

**Meeting of the Audit and Risk Committee held on 29 July 2021  
at 2.00pm held via Zoom**

Attendance: Fiona Boath (Chair)  
Lorna Cameron  
Mark Griffiths  
Susan Macmillan  
Margaret Vass (from item 7)

Staff in attendance: Donna Birrell (CEO)  
Kirsty Brown (DCEO/DFCS)  
Craig Wood (DHPS)  
Hilary Tennant (GCO)(Minutes)

Also in attendance: Allison Devine, (AD) Alexander Sloan, External Auditors (Agenda Item 3 only)

<i>Item</i>		<i>Action</i>
<b>1.</b>	<b>Introduction and Apologies</b> The Chair welcomed everyone to the meeting, and introduced Allison Devine from Alexander Sloan (External Auditor – Agenda item 3)	
<b>2.</b>	<b>Declarations of Interest</b> There were no declarations of interest	
<b>3.</b>	<b>External Audit: Allison Devine, Alexander Sloan.</b> AD presented the Financial Statements for the year ended 31 March 2021 (Appendix 1). Summary details of the position of the Income and Expenditure Account, Balance Sheet and Cash Flow Statement were provided in the report. Appendix 2 provided a further detailed breakdown. The Audit Summary Report and Letter of Representation were provided in Appendices 3 and 4 respectively.  AD confirmed that the Audit opinion had been that the accounts provided a true and fair view, and that RSHA had received an unqualified audit report.  The Committee was asked to note in particular: <ul style="list-style-type: none"> <li>◆ The Financial Statements are reporting a sound financial position with a net surplus of £430,308, balance sheet reserves of £6,142,903 and a closing cash figure of £1,121,751.</li> <li>◆ The Association achieved a clean Audit Summary Report; no material</li> </ul>	

	<p>adjustments were identified that were not adopted in the financial statements and no control issues identified.</p> <ul style="list-style-type: none"> <li>◆ All loan covenants have been met for the year ended 31 March 2021.</li> </ul> <p>AD noted the position in relation to the Balmaha project, and that following discussion with the DCEO/DFCS, the Auditor was satisfied with the way this had been recorded within the accounts. This had also been noted on the Letter of Representation.</p> <p>The CEO asked about the ARC indicator results on P6. As the first three indicators in the table were based on the 2019 Tenant Satisfaction Survey (TSS) the 2019/20 and 2020/2021 data should be the same. The DCEO/DFCS will confirm that the data was correct prior to the paper being issued to the Board.</p> <p>The DCEO/DFCS also noted that dates within the ARC indicator table required to be updated.</p> <p>Once approved, the documents would be submitted to the Scottish Housing Regulator as part of the Audited Financial Statements Return which were due by 30th September 2021.</p> <p>The Committee was asked to recommend to the Board that Alexander Sloan be re-appointed as External Auditor for 2021/22 at the next AGM.</p> <p><b>The Committee decided:</b></p> <ol style="list-style-type: none"> <li>1. that the draft Financial Statements for the year to 31 March 2021, along with the Audit Summary Report and Letter of Representation be recommended to the Board for approved, subject to the amendments noted.</li> <li>2. that the re-appointment of Alexander Sloan be recommended to the Board for approved.</li> </ol> <p><i>AD left the meeting following consideration of this item</i></p>	<p>DCEO/ DFCS</p> <p>DCEO/ DFCS</p>
<p>4.</p>	<p><b>Health and Safety</b></p> <p><b>4.1 Incidents</b> – No incidents to report</p> <p><b>4.2 Health and Safety Moment</b> – no update to report</p> <p><b>4.3 Health and Safety Update</b></p> <p>The report provided an update on H&amp;S related issues within the Association.</p> <p>The Committee was asked to note:</p> <ul style="list-style-type: none"> <li>◆ The main health and safety concerns continue to relate to the current COVID-19 crisis.</li> <li>◆ In line with government guidance, it is expected that a phased return to office working will begin from mid-August 2021.</li> <li>◆ One employee had tested positive for COVID-19 since the last meeting. There had been no other health &amp; safety incidents to report.</li> </ul>	

<p>◆ The draft Stress Management Policy would be considered for recommendation to the Board at Agenda Item 12</p> <p>Details of H&amp;S training already completed and planned training over the next quarter was provided in the report. The outstanding training for one new member of staff had been booked.</p> <p>The updated H&amp;S Action Plan was attached at Appendix 1, which contained details of actions arising from the H&amp;S Management System audit in November 2019. Progress on clearing items was reported, and any outstanding actions would be cleared as a priority once staff had returned to the office.</p> <p>The EVH Landlord Safety Manual Action Plan provided further details on progress to date to complete the recommended actions following the first audit, attached as Appendix 2. Two actions remained outstanding. The annual review of Landlord H&amp;S controls would be considered at Agenda Item 10.4.</p> <p>The DHPS reported that work would continue with Housing H&amp;S Compliance to review all six areas, and an update on the programme and timescale for completion would be provided at the next Board meeting.</p> <p>No actions were reported following the most recent Fire Risk Assessment.</p> <p><b>The Committee decided:</b></p> <ol style="list-style-type: none"> <li>1. that the contents of the report be noted,</li> <li>2. that the Health and Safety Action Plans, as provided in Appendices 1 and 2, be approved.</li> </ol> <p><b>4.4 Health and Safety Competency Framework and Training Needs analysis.</b></p> <p>The report provided an update on the procurement of a Health and Safety consultant and recommended that this role have responsibility to provide a Training Needs Analysis (TNA) for all job roles within the Association.</p> <p>The tender would close on 9 August and a further update would be provided at the next Committee meeting. The TNA would allow the RSG Competency Framework to be further developed</p> <p>The Training Matrix had been updated to include additional training in Business Continuity Scenario Testing. The updated Training Matrix was attached as Appendix 1.</p> <p>The outcome of the TNA and updated Training Matrix would be presented to the next meeting of the Committee.</p> <p><b>The Committee noted:</b></p> <ol style="list-style-type: none"> <li>1. the contents of the report,</li> <li>2. and noted that a Training Needs Analysis wase included within the scope of the role of the new H&amp;S Consultant, to be jointly procured with other</li> </ol>	DHPS
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	<b>RSL's, and to allow the further development of a RSG Competency Framework.</b>	
<b>5</b>	<p><b>Minutes of Previous Meetings</b></p> <p><b>5.1 Minute of Audit and Risk Committee Meeting – 29 April 2021</b> The Minute was <b>approved</b> on a motion by Mark Griffiths and seconded by Lorna Cameron</p> <p><b>5.2 Confidential Minute of Audit and Risk Committee Meeting –29 April 2021</b> The Minute was <b>approved</b> on a motion by Mark Griffiths and seconded by Lorna Cameron.</p>	
<b>6</b>	<p><b>Matters Arising Schedule</b> The CEO presented the Matters Arising Schedule.</p> <p><b>The Committee decided:</b></p> <ul style="list-style-type: none"> <li>◆ <b>that the contents of the report be approved</b></li> </ul>	
<b>7</b>	<p><b>RSG Key Risks Confidential</b> <i>This item was confidential</i></p>	
<b>8.</b>	<p><b>Internal Audit</b> The report provided details of the Internal Audit Plan 2021/22. Two internal audit reviews were scheduled for week commencing 23 August 2021, with a final review scheduled for January 2022. Reports on the August reviews will be presented at the November Committee meeting.</p> <p>Progress on completion of actions recommended in previous audits was provided in Appendix 1. Completion of these outstanding actions would be prioritised by the SMT with a target of completion by December 2021.</p> <p>M Vass discussed the effects on tenants and the Association from severe flooding and the essential relationship with the local Council in these circumstances. Lessons learned following a severe flooding incident highlighted:</p> <ul style="list-style-type: none"> <li>◆ Does the HA insurance cover the cost of additional staff required to deal with the workload generated from severe flooding?</li> <li>◆ Is the decant policy robust enough for flooding incidents?</li> <li>◆ Do individual tenants have insurance, could this be encouraged?</li> <li>◆ Do we have plans in place to deal with the organisational disruption caused to all areas of the organisation?</li> </ul> <p>The CEO advised that the Business Continuity Plan included and Action Plan for severe fire/flooding, but that it could be reviewed to enhance plans and a test scenario could be arranged. A discussion with Stirling Council would also be explored to ensure effective communications in such a situation, and individual insurance by tenants would be promoted via Rural Matters.</p>	<p>SMT</p> <p>CEO</p>

	<p><b>The Committee decided:</b></p> <ul style="list-style-type: none"> <li>◆ that the contents of the report be approved</li> </ul>	
9.	<p><b>Staff and Board Update Confidential</b></p> <p><b>9.1 Confidential Staff and Board Update</b> <i>This item was confidential</i></p> <p><b>9.2 Investors in People – No Report</b></p> <p><b>9.3 Confidential Stress Survey 2019 - Action Plan</b> <i>This item was confidential</i></p>	
10	<p><b>Governance</b></p> <p><b>10.1 Annual Assurance Statement 2020 Action Plans: End of Year Report</b> The report provided a summary of the year end position in relation to the 2020 Annual Assurance Statement and the associated Action Plans.</p> <p>The SHR Engagement Plan issued in March 2021 confirmed our status as Compliant.</p> <p>Action Plans had been reviewed at mid-year and year-end, with most actions completed. Two actions had been delayed as a result of COVID-19 however these had been noted as priorities for 2021/22. The final actions plans were attached as Appendix 1.</p> <p><b>The Committee decided:</b></p> <ul style="list-style-type: none"> <li>◆ that the contents of the report be noted</li> </ul> <p><b>10.2 Confidential Draft Annual Assurance Statement 2020/21 and Scrutiny of Evidence</b> <i>This item was confidential</i></p> <p><b>Annual Reviews:</b></p> <p><b>10.3 Annual Review of Committee Performance</b> Details of the outcome of the draft Annual Performance Review for 2020/21 were presented to the Committee, along with the draft Employer Checklist and updated Remit of the A&amp;R Committee (appendices 1-3)</p> <p>A 360° approach had been adopted for the performance review, and all Board members had been invited to participate although few had responded. The outcome of the review confirmed that the Committee had performed effectively in 2020/21, and that the Association had met its main responsibilities as an employer. The report provided details of the areas identified for improvement which would be taken forward.</p> <p>Board member feedback was provided in Appendix 4, with the responses indicating the Board was happy with the Committee performance. The use of short surveys to gather feedback in future years would be utilised to increase the number of responses.</p>	

<p>The Committee discussed its performance, the size of the agenda and associated reports, and the frequency of meetings. The CEO was asked to undertake a review of the A&amp;R Committee remit to consider the scope and frequency of meetings.</p> <p><b>The Committee decided:</b></p> <ul style="list-style-type: none"> <li>◆ <b>that the contents of the report be approved, subject to a review of the A&amp;R committee remit and be recommended to the Board for approval.</b></li> </ul> <p><b>10.4 Annual Review of Health and Safety Controls</b></p> <p>The report confirmed the appointment of Housing H&amp;S Compliance to undertake an audit of our Landlord H&amp;S duties over the next 12 months, with the remit to undertake a review of current practice and make recommendations for improvement in the key areas of water management/safety, gas safety, fire prevention and safety, electrical safety, lift safety and asbestos.</p>	<p>CEO</p>
<p>The key risks in relation to non-compliance were detailed in the report. Further updates will be reported to the Committee.</p> <p><b>The Committee decided:</b></p> <ul style="list-style-type: none"> <li>◆ <b>that the content of the report be approved and be recommended to the Board for approval.</b></li> </ul> <p><b>10.5 Annual Review of Schedule of Delegation and Effectiveness</b></p> <p>The report provided details of the annual review of the effectiveness of the Schedule of Delegation and changes formally agreed following reviews in May and August 2020 and February 2021.</p> <p>Following feedback from the Association’s legal advisor, the report recommended that, where RSHA approves a Group Policy it would be deemed approved by the Board of Venachar. To facilitate this change the Schedule would become a Group policy.</p> <p>Appendix 1 provided details of all recommended changes to the Schedule.</p>	<p>DHPS</p>
<p><b>The Committee decided:</b></p> <ol style="list-style-type: none"> <li><b>1. that the amendments to the Schedule of Delegation as detailed in Appendix 1 be approved</b></li> <li><b>2. that the Schedule be kept under constant review be noted</b></li> <li><b>3. that the Annual Review and recommended changes to the Schedule be recommended to the Board for approval</b></li> </ol> <p><b>10.6 Annual Review of Entitlements, Payments and Benefits Register</b></p> <p>The report provided an annual update on the Entitlements, Payments and Benefits (EPB) Register. An extract of the Gifts and Hospitality Register was provided in Appendix 1.</p> <p>A revised SFHA EPB module policy, with revised upper limits for gifts and hospitality, would be presented to the Board and avoid any breaches re-occurring.</p>	<p>CEO</p>



	<p>i) Stress Management Policy  ii) Treasury Management Policy  iii) Investment Strategy  iv) Borrowing Strategy</p> <p>The Stress Management Policy would be amended to include reference to regular Staff Stress Surveys with reports on the outcomes being reported to the Board.</p> <p><b>The Committee decided:</b></p> <ul style="list-style-type: none"> <li>◆ that the draft policies be recommended to the Board for approval.</li> </ul>	CEO
<b>13.</b>	<p><b>Action Tracker</b>  The updated Action Tracker was presented to the Committee.</p> <p><b>The Committee decided:</b></p> <ul style="list-style-type: none"> <li>◆ that the contents of the report be approved.</li> </ul>	
<b>14.</b>	<p><b>Any Other Competent Business</b></p> <p>A request for training on Climate Change Crisis for the Board, staff and tenants, based on the SFHA session delivered by Keep Scotland Beautiful, was made. The CEO would investigate the training options.</p> <p>The Chair thanked the Committee for their work and support over the last year.</p>	CEO
<b>15.</b>	<p><b>Date of next meeting</b>  Audit and Risk Committee: Thursday, 4 November 2021, time tbc.</p>	