

CLYDESDALE HOUSING ASSOCIATION LIMITED

Minute of the Audit & Risk Sub-Committee meeting held in the Association's office at 39 North Vennel, Lanark on Wednesday 27 August 2025 at 5.30pm.

Brian McNally

John Lockhart Sub-Committee Chair

Lesley McDonald

Gillian Anderson

A quorum was achieved.

In Attendance

Chief Executive (CEO)

Depute Chief Executive (DCE)

Housing Manager (HM)

Kevin McDermott, WBG (Internal Auditor)

John Mulholland, MHC (Consultant)

Elizabeth Miller, Corporate Services Officer (CSO) minute

1. Apologies

Apologies were received from Gabrielle McElhinney and Hazel Galbraith.

2. Approval of Previous Meeting Minutes & Matters Arising

The minutes of the Audit & Risk Sub-Committee meeting held on 11 June 2025 were reviewed for accuracy and approved by the Audit & Risk Sub-Committee.

In accordance with section 62 of the Association's Rules, the Sub-Committee Chairperson authorised the CSO to affix their electronic signature as conclusive evidence that the minutes of the meeting held on 11 June 2025 represent a true and accurate record of the proceedings.

There were no matters arising.

Agreement on Items for AOCB

The Sub-Committee Chairperson invited members to raise any items under AOCB. No items were brought forward for discussion.

3. Conflicts of Interest

There were no conflicts of interests.

4. Notifiable Events

The CEO presented the report to the Sub-Committee, noting that CHA is required to notify the Scottish Housing Regulator (SHR) of any material, significant, or exceptional issue, event, or change within the organisation, along with details of how it will be addressed. The CEO further advised that CHA must also provide the SHR with a reasonably detailed explanation for any significant change implemented.

The CEO confirmed that there are currently no notifiable events to report, nor are any anticipated.

- i) The Audit & Risk Sub-Committee considered the report
- ii) The Audit & Risk Sub-Committee agreed that the actions of the Association have been satisfactory in relation to Notifiable Events and for assurance and oversight purposes

5. Actions from Previous Meetings

The CEO presented the report to the Committee, advising that its purpose is to ensure that actions identified at Management Committee and Audit Sub-Committee meetings are appropriately followed up and reported back to the Committee for confirmation.

The CEO confirmed that there were no further updates to the report content.

- i) The Audit & Risk Sub-Committee considered the Actions from Previous Meetings Report and agreed progress is satisfactory.

6. Internal Audit Report: Cyber Security

The Internal Auditor presented the report to the Sub-Committee, advising that its purpose was to review the cyber security arrangements in place at Clydesdale Housing Association and to assess whether appropriate controls were in place to mitigate the risk of loss of business-critical information due to a cyber-attack or failure of key systems/suppliers.

The Internal Auditor outlined the objectives of the review, which included assessing whether:

- a risk-based approach to securing data and systems had been adopted.
- appropriate cyber-awareness training for staff had been mandated.
- the architecture and configuration of key systems were easily maintained and updated to adapt to emerging cyber threats.
- suitable access controls were in place to safeguard information systems.
- systems were patched appropriately to minimise vulnerabilities.
- adequate solutions were in place to protect data from unauthorised access, modification, or deletion.

- effective processes and procedures existed to respond to security incidents and prevent further damage.
- appropriate supplier vetting and cyber security assessments were undertaken.
- there was a clear understanding of all assets within the Association's IT environment; and
- systems were appropriately monitored, with information logged and actively analysed.

The Internal Auditor reported that the audit provided a "Substantial" level of assurance regarding the Association's cyber security arrangements. The Sub-Committee was further advised that ten areas of good practice had been identified, along with one medium-risk recommendation, one low-risk recommendation, and four observations for consideration.

The Sub-Committee discussed the report and noted the positive outcome of the Cyber Security Audit, expressing appreciation to staff for their contribution to its success.

The Chairperson of the Sub-Committee thanked the Internal Auditor for their contribution. The Internal Auditor left the meeting at 17:50.

- i) The Audit & Risk Sub-Committee considered the report
- ii) The Audit & Risk Sub-Committee agreed that the actions of the Association have been satisfactory in relation to Cyber Security arrangements.

7. Annual Assurance Statement Self-Assessment Update

The CEO presented a report to the Sub-Committee, advising that its purpose was to provide an update on progress with actions agreed to strengthen CHA's approach to self-assessment and reporting for the 2025 Annual Assurance Statement (AAS), in line with Scottish Housing Regulator (SHR) guidance. The CEO provided an overview and highlighted the following key areas:

- AAS Evidence Log/Decision Matrix – covering Regulatory Standards of Governance and Financial Management 5 & 6
- Accessibility of the Evidence Log/Decision Matrix
- Presentation of summary AAS self-assessment findings to the Registered Tenants' Organisation (RTO)
- Appointment of an Independent External Assurance Scrutiny Consultant

John Mulholland of Mullholland Housing Consultancy (MHC) briefed the Sub-Committee on Regulatory Standards 5 & 6, focusing on the landlord's duty to meet tenant and resident safety requirements, and on the expectation that the Governing Body and senior officers possess the skills and knowledge necessary to be effective.

MHC advised the Sub-Committee that they had reviewed the spreadsheet detailing the AAS Evidence Log/Decision Matrix. In their opinion, the log/decision matrix is comprehensive and provides sufficient evidence that CHA is compliant with Standards 5 and 6. The Sub-Committee discussed the following points:

- Access to the decision log/matrix: It was agreed that Lesley McDonald, Gillian Anderson, and John Lockhart would form a Governance Focus Group to review the decision log/matrix. The group will seek guidance from John Mulholland on areas requiring clarification or improvement and will report their findings to the Management Committee.
- IT requirements for the Governance Focus Group: The CEO advised that members of the Governance Focus Group would, where required, be provided with a CHA device and a basic Office 365 licence to enable access to the decision log/matrix.
- Sector practice: The Sub-Committee noted the importance of understanding how other RSLs are strengthening their approach to self-assessment and reporting for the 2025 AAS, in line with SHR guidance.
- Regulatory Standards 1–4: The CEO confirmed that the decision log/matrix would be updated to include these standards and outlined the work involved and the estimated timescales for completion.

The Chairperson of the Sub-Committee thanked MHC for their contribution. MHC left the meeting at 18:12.

- i) The Audit & Risk Sub-Committee considered the Annual Assurance Statement Self-Assessment update report.
- ii) The Audit & Risk Sub-Committee, supported by Mulholland Housing Consultancy, scrutinised the new Annual Assurance Statement Evidence Log/Decision Matrix at the meeting and provided feedback to the CEO on any amendments/improvements required.
- iii) The Audit & Risk Sub-Committee considered and agreed that the CEO's assessment that CHA remains fully compliant with Regulatory Standard 5 & 6 is accurate.
- iv) The Audit & Risk Sub-Committee approved the final version of the Annual Assurance Statement Evidence Log/Decision Matrix without amendment.
- v) The Audit & Risk Sub-Committee agreed that the report and the Annual Assurance Statement Evidence Log/Decision Matrix represented satisfactory measures for providing the necessary levels of assurance on compliance with Regulatory Requirement.
- vi) The Audit & Risk Sub-Committee will report on Annual Assurance Statement self-assessment progress to the Management Committee at the meeting scheduled to take place on Wednesday the 24th of September 2025.

8. Health & Safety Update

The CEO presented the report to the Sub-Committee, advising that the purpose of the report was to provide an update on progress against the Association's duty of care to ensure a safe working environment under the Health and Safety at Work Act 1974. The CEO confirmed that there were no further updates to the report content.

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| i) The Audit & Risk Sub-Committee considered the Health & Safety report and agreed progress was satisfactory. |
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9. Annual Work Programme

The CEO advised the Sub-Committee that the Work Programme sets out proposed standing items for Sub-Committee meetings, along with specific focus areas scheduled at particular points in the year. The CEO provided an overview of the report content and confirmed there were no further updates.

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| i) The Audit & Risk Sub-Committee considered and noted the content of the report. |
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10. List of Recurring Actions.

The CEO presented the report to the Sub-Committee. They advised that the purpose of the report is to update them the recurring actions that are significant to the governance of CHA. The CEO provided an overview of the report content and confirmed there were no further updates.

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| i) The Audit & Risk Sub-Committee noted the content of the report. |
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11. GDPR

The CSO presented the report to the Sub-Committee, advising that its purpose was to provide an update on the Association's compliance with the Data Protection Act 2018 and UK GDPR. The CSO confirmed there were no further updates to the report content.

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| i) The Audit & Risk Sub-Committee agreed that CHA's adherence to legal and statutory obligations is satisfactory and provides sufficient assurance. |
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12. Freedom of Information

The CSO presented the report to the Sub-Committee, advising that its purpose was to provide an update on the Association's compliance with statutory requirements under the Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIR). The CSO confirmed that FOI requests had been received since the last report to the Committee on 11 June 2025.

- i) The Audit & Risk Sub-Committee agreed that CHA's adherence to legal and statutory obligations is satisfactory and provides sufficient assurance.

13. Risk Management Update

The CEO presented the report to the Sub-Committee, advising that its purpose was to identify, measure, and report on activity for controlling the Strategic and Operational Risks facing the organisation. The CEO highlighted that there had been no change to the Risk Map and that the Risk Log had been updated with relevant information.

- i) The Audit & Risk Sub-Committee considered the Risk maps and determined progress was satisfactory.

14. AOCB

There were no items to be discussed under AOCB.

The Sub-Committee Chairperson thanked everyone for attending.

The meeting ended at 18:15.