

Terms of reference

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Terms of reference for: Moat Homes Limited Board

Purpose

The Board's central role is to direct and supervise the affairs of Moat and its Subsidiaries. It has ultimate responsibility for all the activities of Moat and for overseeing the conduct and effectiveness of its Subsidiaries. In fulfilling these responsibilities the Board will:

- approve and review Moat's corporate governance arrangements and documentation and approve changes to ensure they are fit for purpose;
- ensure that Moat operates within the law, its rules and the regulatory framework of the Housing Regulator;
- define and ensure compliance with the values and objectives of Moat and publish them in the corporate plan;
- determine the overall strategy of Moat in the pursuit of its objectives;
- protect Moat's reputation;
- review strategic risks;
- approve an annual financial budget for Moat and each Subsidiary;
- approve annually a business plan (the corporate plan) that sets out the principal strategies and financial plans for Moat and each of its Subsidiaries. Monitor implementation of the plan and performance;
- approve the annual financial statements for Moat (both as a parent association and on a consolidated basis) prior to publication;
- consider and act upon any audit matters of consequence brought to it by the Audit Committee;
- delegate its responsibilities where appropriate to suitable committees or the Board of a Subsidiary, and receive regular reports on the activities of these committees;
- approve any changes to a Subsidiary's constitution, registrations or status as a charity;
- delegate operational control of Moat to the Chief Executive and his/her staff, and review operational performance on a regular basis;
- ensure, when necessary, that the Chief Executive is replaced in a timely manner;
- approve the remuneration of the Chief Executive and of Non-Executive Board Members;
- promote Moat positively within the communities that Moat works in and in the wider housing sector;
- take appropriate advice.

Matters reserved by the Board

Whilst the Board has overall responsibility for the affairs of Moat, the Board must delegate, wherever it considers appropriate to do so, to both Committees and staff, via the Board and Chief Executive respectively. The provisions for doing this are contained in sections 4 and 5 of the Standing Orders. There are certain matters for which the Board reserves its powers. These are:

- to agree policies and make decisions on matters that might create significant financial or other risk to Moat or its Subsidiaries;
- any expansion of Moat's operations into new activities or geographical areas;
- any decision to cease a material part of Moat's operations;
- approval of the disposals of any property assets, except those disposed of in line with the approved Disposals Policy
- changes to corporate structure, including the setting up of Subsidiaries;
- matters of doubt or difficulty which involve, or appear likely to involve, major changes in, or departure from, the Company's Strategy, Business Plan or Policies
- approval of material partnerships or alliances in pursuit of Moat's strategic objectives;
- approval of resolutions to be put forward by the Board at a general meeting or by written resolution of shareholders;
- changes to the structure, size and composition of the Board;
- approval of committee terms of reference; membership and appointment of chair;
- appointments to the Boards of Subsidiaries or other organisations;
- annual election of the Chair of Moat;
- appointment or removal of the Secretary and any other officer of the Board;
- admission of applicants to shareholding membership of Moat;
- approval of annual accounts;
- approval of the annual report to the Annual General Meeting;
- approval of the annual Budget and the Corporate and Business Plans;
- appointment or removal of the Chief Executive;
- approval of Moat's formal response to the Auditor's Management Letter where necessary;
- recommendation to the Shareholders at the AGM the appointment of the External Auditor.

Terms of reference for: Moat Housing Group Board

The chair

The association shall have a chair, who shall also chair board meetings, and shall be elected by the board.

Quorum for the board

Under the rules the board shall consist of four board members, or of such greater number not exceeding twelve (including co-optees) as may be determined by the board. All the board members shall be appointed by and may be removed by the Parent and any such appointment or removal shall be effective immediately on receipt of notice in writing delivered to the registered office of the association.

Frequency of Meetings

The Board shall meet at least three times in every calendar year.

Purpose

The association shall have a board (in these rules referred to as “the board”) which shall direct the affairs of the association in accordance with its objects, rules and the standing orders of the Parent and ensure that its functions are properly performed. Amongst its functions shall be to:

- define and ensure compliance with the values and objectives of the association and the values and objectives of the Parent and ensure these are set out in each corporate plan;
- determine the plans to achieve those objectives;
- approve each year's accounts prior to publication and approve each year's budget;
- establish and oversee a framework of delegation and systems of control;
- agree policies and make decisions on all matters that create significant financial risk to the association or which affect material issues of principle;
- monitor the association's performance in relation to these plans, budget, controls and decisions;
- appoint (and if necessary remove) the chief executive (if any);
- satisfy itself that the association's affairs are conducted in accordance with generally accepted standards of performance and propriety;
- take appropriate advice; and
- at all times that the association is registered with the Regulator the board shall ensure that the association takes account of any obligation imposed upon the association by the Regulator in exercise of its powers.

Terms of reference of the: Audit Committee

Membership

Up to five members appointed by the Board from time to time. At least three of whom are Non-Executive Board Members and of which at least two are Independent Non-Executive Board Members. Executive Board Members cannot be appointed members of the Audit Committee.

Chair

The Chair is appointed by the Board from amongst the Non-Executive Board Members. In fulfilling his or her duties, the Chair may call for legal and other relevant professional advice.

Frequency of meetings

Quarterly.

Quorum

Two members, who must be Independent Non-Executive Board Members.

Responsible Executive Director

Executive Director: Finance & Corporate Services.

Purpose

- To ensure that systems of internal control and risk management are appropriate and effective across all parts of Moat, and in doing so:
- review draft annual consolidated financial statements for Moat; monitor the integrity of those financial statements; and recommend to the Board for approval; and in particular review and approve significant changes to accounting policies for Moat and its Subsidiaries; monitor any formal announcements relating to Moat's financial performance;
- review and approve an annual internal audit plan, ensuring co-ordination between internal and external auditors, and the internal audit function is adequately resourced;
- consider and ensure action is taken on the principal findings of the internal audits undertaken, and commission internal audit reviews as necessary;
- review the adequacy of Moat's risk management system and the suitability of the measures taken to identify, evaluate and manage major risks;
- review the adequacy of the range of anti-fraud measures designed to prevent and detect fraud and to respond effectively to allegations of fraud;
- review the arrangements for staff 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;
- conduct an annual review of the effectiveness of Moat's system of internal control, considering a report from the Executive Team and presenting a report to the Board on the adequacy and effectiveness of internal control systems, covering both financial reporting controls and operational controls. This should cover all current regulatory and statutory requirements;
- consider the effectiveness of the internal and external auditors. Review and monitor the external auditor's independence and objectivity, and recommend to the AGM their re-appointment or otherwise. Approve the appointment of internal auditors and the fee levels and terms of engagement of internal and external auditors;
- develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.
- review the external auditor's management letter to ensure that appropriate action is taken on matters raised by them;
- consider any other matters referred to the Committee by the Board or by Subsidiary Boards;

Terms of reference of the: Remuneration Committee

Membership

At least three directors, including the Senior Independent Board Member and the Moat Chair a majority of whom shall be Non-Executive Board Members.

Chair

The Chair cannot be the Board Chair, and is appointed by the Board from amongst the Non-Executive Board Members. The Senior Independent Board Member would normally be the Chair of the Remuneration Committee. Before appointment as chair of the remuneration committee, the appointee shall have served on a remuneration committee for at least 12 months (if this cannot be achieved for pragmatic reasons, Moat will have to disclose a non-compliance with the Corporate Governance Code in the financial statements).

Frequency of meetings

At least once a year.

Quorum

Two members, both of whom must be Non-Executive Board Members.

Responsible executive

Chief Executive.

Purpose

The Committee will:

- to the extent that is appropriate receive reports from the Board Chair on the outcome of performance appraisal of Board Members;
- keep under review the policy for the remuneration of the Chair and other Non-Executive Board Members of Moat and Subsidiary Boards and recommend to the Board any changes to such policy;
- consider the remuneration of the Chief Executive and recommend any changes to the Board on the advice of the Chair, and determine the remuneration of other Executive Team members on the advice of the Chief Executive prior to notification to the individual Executive Team members;
- advise the Chief Executive on the appointment or approve the dismissal of members of the Executive Team;
- receive the proposal of the Chief Executive on the pay deal for staff and comment thereon;
- consider material changes to terms and conditions of employment of the Chief Executive or other members of the Executive Team, and recommend any such changes to the Board. Consider, if appropriate, any compensation for loss of office for those staff, then refer the matter to the Board;
- review the adequacy of pension arrangements across Moat;
- periodically obtain on behalf of Moat independent advice on market rates in relation to the level of remuneration paid to Board Members.
- review any significant workforce issues or concerns raised for Board attention by the Employee Forum.

Terms of reference of the: Governance and Nominations Committee

Membership

At least three directors, including the Senior Independent Board Member and the Moat Chair (or another Non Executive Board Member when the Committee is dealing with the matter of succession to the Board chair) a majority of whom shall be Non-Executive Board Members.

Chair

An Independent Board member (or the Senior Independent Board Member when the Committee is dealing with the succession to the Board chair).

Frequency of meetings

At least once a year.

Responsible executive

Chief Executive.

Quorum

Two, both of whom must be Non-Executive Board Members.

Purpose

The Committee will lead the process for Board appointments, and the appointment of the Chief Executive, for Board approval:

- regularly review the structure, size and composition (including the skills, diversity, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- give full consideration to succession planning for Board Members in the course of its work, taking into account the challenges and opportunities facing Moat, and what skills and expertise are therefore needed on the Board in the future;
- be responsible for identifying and nominating candidates to fill Board vacancies, including the Chief Executive role, as and when they arise for the approval of the Board;
- before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;
- in identifying suitable candidates the Committee shall:-
 - a. use open advertising and/or external advisors to facilitate the search,
 - b. consider candidates from a wide range of backgrounds,
 - c. consider candidates on merit and against objective criteria;
- keep under review the leadership needs of Moat, with a view to ensuring the continued ability of Moat to compete effectively in the marketplace;

- ensure that on appointment to the Board, Non-Executive Board Members receive a formal Board Member services agreement setting out clearly what is expected of them in terms of time commitment, Committee service, including resident complaint appeal panel hearings, and any involvement in Moat's work in addition to Board meetings.

The Committee shall also make recommendations to the Board concerning:-

- formulating plans for succession for Board Members and in particular for the key roles of Chair and Chief Executive,
- suitable candidates for the role of Senior Independent Board Member,
- membership of the Committees, in consultation with the chair of those Committees,
- membership of Subsidiary Boards,
- the re-election by Shareholders of any Board Members under the retirement provisions in the Rules having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required,
- any matters relating to the continuation in office of any Board Member at any time.

The Committee shall also review annually Moat's governance documents including standing orders for Moat and each Subsidiary that specify levels of delegation and recommend any changes to the Board for approval.

Reporting

The Committee chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the Committee shall make whatever recommendations to the Board it deems appropriate.

The Committee shall make a statement in the annual report about its activities, the process used to make appointments, providing an explanation if external advice or open advertising has not been used.

Powers

The Committee is authorised to seek any information it requires from any staff of Moat in order to perform its duties.

The Committee is authorised to obtain, at Moat's expense, outside legal or other professional advice on any matters within its terms of reference.

Terms of reference of the: Finance committee

Membership

At least three members including the Executive Director: Finance and Corporate Services. The majority of members should be Non-Executive Board Members.

Chair

The Chair is appointed by the Board from amongst the Non-Executive Board Members.

Frequency of meetings

Quarterly or more often as required.

Quorum

Three members.

Responsible Executive

Executive Director: Finance & Corporate Services.

Purpose

To monitor, supervise and advise Moat on key financial issues, performance and strategy, and on finance and investment activities.

The Committee will:

- Review on behalf of the board the consolidated annual financial budget, recommend its approval to the board and review performance against this budget,
- Assess the financing facilities available to the group and maximise financial assets,
- Inform the board of moat's ability to deliver its existing strategy and any proposed changes to that strategy and its contractual obligations over the short (two years), medium (five years) and longer term,
- Approve moat's treasury policy which will address funding, interest rate management, bank relationships, authority limits, investments and counterparty risk and review the implementation of this policy through the treasury strategy and quarterly treasury reports,
- Review all new loan documentation and changes to existing loan documentation and recommend to the board for approval,
- Review and approve changes to moat's authorised signatories, lending and bank mandates,
- Approval of authorised signatories to witness the affixing of the seal of the association,
- Review the financial authorities matrix
 - Recommending any changes of delegation levels from board to the executive team to the governance & nominations committee and / or board for approval as appropriate
 - Commenting on and recommending any changes to the executive team in respect of delegations from the executive team to executives or officers of the company
- Approve internal lending arrangements between moat and other members of the group,
- Review and approve the financial criteria against which new investment projects will be assessed and approved,
- Review the financial performance of moat's development programme against its targets and the investment criteria set by the committee.
- Review the overall development capital commitments in conjunction with moats' liquidity policy and development capacity modelled in the long term plan.

Terms of reference of the: Customer and Communities Committee

Membership

At least three members including the Executive Director: Housing and Customer Services. The majority of members should be Non-Executive Board Members.

Chair

The Chair is appointed by the Board from amongst the Non-Executive Board Members.

Frequency of meetings

Quarterly or more frequently as required.

Responsible executive

Executive Director: Housing & Customer Services.

Quorum

Three members.

Purpose

The Committee acts on behalf of the Board and its Subsidiaries to oversee the delivery of Moat's landlord function and great service for Moat's customers across all tenures. In doing so the Committee will:

- Oversee the framework by which Moat's service to customers is managed together with digital initiatives to improve services, recommending suggested improvements to help shape the service of the future.
- Review recommendations based on actionable insight, including analysis of business intelligence driven data and customer feedback. Use this insight to help the development and implementation of customer focused solutions (including oversight of complaints/compliments and customer satisfaction).
- Provide oversight and challenge in respect of Moat's delivery of customer facing services and receive and comment on significant changes to our customer offer.

- Make any recommendations for the improvement of effectiveness and/or quality of service delivery with particular focus on Neighbourhoods, Supported and Retirement Living, Customer Services, Customer Accounts and Property Services.
- Review Moat's customer engagement strategies and processes for providing customers with information / feedback making any recommendations for improvement in the way that customers help shape Moat's services.
- In conjunction with Moat Foundation, ensure MHL community development activities are targeted and consistent with Moat's social purpose.
- Be satisfied that appropriate arrangements are in place to monitor compliance with regulatory requirements with regard to customer services as well as best practice.