP and Treasury</li> <li>- Daniel Cooper, Secretariat</li> </ul>
<b>12 March 2024</b>	<ul style="list-style-type: none"> <li>- Andrew Sloman, Committee Chair &amp; Trustee</li> <li>- Kate Innes, Trustee</li> <li>- Jo Makinson, Trustee</li> </ul>	<ul style="list-style-type: none"> <li>- Mandy Collins, Company Secretary and Director of Corporate Governance</li> <li>- Oona Goldsworthy, CEO</li> <li>- John Rew, Director of Finance &amp; IT</li> <li>- Adam George, RSM</li> <li>- Graham Russell, Chair of Trustees (observer)</li> <li>- Daniel Cooper, Secretariat</li> </ul>