

CLYDESDALE HOUSING ASSOCIATION LIMITED

Minute of the Audit & Risk Sub-Committee held in the Association office at 39 North Vennel, Lanark and via Video Conferencing Wednesday the 27 March 2024 at 5.00pm.

In Attendance

Brian McInally
Gillian Anderson (joined meeting via zoom)
John Lockhart, Sub-Committee Chair
Lesley McDonald
Maggie Botham

In Attendance

Chief Executive (CEO)
Housing Manager (HM)
Finance Manager (FM) (joined meeting via zoom)
Siobhan Archibald, Wylie & Bisset – Internal Auditor (joined meeting via zoom)
Elaine McIvor, Corporate Services Officer (CSA) minute

A quorum was achieved.

1. Apologies

There were no apologies.

The Chairperson welcomed Siobhan Archibald of Wylie & Bisset to the meeting.

2. Conflicts of Interest

- The CEO, agenda items 12.1, 12.2 ,12.3 Internal Audit Reports, Rent Arrears, Treasury Management and Follow Up Reports.
- The FM agenda items 12.1, 12.2 ,12.3 Internal Audit Reports, Rent Arrears, Treasury Management and Follow Up Reports.
- The HM, agenda items 12.1, 12.2 ,12.3 Internal Audit Reports, Rent Arrears, Treasury Management and Follow Up Reports.

Committee agreed to bring the Internal Audits forward to Item 3 on the agenda.

The CEO, FM & HM left the meeting at 17.10.

3. Internal Audit Reports

3.1 Arrears Management Report

The Audit Chair asked Miss Archibald to present the report to the Sub-Committee. Miss Archibald told the Sub-Committee that the purpose of the report was to give details of the Internal Audit assessment carried out on the Association's Arrears Management process. They gave the Sub-Committee details of the audit process and the areas reviewed including:

- The Association has robust arrears management policy.
- That the Association's arrears management policies are communicated to tenants.
- The Association actively monitors rent arrears.
- That Management receive detailed reports regarding arrears management.
- That appropriate procedures are in place to ensure that all necessary steps are taken to recover income prior to any debts being written off.

Miss Archibald advised that the audit should give assurance to the Management Committee, via the Audit & Risk Sub Committee, that the Association's Arrears Management arrangements are robust and in-line with best practice. Overall Conclusion – STRONG.

Miss Archibald also made the Sub-Committee aware that they recognised nine areas of good practice and one Low Grade recommendation for improvement for Former Tenants Arrears.

Committee discussed:

The Internal Audit Report on Arrears Management and agreed that the outcome was very impressive, given the current cost of living crisis.

3.2 Treasury Management Report

Miss Archibald told the Sub Committee that the purpose of the report was to consider whether the Association has appropriate Treasury Management arrangements in place. They gave the Sub-Committee details of the audit process and the areas reviewed including:

- The Association has robust Treasury Management reporting in place.
- The Association has Treasury Management Policies and Procedures in place.
- Measures are in place to mitigate the risks of any banking failures.
- Bank mandates are kept up to date.
- The Association have appropriate emergency/contingency plans in place in respect of treasury management.

They advised the audit can give a STRONG level of assurance to the Management Committee, via the Audit & Risk Sub Committee, surrounding the arrangements and controls in place for Treasury Management.

They made the Sub-Committee aware that they recognised eight areas of good practice and there were no recommendations for improvement.

Committee discussed:

The Internal Audit Report on Treasury Management and agreed that the outcome was excellent, and commended staff for their hard work in achieving this result.

3.3 Follow Up Report

Miss Archibald told the Audit & Risk Sub-Committee that the purpose of this report was to assess whether the Association had appropriately implemented the internal audit recommendations made in 2022-23 and earlier years.

Miss Archibald told the Sub-Committee that they could confirm that the Association has fully implemented all recommendations made in 2022 /23 and earlier years.

Committee discussed:

- The Audit outcomes – The Sub-Committee discussed and agreed that the outcomes of the audit reports were highly positive. Members highlighted the use of impressive graphics and confirmed the robust arrangements the Association have in place.
- They commented positively on the commitment and hard work of staff in making the audit programme a success.

The Chairperson thanked Miss Archibald for presenting the report.

Miss Archibald left the meeting at 17.30.

The CEO and HM returned to the meeting; the FM returned to the meeting re via Zoom at 17.30.

4. Approval of Previous Meeting Minutes & Matters Arising

The minute of the Audit & Risk Sub-Committee meeting held on the 22 November 2023 were checked for accuracy and approved by the Audit & Risk Sub- Committee.

As per section 62 of the Association's rules, the Chairperson authorised the CSA to insert their electronic signature as conclusive evidence that the minute of the meeting held on the 22 November 2023 are a true record of the proceedings at that meeting.

There were no matters arising.

Agreement on Items for AOCB - The Sub-Committee had no items for discussion.

5. Actions from Previous Minutes

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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6. Notifiable Events

The CEO presented the report to the Sub-Committee. They 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 advised they had no further updates to 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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7. Health & Safety Update

The CEO told the Sub-Committee that the purpose of the report was to advise them of workplace health and safety compliance, to protect employees and other stakeholders from risks, hazards, and incidents in their term of employment or visit to the office. The CEO advised the CSA was the author of the report and asked the CSA if they had anything further to add.

The CSA highlighted the reason for the change of date for the Gas Safety Inspection and confirmed that the next inspection would not fall due until March 2025.

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| i) The Audit & Risk Sub-Committee considered the Health and Safety Update report, and agreed progress to be satisfactory. |
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8. Regulatory Framework & Statutory Guidance Review

The CEO presented the report. The CEO told the Sub-Committee that the purpose of the report was to advise them on the outcome of the Scottish Housing Regulator's (SHR) review of the Regulatory Framework and Statutory Guidance.

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| i) | The Audit & Risk Sub-Committee considered the report. |
| ii) | The Audit & Risk Sub-Committee agreed that CHA's Management Team report back on the consequences of changes to the Audit & Risk Sub-Committee as detailed guidance is published by the SHR. |

9. 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 had advised that all recurring actions had been completed on time.

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| i) | The Audit & Risk Sub-Committee noted the content of the report and concluded that progress on recurring actions had been satisfactory. |
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10. Annual Work Programme Update

The Sub-Committee Chairperson asked the CEO to present the report. The CEO told the Sub-Committee that the purpose of the report is to provide them with details of their work programme over the coming year. The CEO advised that he had nothing further to add to the report.

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| i) | The Audit & Risk Sub-Committee approved the Annual Work Programme. |
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11. GDPR

The CEO presented the report to the Sub-Committee. The CEO advised that the purpose of the report is to update them on the Association's progress against its legal and Statutory obligations under the Data Protection Act 2018. The CEO highlighted there had been one low level data breach.

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| i) | The Audit & Risk Sub-Committee considered and agreed that the Associations adherence to their legal and statutory obligations is satisfactory, and the evidence provided was enough for assurance purposes. |
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12. Freedom of Information

The CEO presented the report to the Sub-Committee. The CEO advised that the purpose of the report is to inform them of the Association's progress against its legal

and Statutory obligations under the Freedom of Information Scotland Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIR).

- i) The Audit & Risk Sub-Committee considered and agreed that the Associations adherence to their legal and statutory obligations is satisfactory, and the evidence provided was enough for assurance purposes.

13. Internal Audit Services Procurement

The CEO presented the report to the Sub-Committee. The CEO advised that the purpose of the report was to provide them with an update on the procurement route for procuring Internal Audit Services. The CEO explained the proposed change to the process and highlighted the timeline. Committee discussed:

- o Who would assume the lead.
- o Contract detail.
- o Timescales.
- o Committee availability.

Committee agreed to the tender panel meeting on Tuesday 23 April 2024 at 11.00 am at the Associations office 39 North Vennel Lanark. The CEO advised that tender submissions would be distributed to the tender panel in advance of the meeting.

- i) The Audit & Risk Sub-Committee noted the content of this report.
- ii) The Audit & Risk Sub-Committee approved the proposal to adopt an Open (Single Stage) Route for the procurement of internal audit services.
- iii) The Internal Audit Tender Panel agreed to meet on 23 April 2024 to assess Tender Submissions.

14. External Audit Plan – Financial Year 2023/2024

The FM advised committee that the purpose of the report was to provide Sub Committee with an update on the External Audit Plan for the Financial year 2023/24. The FM had nothing to add. Committee discussed:

- o SHAPS Pension Scheme

- i) The Audit & Risk Sub-Committee considered and approved the External Audit Plan for period ending 31 March 2024.

15. Risk Management Update

The CEO presented the report and advised the Sub-Committee the purpose of the report was to provide an update on Risk Management. The CEO explained a new risk to be reported - Reinforced Autoclaved Aerated Concrete (RAAC) and gave a verbal update advising:

- Desktop Analysis had been carried out on all of CHA properties. This identified 360 properties that could potentially contain RAAC.
- 10% sample visual inspection was carried out by the Technical Services Inspector in accordance with current RAAC identification guidelines.
- Only one property was found to have concrete that could potentially be RAAC – this concrete was found to be in good condition.
- A further survey will be carried out by the Association's consultant in late-April in order to determine the type of concrete – an update will be provided at the next meeting.

Committed discussed:

- Future Insurance Providers and the Risk.
- Housing 2040 Standard and the Risks

16. AOCB

There was no AOCB to discuss.

The Audit & Risk Sub-Committee Chairperson thanked everyone for attending. The meeting ended at 17:55.