

ReSI Homes

Terms of Reference for ReSI Homes Limited Audit and Risk Committee

1. Purpose

- 1.1. The Audit and Risk Committee's (the "Committee") operates to support the ReSI Homes Board by meeting its responsibilities for sound governance, financial oversight, regulatory compliance, internal audit and risk management.
- 1.2. The Committee provides independent scrutiny, challenge and oversight of internal controls, external and internal audit, financial integrity, risk management and assurance, and compliance with regulatory standards.

2. Authority

- 2.1. The Committee has the authority to:
 - i) Investigate any matter within its remit, including seeking advice, information or explanations from any employee, contractor or agent of the Company,
 - i) Obtain independent professional advice as necessary, including commissioning independent and external reviews or reports,
 - ii) Approve spending in relation to risk, compliance, and internal and external audit matters,
 - iii) Review and update the Company's risk appetite and risk register, subject to Board approval,
 - iv) Recommend for approval the appointment/termination of internal and external auditors,
 - v) Approve the Annual Internal and External audit programmes and assess their effectiveness,
- ii) Make recommendations and escalate matters to the Board when necessary.

3. Membership

- (i) The Committee shall comprise up to three independent non-executive directors, appointed by the Board.

- (ii) At least one member must have recent and relevant financial experience (ideally with audit, accounting, or regulatory background). The Committee must have the competence to carry out its duties.
- (iii) Membership will be reviewed annually to ensure an appropriate skills mix, including experience, skills and knowledge in housing regulation, audit, finance, and risk.
- (iv) The Board shall appoint the Chair, in the Chair's absence; at a duly convened meeting, any other independent members shall elect themselves as Chair of the meeting.

4. Voting arrangements

- i. Members of the Committee shall have one vote each. Votes can only be cast by attending committee members.
- ii. Where there is a matter that may present a personal of conflict of interest for any members, that member shall not be permitted to vote at the meeting.
- iii. Outside of areas where there may be a personal interest, the Chair of the Committee shall have the casting vote.

5. Meetings

- (i) Meetings of the Committee shall be convened and supported by the Head of Governance and Compliance at least three times per year, with additional meetings convened as required, with notice by any Committee member or the Head of Governance and Compliance acting on their behalf.
- (ii) Meetings will be quorate with a minimum of two members, including the Committee Chair or their nominated deputy.
- (iii) Key members of the ReSI Homes Executive Team including the Managing Director, Executive Finance Director, Head of Governance and Compliance. Representatives of the Internal Audit provider and the External Audit firm will also attend by invitation.
- (iv) The Committee will hold at least one meeting annually with both the external and internal auditors, without executive officers present.
- (v) The Chair of the Committee shall meet privately with the risk lead at least annually.
- (vi) Notice of the meeting, a formal agenda and papers will be circulated no less than five working days in advance of each meeting.
- (vii) Minutes of meetings will be made available to all ReSI Homes board members, once approved by the Chair. A summary of key matters discussed, drafted by the Head of Governance and Compliance, and approved by the Committee Chair shall be provided at the subsequent Board meeting.

6. Duties and Responsibilities

a. Financial Reporting and Controls

- i. Review and recommend the annual statutory accounts and financial statements for Board approval, with consideration to them being air, balanced, and understandable.
- ii. Review significant judgements and estimates in financial reporting.

- iii. Consider and recommend whether robust internal controls exist over financial reporting, accounting systems, and treasury management.
- iv. Produce an annual report on the Committee's activities for the board, including a Statement of Internal Controls. Recommend the Tax Strategy and Treasury policy to the Board.

b. External Audit

- i. Lead the process for the recommendation of the appointment, reappointment, removal, and performance review of the external auditor.
- ii. Oversee and approve the auditor's independence, scope, fees, and effectiveness.
- iii. Review findings, management letters, and responses to audit recommendations.
- iv. Review and approve the annual external audit plan
- v. Review the draft annual financial statements before they are presented to the Board
- vi. Obtaining assurance that any external audit recommendations are implemented as timetabled.

c. Internal Audit

- i. Consider the periodic tendering and approval of the appointment of internal auditors.
- ii. Approve the internal audit plan, ensuring alignment with key risks.
- iii. Monitor the performance and effectiveness of the internal audit function.
- iv. Review all internal audit reports, significant findings, and management of follow-up actions.
- v. Seek assurance that the internal audit process has unrestricted access and is adequately resourced.

d. Risk Management and Internal Controls

- i. Review the risk management framework, for effectiveness and alignment to corporate strategy.
- ii. Scrutinise the risk register, with focus on operational, financial, treasury, liquidity, regulatory and reputable risk.
- iii. Advise the Board on overall risk appetite and emerging risks.
- iv. Ensure regular stress testing and mitigation planning is undertaken.

e. Regulatory Compliance

- i. Review and challenge management's self-assessment of compliance with all regulatory standards, providing assurance to support the Board's statement of compliance.
- ii. Review any actual or potential breaches of regulatory standards and monitor management action.
- iii. Review compliance with the Housing Ombudsman's Complaint Handling Code and provide assurance to the Board.

f. Fraud, Whistleblowing, Data Protection, and Assurance

- i. Review the anti-fraud policy and register, including investigations and outcomes.

- ii. Oversee the operation of the whistleblowing policy and assurance processes.
- iii. Receive regular reporting on GDPR compliance, including any instances of a breach or data subject access request.
- iv. Review systems and controls for the prevention of bribery and money laundering.
- v. Undertake an annual review of the Assets and Liabilities Register.

g. Asset Management and Viability

- i. Receive assurance on controls supporting the asset management and investment framework

7. Reporting Responsibilities

- i) The Committee shall report to the Board after each meeting, summarising key findings, and recommendations.
- ii) Review the Annual Report and Financial Statements as well as produce its own report on the Committee's assurance activities, including a statement on the effectiveness of material controls.
- iii) Escalate any significant risks or control concerns immediately to the board.

8. Performance and Review

- i) Review committee effectiveness annually, including skills, meeting effectiveness, and fulfilment of responsibilities.
- ii) Recommend improvements to practice, membership, and reporting.
- iii) These Terms of Reference shall be reviewed annually and submitted to the Board for approval.

<u>Version</u>	<u>Amendments</u>	<u>Approval Date</u>
1.)	Initial adoption	26 February 2026
2.)	Minor changes	14 July 2026