

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 16th May 2023 at 11:00am.

John Malone, Sub-Committee Chairperson

John Lockhart

Brian McInally

Pauline Sandford

Lesley McDonald – via Zoom

In Attendance

Chief Executive (CEO)

Depute Chief Executive (DCE)

Housing Manager (HM) via Zoom

Scott McCready Wylie & Bisset – Internal Auditor – via Zoom.

John Mulholland – Mulholland Housing Consultancy (MHC)

Elaine McIvor, Corporate Services Assistant (CSA) minute

1. Apologies

Apologies were received from Suzanne Crayton and Eileen Wilson.

2. Approval of Previous Meeting Minutes & Matters Arising

The minutes of the Audit & Risk Sub-Committee meeting held on the 14 March 2023 were 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 the Sub-Committee if they had any items, they wished to discuss under AOCB. The Sub-Committee had no items for discussion.

3. Conflicts of Interest

There were no conflicts of interest, however, the CEO advised that the Management Team would leave the meeting when the internal; audit report is presented to the Sub-Committee. The Sub-Committee agreed that the CSA should remain in the meeting for that item in order to record the minute.

4. Notifiable Events

The Sub-Committee Chairperson asked the CEO to present the report. The CEO told Committee that the purpose of this report was to advise them of active Notifiable Events lodged with the Scottish Housing Regulator.

He advised that the Association currently has no active Notifiable Events lodged with the SHR.

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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. Internal Audit Reports:

11.10am Lesley McDonald entered the meeting via zoom.

5.1. Annual Report 2022/23

The Chairperson welcomed Mr McCready to the meeting and invited him to present the report. Mr McCready explained the purpose of the report was to provide an objective assessment of the adequacy and effectiveness of management's internal control systems.

Mr McCready gave the Sub Committee an overview of the report and explained the findings, that Clydesdale Housing Association do have adequate and effective risk management, control and governance processes to manage the achievement of the Association's objectives and proper arrangements to promote and secure value for money. He highlighted it was rare for an audit to be concluded with no recommendations and commended Clydesdale Housing Association for the results of the audit.

The Sub-Committee discussed:

The Annual Report 2022/23 audit outcome and commended the staff on the robust arrangements in place given the turbulent economic times.

5.2 Procurement Audit

The CEO, DCE, HM left the meeting at 11:15am.

The Chairperson asked Mr McCready to present the report.

Mr McCready explained the purpose of the report was to establish whether purchases are being made in compliance with the financial procedures of the Association.

Mr McCready gave Audit & Risk Sub-Committee an overview of the audit report. He confirmed Wylie & Bisset could provide a strong level of assurance that the appropriate procurement arrangements are in place to ensure compliance with procurement regulations. He highlighted that a number of good practices had been raised and confirmed that there were no recommendations for improvement.

The CEO, DCE, and HM returned to the meeting at 11:20am.

The Sub-Committee agreed that the outcome of the audit report was very positive, it highlighted and confirmed the robust procurement arrangements the Association have in place. They thanked staff for their commitment and hard work in making the audit programme a success.

The Audit & Risk Sub-Committee thanked Mr McCready for attending the meeting, he left the meeting at 11:25am.

6. Actions from Previous Meetings

The Sub-Committee Chairperson asked the CEO to present the report. The CEO advised that the purpose of the report was to ensure that items identified for action at Sub-Committee meetings are a) followed up on, and b) reported to the Sub-Committee to confirm the follow up.

The CEO gave an overview of the report and advised he had nothing further to add.

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| i) The Audit & Risk Sub-Committee considered the Actions from Previous Meetings Report and determined progress was satisfactory. |
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7. Risk Management Update

The Sub-Committee Chairperson asked the CEO to present the report. The CEO advised that the purpose of the report was to identify, measure and report on activity for controlling Strategic and Operational Risks facing the organisation. The CEO highlighted the position of Inflation & Interest Rates on the Strategic Risk Map.

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| i) The Audit & Risk Sub-Committee considered the Risk maps and determined progress was satisfactory. |
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8. Annual Assurance Statement – 2023 Self-Assessment Results

The Sub-Committee Chairperson asked the CEO to present the report. The CEO told Committee the purpose of the report was to provide a summary of the self-assessment process carried out by CHA's Management Team of the organisation's level of compliance with the regulatory and statutory requirements.

The CEO gave the Sub-Committee an overview of the report and the Self-Assessment Record and Evidence Log. He advised that the format was based on the Scottish Federation of Housing Association's (SFHA) Self-Assurance Toolkit (Updated June 2022).

The CEO highlighted that activities highlighted in the Self-Assessment Record and Evidence Log do not signify non-compliance. Completion of these actions will simply enhance CHA's level of compliance and achieve best practice. Updates on progress made against these activities will be reported to the Sub-Committee and Management Committee.

Mr Mulholland commented positively on CHA's approach to self-assessment and position regarding compliance. He complimented the organisation on its culture and the commitment to ensuring continued compliance. He advised the Sub-Committee that his tenant safety audit was ongoing and thanked the IDCE for their support with this.

Mr Mulholland provided a verbal update on progress thus far on the Tenant Safety Audit which is scheduled for reporting to Management Committee on 27 September 2023. It was reported that although CHA is confident that all properties comply with LD2 fire safety requirements (through contract documents, electrical safety checks in empty homes and stock condition surveys), an absence of Fire Safety Installation Certification has been identified for 506 properties.

It is not currently a statutory or regulatory requirement to hold this certification. However, it is considered prudent to seek retrospective written confirmation from a qualified person that CHA systems previously installed comply with current requirements. A programme of action for obtaining this assurance is therefore now underway.

- i) The Audit & Risk Sub-Committee considered the report and attached appendices.
- ii) The Audit & Risk Sub-Committee took advice from Mulholland Housing Consultancy on the level of assurance provided within this report and attached appendices for the purposes of preparing CHA's 2023 Annual Assurance Statement.

- iii) The Audit & Risk Sub-Committee determined there to be a sufficient level of assurance that compliance is being achieved for the purposes of preparing CHA's 2023 Annual Assurance Statement.
- iv) The Sub-Committee agreed that progress reports on compliance enhancement activities highlighted in the Self-Assessment Record and Evidence Log (Appendix 2) be presented to the Audit & Risk Sub-Committee and the Management Committee at meetings leading up to the submission of the 2023 Annual Assurance Statement.

9. Health & Safety Update

The Sub-Committee Chairperson asked the CEO to present the report. The CEO told the Sub-Committee the purpose of the report was to provide an update on Health & Safety, and he asked the CSA, if there was anything further to add. The CSA advised that a Health & Safety Audit was taking place on 31 May 2023 and asked if there were any questions. There were no questions.

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

10. Annual Review of Sub-Committee Effectiveness & Work Programme Agreement.

The Sub-Committee Chairperson asked the CEO to present the report. The CEO told the Sub-Committee that purpose of the report was to review and evaluate the Sub-Committee's performance in achieving the Annual Work Programme and to present recommendations for improving the effectiveness and efficiency of CHA's governance arrangements. The CEO gave an overview of the report.

The Sub-Committee discussed:

- Amendment to the terms of reference – the Sub-Committee agreed that no amendments were necessary.
- The Sub-Committee concluded that it had effectively completed the 2022/23 Annual Work Programme.

The CEO agreed to prepare a report on the effectiveness of the Sub-Committee & Work Programme for Management Committee.

1. The Audit & Risk Sub-Committee considered the effectiveness of the Sub-Committee's performance and determined no recommendations were required to be made to the Management Committee on amending the Terms of Reference.

2. The Audit & Risk Management Sub-Committee agreed to await the results of the 2023 individual annual review meetings before making recommendations to the Management Committee on future Sub-Committee Membership.
3. The Audit & Risk Sub-Committee considered the attached Annual Work Programme (Appendix 2) and agreed a final version.

11. List of Recurring Actions Update

The Sub-Committee Chairperson asked the CEO to present the report. The CEO advised that the purpose of the report was to provide a list of Recurring Actions. The CEO had nothing further to add.

The DCE advised that the procurement of the reactive maintenance contract is now live on Public Contracts Scotland website and there are currently a number of interested parties.

- i) The Audit & Risk Sub-Committee considered the List of Recurring Actions Report and agreed that progress made to date is satisfactory.

12. GDPR

The Sub-Committee Chairperson asked the CEO to present the report in the absence of the CSO. The CEO advised that the purpose of the report is to inform the Sub-Committee of the Association's progress against its legal and Statutory obligations under the Data Protection Act 2018.

The CEO advised the Sub-Committee that he had no further updates to the report.

- i) The Audit & Risk Sub-Committee determined the adherence to the legal and statutory obligations to be satisfactory and evidence enough for assurance purposes.

13. Freedom of Information

The Sub-Committee Chairperson asked the CEO to present the report. The CEO advised that the purpose of the report was to inform the Audit & Risk Sub-Committee of the Association's progress against its legal and Statutory obligations under the Freedom of Information Scotland Act 2002 and the Environmental Information (Scotland) Regulations 2004

The CEO advised he had no further updates to report.

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| i) The Audit & Risk Sub-Committee determined the adherence to the legal and statutory obligations to be satisfactory and evidence enough for assurance purposes. |
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14.AOCB

There was no AOCB.

The Sub-Committee Chairperson thanked everyone for attending.

The meeting ended at 11.55am.