

**Meeting of the Audit and Risk Committee
held on 10 November 2022
at 2.00pm conducted online using Zoom**

In Attendance: Margaret Vass
Mark Griffiths
Kenneth Butler
Howard Dales

Staff in Attendance: Donna Birrell – Chief Executive Officer (CEO)
Craig Wood – Director of Housing and Property Services (DHPS)
Sandra McPhee – Governance and Compliance Officer (GCO)
(Minutes)

Also in Attendance: Neil Hamilton - Wylie & Bisset – attended for Item 3.1 only (WB)
Graeme Brown – Edinburgh Risk Management EMRG – attended for Item 4 only (EMRG)

Item		Action
1.	<p>Introduction and Apologies</p> <p>As the Chair of the Committee submitted their apologies, M Vass volunteered to Chair the meeting.</p> <p>Apologies were received from Fiona Boath and Susan Macmillan.</p>	
2.	<p>Declarations of Interest</p> <p>All staff in attendance declared an interest in Agenda Item 13 – Any other Competent Business.</p>	
3	<p>Internal Audit</p>	
3.1	<p>Internal Audit Update</p> <p>The Chair welcomed Neil Hamilton from Wylie & Bisset to the meeting.</p> <p>WB presented the audit reports for the recent internal audits carried out in Rental Income and Arrears Management and Complaints Handling.</p>	

	<ul style="list-style-type: none"> • <i>Appendix 1 Rental Income and Arrears Management Report</i> <p>WB provided an overview of the review and confirmed that ‘Strong Assurance’ was given following completion of the Audit.</p> <p>There were two recommendations contained within the report</p> <ul style="list-style-type: none"> (a) Quarterly performance reports provide the Board with both arrears as percentages and actual figures (b) Former tenants are regularly followed up on with regard to their arrears in line with the Association’s procedures. <ul style="list-style-type: none"> • <i>Appendix 2 Complaints Handling Report</i> <p>WB provided an over of the audit report and confirmed that ‘substantial level of assurance’ was given following the completion of the Audit.</p> <p>There were two recommendations contained within the report for</p> <ul style="list-style-type: none"> (a) Ensure that all complaints are processed within the SPSO timeframes. For complaints that fall out with the timeframes, the complainant should be informed of this prior to the expected completion date. (b) Update Complaints Handling Policy and Procedures to include criteria for what circumstances are exceptional. <ul style="list-style-type: none"> • <i>Appendix 3 Update on Recommendations from Past Internal Audit Reviews</i> <p>The CEO presented the updated report.</p> <p>A Board member asked if the actions for the Budgeting Review Process with a target date for January 2023 are achievable? The CEO advised that it is possible to delay these to end of March / first quarter of 2023/24 once the new DCEO/Director of Finance and Corporate Services is in post.</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Approved both Internal Audit Reports ❖ Approved the delay of the Budgeting Review Process and change of target date to end of March 2023. 	
<p>3.2</p>	<p>Re-procurement of Internal Auditor Function from April 2023.</p> <p>The CEO presented the report on the proposal for the tender of the Internal Auditor Function from April 2023.</p> <p>Howard Dales noted his interest to be involved with the tender process and interviews as the Committee member.</p> <p>The Committee:</p>	

	<ul style="list-style-type: none"> ❖ Approved the Internal Audit Service Procurement timeline ❖ Approved the quality/price ratio of 60:40 ❖ Approved the Internal Audit Procurement Selection Panel ❖ Noted the requirement to notify the SHR once the appointment of a new Internal Auditor is appointed. 	
4.	<p>Risk Appetite</p> <p>Edinburgh Risk Management General (ERMG)</p> <p>Graeme Brown from ERMG presented information on the Risk Appetite Themes and the results of the recent survey of members that was carried out.</p> <p>ERMG highlighted the Risks that were showing outwith the Risk Appetite which where Health & Safety (Internal and External), Contract Management and Investment Programme.</p> <p>ERMG explained that the key risks are grouped under Strategic Risk Themes and that a set of Operational Risks, has currently been developed. It was noted therefore that the scoring is based on operational risks. ERMG stated that in their experience this approach is proportional with our size and complexity of structure and operation.</p> <p>The CEO advised Committee that the operational risks have currently been developed by the SMT and detailed on Decision Time. If looking to move towards a set of strategic risks and operational risks, Decision Time will require to be updated.</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Agreed to continue with Strategic RiskThemes for the time being with this being reviewed on a regular basis. 	
5.	<p>Minutes of Previous Meetings</p> <p>Minute of Audit and Risk Committee Meeting – 30 June 2022</p> <p>The Minute was approved by Mark Griffiths and seconded by Margaret Vass.</p>	
6.	<p>Matters Arising Schedule</p> <p>No further matters arising.</p> <p>The Committee</p> <ul style="list-style-type: none"> ❖ Approved the Matters Arising Schedule. 	
7.	Health and Safety	
7.1	Incidents	

	No incidents to report.	
7.2	<p>Health & Safety Update</p> <p>The DHPS advised the Committee on the following</p> <ul style="list-style-type: none"> • The changes to the office working arrangements with staff is working well and will continue to be monitored. • We continue to make good progress with the EICRs with appointments being organised for 12 outstanding. Currently providing monthly updates to the SHR. <p>Committee raised the following comments/queries</p> <p>Has the Asbestos training has been organised for staff? The DHPS advised that we were waiting for the Property Services Officer to return from a period of leave, and this will now be actioned.</p> <ul style="list-style-type: none"> ▪ Has to work to tidy the loft space been completed? The DHPS advised that work is continuing to clear the items that are left. ▪ It would be an idea that members of the SMT carry out periodic housekeeping walkabouts to ensure areas are kept clear. ▪ With the hotel next to the office open staff to be advised to take care when accessing the office through the new car park. <p>Committee noted that the Business Continuity scenario went well earlier in the year.</p> <p>A Committee member noted that following them being involved with another Housing Association it would be beneficial to check with our Insurance company whether costs for employing extra staff would be covered if required. The DHPS advised they we will get this checked.</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted the contents of the reports ❖ Approved the report and supporting documents. 	<p>SMT</p> <p>DHPS</p> <p>DHPS</p>
8.	<p>External Audit</p> <p>There were no reports.</p>	
9.	<p>RSG Key Risks</p> <p>The reports were presented for the Annual Review of the Risk Management Framework and internal controls and management systems/strategic analysis, risk register, scoring and appetite.</p> <p>The Committee</p>	

	<ul style="list-style-type: none"> ❖ Noted the contents of the report ❖ Approved the revised Rural Stirling Group Risk Management Framework ❖ Noted and approved the Risk Appetite and Risk appetite Statement ❖ Noted the Risk Appetite Scoring and Operational Risks ❖ Noted the comments within the report with regards to the Strategic and Operational risks. 	
10.	Resources Update Confidential	
10.1	<p>Confidential Board and Staffing Update including Board Development Plan</p> <p>This was a confidential report</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted the content of the report. 	
10.2	<p>Staff Stress Survey 2022 & Action Plan</p> <p>The report contained the results of the Staff Stress survey with the results being conveyed to staff at the next full staff meeting which will look at developing an Action Plan to take forward actions for dealing with issues raised.</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted the content of the report and supporting documents. 	
10.3	<p>Confidential HR Report</p> <p>This was a confidential report</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted and Approved the contents of the report. 	
11.	Governance	
11.1	<p>Record of Electronic Approvals</p> <p>There had been no electronic approvals since the last meeting.</p>	
12.	<p>Action Tracker</p> <p>The updated Action Tracker was presented to the Committee.</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Approved the Action Tracker 	

<p>13.</p>	<p>Any Other Competent Business</p> <p>EVH Employers Ballot 2022 The Audit and Risk Committee considered the EVH recommendations with respect to the above including:</p> <ul style="list-style-type: none"> • All staff regardless of grade/hours worked to receive a non-consolidated monthly payment of £150 in each of January, February, and March 2023. These payments would be subject to normal tax and NI deductions, be paid through payroll and would not attract a pension contribution. • A traditional, across the board, consolidated percentage increase of 5.25% on all salary points from 1 April 2023. <p>It was noted that some members had benefitted from an unexpected cash windfall as a result of the cessation of backward pension deficit payments but that this was not applicable to RSHA. The Audit and Risk Committee were of the view that RSHA staff need to feel valued and supported in these difficult times but also recognised tenants' incomes may not increase at the same rate. After consideration of the proposal and implications the Audit and Risk Committee recommended that the proposal should be supported. The CEO will seek an Office Bearers Decision as the deadline for submission is 30th November.</p>	<p>CEO</p>
<p>14.</p>	<p>Date of next meeting</p> <p>Audit and Risk Committee: Thursday, 27 April 2023 at 2.00 p.m, via Zoom (tbc).</p>	

Chair's signature.....