

Audit, Risk & Governance Committee (“the Committee”)

Terms of Reference

March 2022

1. Purpose

- 1.1. The primary purpose of the Committee is to provide oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations.

2. Authority

- 2.1. The Committee is a Committee of the Board of Trustees (the Board) of Turn2us (the Charity) acting under its instructions, policies and at all times in accordance with the Charity's Articles of Association. It reports to the Board as outlined in these terms of reference.
- 2.2. The Committee acts under the authority delegated to it by the Board; however, it should be noted that all Committee decisions ultimately belong to the Board, and all Trustees are responsible for the decisions made by that Committee.

3. Tasks & Responsibilities

- 3.1. Advise the Board on the management, monitoring, and reporting on the financial controls, internal and external, and the management and assessment of risks for the Charity, its subsidiaries (including Elizabeth Finn Homes Ltd. (EFHL)), and related Trusts.
- 3.2. Monitor the integrity of the Group's financial statements, including its annual reports and any other formal statements relating to its financial performance, and report to the Board any significant financial irregularities, concerns, and opportunities.
- 3.3. Review the content of the annual report and accounts and advise the Board on

whether it is fair, balanced and understandable.

- 3.4. Review and approve the statements to be included in the annual report concerning risk management and internal controls.
- 3.5. Consider and make recommendations to the Board in relation to the appointment, re-appointment, and removal of independent auditors, and approve the auditor's remuneration and terms of engagement.
- 3.6. Consider each auditor's management letter, and liaise with the auditor to address any significant matters arising, reporting to the Board as appropriate.
- 3.7. Maintain oversight as to the adequacy of the Charity's Safeguarding policies and procedures, reporting no less than annually to the Board.
- 3.8. Review and update the strategic risk register for the Charity and EFHL; analyse and address the risks identified, and report annually to the Board.
- 3.9. Periodically assess the efficacy of internal controls within the Charity.
- 3.10. Review any updates to delegated authority schedules.
- 3.11. Review the adequacy and security of the Charity's whistleblowing arrangements for its employees and contractors. Ensure that the arrangements allow proportionate and independent investigation of such matters, and appropriate follow-up action.
- 3.12. Review the Charity's procedures for detecting and preventing fraud.
- 3.13. Convene a short-life working group to conduct the Charity's triennial governance review, and report its findings and recommendations to the Board. Recommend the appointment of any external expertise to the Board for approval.

4. Power and Limitations

Under the delegated authority of the Board, the Committee may:

- 4.1. Appraise and appoint the auditor, and invite independent advisers to attend meetings;

- 4.2. Take a view on risk management and the strategic financial, reputation and operational effects for the Charity, including EFHL, its subsidiaries and Trusts;
- 4.3. Seek any information it requires from Charity employees in order to perform its duties; and
- 4.4. Call any employee to be questioned at a Committee meeting as and when required.

5. Membership of the Committee

- 5.1. The Committee will comprise of at least three members, all of whom will be Trustees.
- 5.2. The Honorary Treasurer is normally a member.
- 5.3. At least one member shall have up to date and relevant financial experience.
- 5.4. The Chair of the Committee shall be a Trustee but shall not be the Chair of the Board.
- 5.5. Members of the Committee will be appointed by the Board, on the recommendation of the Nominations and Remuneration Committee (NRC) and in consultation with the Committee Chair.
- 5.6. The Committee may, with the permission of the Board, recommend the appointment of external members to bring additional skills or expertise to support the work of the committee.
- 5.7. Trustees are appointed to the Committee for their remaining term as Trustees of the Charity or as otherwise determined by the Board. External members of the Committee are appointed for a term of three years which is renewable once.
- 5.8. External members will receive a letter of appointment from the Committee Chair, which will identify the member's responsibilities, length of appointment and expected attendance at Committee meetings. The letter will be co-signed by the member.

6. Meetings

- 6.1. The annual schedule of meetings will be presented for approval at least six months in advance of the first meeting.
- 6.2. In the absence of the Chair and/or his or her nominated deputy, the remaining Committee members present will elect one of themselves to chair the meeting from those who would be eligible to be appointed to that role by the Board.
- 6.3. The Committee will be attended by the Chief Executive of Turn2us and/or the lead Director.
- 6.4. Relevant senior Directors may be invited to attend all or part of any meeting, as required.
- 6.5. EFHL's Finance Director will be invited to attend the Committee meetings as a representative of EFHL.
- 6.6. The Committee reserves the right to meet in closed session without the Executive from time to time.
- 6.7. The auditor will normally be represented by the partner responsible for the audit of the entire Elizabeth Finn Group and will be re-appointed annually.
- 6.8. The Committee will meet at least once a year with the auditor and without the presence of the executive management, to discuss the auditor's remit and any issues arising from the audit.
- 6.9. A quorum will consist of two members of the Committee, one of whom must be the Chair or their nominated deputy who must also be a Trustee. Decisions may not be taken at any meeting that is not quorate.
- 6.10. Meetings may be held in person or virtually (with members attending via virtual means) or as a mixture of the two ("hybrid meetings").
- 6.11. The auditor will usually be represented by the partner responsible for the audit of the entire Elizabeth Finn Group and will be re-appointed annually.

6.12. Urgent decisions may be made via email or an online platform provided a quorum of members is present.

7. Secretarial Arrangements

7.1. The Board Secretary or his or her nominee (the Secretary) acts as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

7.2. Notices, agendas and supporting papers may be sent in electronic form unless members have expressly requested hard copies.

7.3. Meetings of the Committee will be called by the Secretary of the Committee at the request of the Committee Chair.

7.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items and supported papers, will be provided to each member of the committee, and any other person invited to attend, no later than one week before the date of the meeting.

7.5. The Secretary will minute the proceedings and resolutions of all committee meetings (both open and closed sessions), including the names of those present and in attendance.

7.6. Draft minutes of each Committee meeting will be approved by the Chair and then distributed to Committee members within ten working days of that meeting. The draft minutes are agreed and approved at the next Committee meeting.

7.7. Committee meeting minutes will be included in the papers of the next Board meeting. The minutes will be marked as 'Draft' if the next Board meeting occurs before the next Committee meeting at which the minutes would have been approved.

8. Reporting to the Board

- 8.1. The Committee Chair will report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2. The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9. Other Matters

The Committee will:

- 9.1. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 9.2. Arrange for reviews of its own performance, constitution and terms of reference at least annually, to ensure it is operating at maximum effectiveness, and recommend to the Board any proposed changes to be included in the next triennial governance review.
- 9.3. Work as necessary with all other committees, taking into account the impact of risk management and internal controls being delegated to different committees.

10. Related documents

- Turn2us Articles of Association
- Board of Trustees Terms of Reference
- Trustee Role Description
- Turn2us Audit, Risk & Governance Committee Chair Role Description
- Elizabeth Finn Risk Policy

Approved by the Board on 8 March 2022.