

CLYDESDALE HOUSING ASSOCIATION LIMITED

Minute of the Audit & Risk Sub-Committee meeting held in the Association's office at 39 North Vennel, Lanark (and via video conferencing) on Tuesday the 22 November 2022 at 11:00.

John Malone – Sub-Committee Chairperson
Pauline Sandford
Lesley McDonald
Brian McNally

In Attendance Chief Executive (CEO)
Depute Chief Executive (DCE)
Technical Services Manager (TSM)
Finance Manager (FM)
Housing Manager (HM)
Elaine McIvor, Corporate Services Assistant (CSA) minute

A quorum was achieved.

1. Apologies

The Audit & Risk Sub-Committee Chairperson welcomed everyone to the meeting.

Apologies were received from Susanne Crayton.

2. Approval of Previous Meeting Minutes & Matters Arising

The minute of the Audit & Risk Sub-Committee meeting held on the 16 August 2022 was checked for accuracy and approved by the Audit & Risk Sub-Committee.

There were no matters arising.

Agreement on Items for AOCB

The Sub-Committee Chairperson asked if there were any items requiring discussion under AOCB - the Sub-Committee had no items for discussion.

3. Conflicts of Interest

There were no conflicts of interest.

4. Notifiable Events

The Sub-Committee Chairperson asked the CEO to present the report to the Sub-Committee. The CEO had nothing to add to the report.

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| i) The Audit & Risk Sub-Committee considered the report and agreed that the actions of the Association have been satisfactory in relation to Notifiable Events. |
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5. Actions from Previous Meetings

The Sub-Committee Chairperson asked the CEO to present the report. The CEO had nothing further to add to the report.

The Chairperson requested an electronic copy as well as a hard copy of future papers.

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| i) The Audit & Risk Sub-Committee considered the Actions from Previous Meetings Report and agreed progress was satisfactory. |
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6. Sub Committee Annual Work Programme

The Sub-Committee Chairperson asked the CEO to present the report. The CEO had nothing to add.

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| i) The Audit & Risk Sub-Committee considered the report and agreed that the progress of the Annual Work Programme to be satisfactory. |
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7. Internal Audit Update

The Sub-Committee Chairperson asked the CEO to present the report. The CEO highlighted the change of date for the Procurement Audit.

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| i) The Audit & Risk Sub-Committee considered the report and considered the update to the Internal Audit Operational Plan for 2022/2023 to be satisfactory. |
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8. Regulatory Requirements Update

The Sub-Committee Chairperson asked the CEO to present the report. The CEO highlighted CHA's full compliance with the Scottish Housing Regulator's (SHR) Regulatory Requirements.

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| i) Audit & Risk Sub-Committee considered the report and determined the performance against Regulatory Requirements to be satisfactory. |
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9. List of Recurring Actions Update

The Sub-Committee Chairperson asked the CEO to present the report. The CEO advised there was nothing further to add.

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| i) The Audit & Risk Sub-Committee considered the List of Recurring Actions Report and agreed that progress made to date to be satisfactory. |
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10. Health & Safety Update

The Sub-Committee Chairperson asked the CEO to present the report. The CEO asked the CSA (Health & Safety Administrator) for comments.

The CSA highlighted that the Legionella Water Test Certificate had been received and the Fire Risk Assessment was now complete.

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| i) The Audit & Risk Sub-Committee considered the Health & Safety Update Report and agreed progress to be satisfactory. |
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11. Annual Risk Management Review

The Sub-Committee Chairperson asked the CEO to present the report. The CEO gave the Sub-Committee an overview of the Risk Management Policy and process for reviewing the Association's Strategic and Operational Risks. They then highlighted to the Sub-Committee the documents attached to the report for reference purposes:

- November 2022 PESTEL Analysis Results
- November 2022 Stakeholder Analysis Results
- November 2022 SWOT Analysis Results
- 2022/25 Business Plan Objectives
- Current Strategic and Operational Risk Maps

The CEO asked the Sub-Committee to consider what, if any, changes are required to the risk maps to reflect CHA's current circumstances.

Committee discussed:

- **November 2022 PESTEL Analysis Results Lense 1**, in relation to the Social Demographic – 49% of tenants have disability or long-term health condition.
 - Covid impact on the mental health and wellbeing

- **Strategic Risk Map**

- High Inflation Rates and higher than inflation cost increases for CHA
- Potential future rent increases above inflation rates
- Potential on perceptions of decreased personal wellbeing caused by cost-of-living crisis and post-Covid effects
- Cost of Living (Tenant Protection) (Scotland) Act 2022 provisions for potentially freezing/capping rent levels beyond 31 March 2023

Based on these factors, the Sub-Committee agreed to replace the strategic risk “New build threat to housing demand” (3,4), with “Potential downturn in tenant satisfaction”.

Theme	Score	Probability	Impact
Potential downturn in tenant satisfaction	12	3	4

Operational Risk Map

The CEO advised the Sub-Committee on 6 Operating the Community Hub, he explained the plans to engage with Hub users and establish a Hub Users working Group. Currently the focus on funding is to assist with Cost-of-Living Crisis, items such as heat belts/pads.

Social Housing Fuel Support Fund

The TSM updated Committee with a recent development in the funding application. At the time the funding application was made the fund was oversubscribed. All applications that were received before the fund closed were assessed and agreements in principle were made on eligible activity for 79 projects. Additional funding has been secured and our application is now being processed.

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| i) The Audit & Risk Sub-Committee considered the documents and conducted an annual review of CHA’s Strategic and Operational Risk Maps. |
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12. AOCB

- The Sub-Committee Chairperson commended the Management Team on the financial data and analysis provided at the recent Business Plan Review Day on 1 October 2022.

Rent Review

- The Sub-Committee Chairperson asked Committee about the imminent rent consultation with tenants and more specifically, what a lower rent increase in 2023/24 would mean for future rent levels.

A discussion took place, and the CEO explained the approach to the rent review in relation to long term budgets over the ten years forecast. The CEO advised that a lower rent increase now would result in higher rent increases in

following years in order for CHA to generate enough income to meet its commitments.

The rent consultation newsletter currently being prepared will detail this.

The Sub-Committee Chairperson thanked everyone for their attendance and closed the meeting at 12.30pm