

CLYDESDALE HOUSING ASSOCIATION LIMITED

Minute of the Audit & Risk Sub-Committee meeting held via video conferencing on Wednesday 26th of November 2025 at 5.30pm.

Brian McInally

Claire McGraw

Gabrielle McElhinney

Hazel Galbraith

John Lockhart, Sub-Committee Chair

Lesley McDonald

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 Gillian Anderson.

2. Approval of Previous Meeting Minutes & Matters Arising

The minutes of the Audit & Risk Sub-Committee meeting held on 27th of August 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 27th of August 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 Committee and advised that the purpose of reporting notifiable events is a positive step and a key part of Committee being responsible and accountable for the running of the Association.

The CEO noted that the FM reported a notifiable event to the Scottish Housing Regulator regarding the Association's external auditor joining the TC Group structure. The Regulator responded to the FM the same day, advising that no additional information will be required and the matter is closed.

- 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. 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.

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

7. Annual Assurance Statement Self-Assessment Update

The CEO presented a report to the Sub-Committee, advising that its purpose was to present the Assurance Evidence Log and Action Plan for the Audit & Risk Sub-Committee (ARSC) to scrutinise and test in order to ensure greater Committee scrutiny of CHA's assurance arrangements.

The CEO provided an update on the evidence bank and the current improvement plan, which supports the upcoming annual assurance statement. Committee members were given an overview of the structure and function of the evidence log, including self-assessment against regulatory standards, the Housing Charter, statutory guidance, and internal policies. Hyperlinks to supporting documents were demonstrated, showing how compliance is evidenced across the organisation.

Claire McGraw left the meeting at 17:39.

Standards 5 and 6 Review - The Sub-Committee reviewed progress on Standards 5 and 6, including evidence relating to the Association's values, role in the community, tenant satisfaction, and management committee performance appraisals. It was noted that a minute of a Committee meeting held on 11 December 2024, where a Committee Recruitment Panel were selected, needed to be added to the Evidence Log for Standard 6.1.

Independent Assurance - The CEO confirmed plans for the Association's internal auditor, Wbg, to provide additional assurance services following the retirement of Mulholland Housing Consultancy. The CEO confirmed there were no conflicts of interest with the proposed consultant in this role. The approach, combining internal review, committee oversight, and external validation, was endorsed as providing robust assurance of compliance.

Committee Feedback - Members expressed satisfaction with the evidence bank and the approach to monitoring and demonstrating compliance. Approval was given for the CEO to engage the external auditors to support assurance as needed.

Next Steps - The CEO will continue updating the evidence bank and improvement plan, with a full report to be presented to the subcommittee in August 2026, ahead of the October 2026 assurance statement submission.

- i) The Audit & Risk Sub-Committee considered the report and appendices.
- ii) The Audit & Risk Sub-Committee examined the Assurance Evidence Log and Action Plan at the meeting and provide feedback to the CEO on any changes/improvements required.
- iii) The Audit & Risk Sub-Committee delegated authority to the CEO to agree details of external assurance validation services with Wbg and report on the outcome to the next Management Committee.

8. Review of Sub-Committee Terms of Reference

The CEO advised that the report presents a draft revised Terms of Reference (ToR) for the Audit & Risk Sub-Committee (ARSC) in order to ensure that greater Committee scrutiny of CHA's assurance arrangements are formalised in CHA's governance policies.

The CEO presented a revised draft of the Sub-Committee ToR, aimed at formalising the ARSC delegated powers and reporting arrangements in connection with the Assurance Statement. Committee members reviewed the draft and agreed it covered all necessary aspects.

A reporting frequency of six months was proposed and agreed as appropriate, with quarterly reporting considered excessive. The committee supported the Terms of Reference and approved the proposed approach for referral and reporting.

- i) The Audit & Risk Sub-Committee considered the report and the revised Terms of Reference for the Sub-Committee.

- ii) The Audit & Risk Sub-Committee agreed a final version of the Terms of Reference and make a referral to the Management Committee to have this approved and adopted withing CHA's Standing Orders.

9. Internal Audit Action Plan Update

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.

The CEO provided an update on IT matters, including the vulnerability scanning for cybersecurity. A delay was noted due to staffing changes at the provider, with scanning now expected to be completed in December.

The Sub-Committee discussed staff laptops, most of which were purchased in 2020 and are now impacted by the Windows 11 upgrade. A review of staff experiences is underway, with plans to replace a small number of laptops within the current financial year. The budgetary impact is estimated at approximately £20k. Incremental replacement was suggested to manage costs and maintain efficiency. A meeting is scheduled to explore options through existing framework agreements for procurement.

Committee members acknowledged the approach and agreed that progress was satisfactory.

- i) The Audit & Risk Sub- Committee considered and noted the content of the report.
- ii) The Audit & Risk Sub-Committee agreed that progress on implementing internal audit recommendations has been satisfactory.

10. Audit & Risk Sub-Committee Annual Work Programme.

The CEO advised that the purpose of the report was to present a progress update on the Sub-Committee's annual work programme. No additional comments were raised.

The CEO highlighted the annual assurance proposals, including the self-assessment update as of August 2025. It was agreed that these items should be incorporated into the standing agenda items for future meetings

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

11. List Of Recurring Actions Update

The CEO noted that the list of recurring items serves as an annual reminder to ensure nothing is missed, rather than requiring a covering report.

The format of the annual committee recruitment priorities and progress reports was confirmed as clear and acceptable in PDF format.

It was noted that the standing order review has been postponed until the next MC meeting in December 2025 due to the earlier discussion on refreshing the Subcommittee's remit. Otherwise, progress on standing items is on track, with no further comments raised.

ii) The Audit & Risk Sub-Committee noted the content of the report.

12. 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.

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

13. 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.

14. Risk Management Update

The CEO presented the annual review of the strategic and operational risk maps. Members confirmed that the current strategic risks remain fit for purpose, with no additional risks identified at this time.

Regarding operational risks, the Sub-Committee discussed the potential risk associated with the heating contract, noting the short timeframe to complete the works and the dependency on tenant access. It was agreed that this should be recorded on the operational risk map as a medium-risk item, with the following description: "Loss of grant funding: 25/26 heating contract".

Members noted that other potential risks, including budget implications and pension changes, are not immediate concerns and will be monitored as part of ongoing risk management processes.

The risk management report, including the updated operational risk entry, will be presented to the Management Committee at the next meeting.

i) The Audit & Risk Sub-Committee considered documents and conducted an annual review of CHA's Strategic and Operational Risk Maps.

15.AOCB

There were no items to be discussed under AOCB.

The Sub-Committee Chairperson thanked everyone for attending.

The meeting ended at 18:15.