

**Audit and Risk Committee held on 30th April 2020 at 2.00pm
Online Meeting held via Microsoft Teams**

Attendance: Fiona Boath (Chair) Margaret Vass Susan Macmillan
Mark Griffiths

(Post meeting note A Board Member had attempted to join the meeting however had been unable to for technical difficulties.)

Staff/Adviser(s) Donna Birrell (CEO)
Kirsty Brown (DCEO/FCSM) (Minute Taker)

Attendance: Allison Devine (Agenda Item 7.1)
Graham Gillespie & Stephen Pringle (Agenda Item 8.2)

Item		Action
1.	<p>Introduction and Apologies</p> <p>The Chair asked all attendees for permission to record the meeting in MS Teams to aid minute taking – this was granted.</p> <p>The Chair welcomed Allison Devine from Alexander Sloan (External Auditor) for Item 7.1 Annual Audit Plan, and both Graham Gillespie and Stephen Pringle from Wylie & Bisset (Internal Auditor) for Item 8.2 Audit Needs Assessment 2020-2023.</p> <p>Following the recent announcement on his resignation, the Chair thanked Colin O’Brien for his contribution to the Association over the many number of years that he served on the Audit & Risk Committee.</p> <p>The Chair requested agreement to re-jig the agenda to allow presentations from both Alexander Sloan and Wylie & Bisset early on in meeting to allow those presenting to exit the meeting early. This was agreed.</p> <p>The Chair requested that all attendees use the mute function within Microsoft Teams as the standard setting during the meeting and only unmute when they wanted to speak. This was agreed.</p>	

	There were no apologies.	
2. (Agenda item 3)	Declarations of Interest There were none.	
Presentation	<p>External Audit: Annual Audit Plan 2019/20 – Alexander Sloan</p> <p>Allison Devine presented the Annual External Audit Plan to the Committee, talking through the risk-based audit approach, the identified key risks, the audit timetable and also the required information.</p> <p>It was noted that a catch-all ‘COVID-19’ risk had been added this year. The impact of COVID-19 would be seen across all service areas and the audit would include a review of both the impact to assess going concern, and also how the Association has responded and adapted its plans.</p> <p>Allison confirmed that the proposed fee was in line with the most recent tender - £7,300 ex VAT.</p> <p>A discussion followed on the need to conduct the audit remotely due to the restrictions in place to counter the COVID-19 crisis. A member questioned if this was feasible, and if so, could the timetable presented be met. Both Allison Devine and the DCEO reassured the Committee that they were expecting no issues with either. Remote working was in place and working successfully for both RSHA and Alexander Sloan. All information required for the audit was accessible. Alexander Sloan’s Client Portal provides a secure area for upload and sharing of documents. The DCEO confirmed that should she have to visit the office for any necessary information to complete the accounts or provide audit evidence, the required health & safety guidelines would be followed.</p> <p>Allison Devine left the meeting.</p>	
Presentation	<p>Internal Audit: Audit Needs Assessment 2020-2023 – Wylie & Bisset</p> <p>Graham Gillespie confirmed Wylie & Bisset’s recent appointment for the 3 years 2020 - 2023 following the recent tender exercise.</p> <p>Graham presented the Audit Needs Assessment 2020-2023 to the Committee, talking through the audit approach, the</p>	

	<p>identified key risks, the audit timetable and also the key performance indicators for reporting.</p> <p>Graham confirmed that although it was a three year audit plan, the Committee was agreeing the 3 identified audit areas for the 2020/21 year, with the plan being reviewed on an annual basis to ensure that the plan was updated appropriately to reflect changes in the Association's operating environment, capturing any new or increasing risks.</p> <p>A member commented that he thought there would be a need to bring forward the proposed Rent Arrears Review Audit from year 3 of the plan to year 2, following the COVID-19 crisis. The member commented that there would likely be a lasting impact on the Association's rent arrears, however was accepting that the plan would be reviewed again this time next year to capture the main risks of the Association.</p> <p>Graham Gillespie left the meeting.</p>	
3. (Agenda item 2)	Health & Safety	
3.1	Incidents – None to report	
3.2	<p>Health and Safety Moment</p> <p>The DCEO raised the importance of reinforcing the message on staying safe and social distancing to fight the COVID-19 crisis. The message being that after doing so well and coming so far, it would be unfitting to start faltering and undo the good work done.</p> <p>The Chair reported that there were some unhappy property owners in Killin due to RSHA contractors working outdoors during the lockdown period. The contractors were working on Association properties and outdoor space. Concerns had been raised on social media by these property owners. Although the contractors were all following the required guidelines and working within the restrictions in place for social distancing etc. the Association should be aware of possible adverse publicity.</p>	
3.3	<p>Health and Safety Update (DCEO/FCSM)</p> <p>The Committee noted and approved the contents of the report and supporting documents.</p>	
4.1	Minute of Audit and Risk Committee Meeting – 21st November 2019	

	The Minute was approved on a motion by Mark Griffiths and seconded by Susan Macmillan.	
5.	Matters Arising Schedule (DCEO/FCSM) Members noted and approved the contents of the report.	
6.1	<p>RSG Key Risks: Business Continuity Update</p> <p>Members updated that Community Groups, supported by Stirling Council, were offering support to vulnerable tenants to help with hot meals, shopping, prescriptions etc. Details of the Callander group had been passed to the Housing Services Manager and the Chair advised that she would also pass on the details for the Killin group.</p> <p>A member raised a concern in relation to point 4.9 of the report regarding the Association’s ability to be quorate for Board Meetings being conducted remotely. It was felt that the new IT arrangements might cause problems for a few of the Board Members. The DCEO advised that the Corporate Team had prioritised contacting members of the A&R Committee to provide IT support to ensure that this meeting could take place, and that they would be contacting all other Board Members to provide support where necessary. It was also pointed out that two devices were required, one to view papers and another to view the online meeting. It might be that some Board Members would not have two devices to allow them to participate successfully as switching between screens is not ideal. The DCEO advised that paper Board packs could be issued by post for those that do not have access to a second device. The CEO also advised that there was not yet a solution that provided both online meeting and document management facilities as one. It was noted that the Board meeting required 6 members to be quorate. This concern will be reflected in the comments/remarks section of the Risk Register.</p> <p>The Committee expressed thanks to the staff team for their efforts over the past weeks; keeping the business going through the COVID-19 crisis.</p> <p>The Committee noted the report.</p>	<p>Chair</p> <p>CEO</p>
6.2	<p>RSG Key Risk Register (CEO _ DCEO/FCSM)</p> <p>It was noted that:</p> <ul style="list-style-type: none"> • COVID-19 impacts across many of the risks. • The Senior Management Team (SMT) has reviewed and updated the risks and added comments to better 	

	<p>explain the impact of the COVID-19 crisis on the key risks.</p> <ul style="list-style-type: none"> • The SMT will keep under regular review and update as necessary as the COVID-19 situation progresses. <p>A discussion followed on the potential compensation claim and the advice received to date from both the Association’s lawyer and insurance broker. The SMT were still working to gather all evidence in relation to the timeline of events that resulted in the claim being submitted, however the claim itself would need to be reviewed to see what was reasonable. The initial claim contained a lot of duplication. The claimant would be required to provide proof of additional costs incurred to substantiate any claim. Depending on the final figure of the claim, it might exceed the CEO’s delegated authority limit.</p> <p>A member commented that:</p> <ul style="list-style-type: none"> • Risk 1: the development contracts should be reviewed in light of the COVID-19 impact, in particular the Lovell Contract for Claish Farm; • Risk 4: the risk be updated to reflect the impact of the delay in receiving the Balmaha Grant funding; • Risk 10: the risk of being quorate for Board Meetings be included as detailed at point 6.1 above; and • Risk 20: should incorporate the estimated impact of the increase in Universal Credit Claims. <p>The Committee commented on how much clearer the improved new version of the Risk Register was, making it easier to follow.</p> <p>The Committee noted and endorsed the updated Key Risk Register, incorporating the comments discussed above.</p>	CEO
7.1	<p>External Audit: Annual Audit Plan 2019/20 – Alexander Sloan</p> <p>The Committee approved the Annual Audit Plan for 2019/20. The Committee approved the audit fee of £7,300 ex VAT.</p>	
8.1	<p>Update on Internal Audit Reviews (DCEO/FCSM)</p> <p>The Committee noted the report.</p>	
8.2	<p>Audit Needs Assessment 2020-2023 (DCEO/FCSM)</p> <p>The Committee approved the Audit Needs Assessment 2020-2023 and resulting Annual Audit Plan for the 2020/21 year.</p>	

<p>8.3</p>	<p>Health & Safety: Proposed Joint Procurement: Landlord Health & Safety Audit (CEO)</p> <p>A member commented that this would help towards providing evidence for Annual Assurance.</p> <p>The Committee noted and endorsed the proposal.</p>	
<p>10.</p>	<p>Annual Assurance (CEO)</p> <p>A member commented on the resource impact of the proposed change to the SFHA framework from the SHN framework used in the prior year; was it feasible given the additional pressures of COVID-19 and given the updated SFHA Toolkit has not yet been made available? The CEO assured the Committee that although there was a change being proposed, some of the SFHA toolkit had been adopted in the prior year and the main process would be the same, resulting in a more streamlined approach. The SFHA had indicated the updated Toolkit would be available in April 2020 but this timescale had slipped due to the Coronavirus situation.</p> <p>The CEO noted that the deadline for submission of the Annual Assurance Statement remained as 31st October 2020. Although the Regulator had extended deadlines for the ARC, Loan Portfolio and Five-Year Financial Projection returns, originally due in May and June 2020, it did not feel there was enough evidence to push back the Annual Assurance Statement submission date. However, it was further noted that at a recent presentation, the Regulator had hinted that the Annual Assurance Statement may be replaced with an alternative approach this year which would cover how RSL's plan to recover from the COVID-19 crisis; an exit/recovery strategy. However only initial background discussions had taken place and the Regulator would not expand further. As such, the Association should continue to plan for the normal Assurance Statement submission.</p> <p>The Committee noted the report.</p>	
<p>11.</p>	<p>Draft Policies for Review and Recommendation to Board (CEO)</p> <ul style="list-style-type: none"> • Compensation Payments • Learning & Development <p>The Committee recommended that the policies be approved by the Board subject to the following amendments:</p>	

	<ul style="list-style-type: none"> ○ Compensation Payments: CEO to check reference to members under the Appeals Process on page 11, item 2b. ○ Learning & Development: section 2.1, the word 'and' to be removed. ○ Learning & Development: add in requirement for feedback questionnaire to be completed by Board Members following training to ensure appropriate training providers are selected going forward. 	<p>CEO</p> <p>CEO</p> <p>CEO</p>
12.	<p>Action Tracker</p> <p>The contents of the action tracker were noted and approved.</p>	
13.	<p>Any Other Competent Business</p> <p><i>Need for additional A&R Committee Members:</i></p> <ul style="list-style-type: none"> • Following Colin O'Brien's resignation, it was proposed that the Association Chair call for additional Committee Members at the May Board meeting. • Members thanked the Chair of A&R for chairing the first fully online governing body member meeting so successfully. 	<p>Chair</p>
15.	<p>Date of next meeting</p> <p>Audit and Risk Committee: Thursday, 30th July 2020 at 2pm</p> <p>The meeting closed at 3.40pm.</p>	