

**Meeting of the Audit and Risk Committee
held on 27 April 2023 at 2.00pm conducted online using Zoom**

In Attendance: Margaret Vass (acting Chair)
Fiona Boath
Mark Griffiths
Kenneth Butler
Susan Macmillan

Staff in Attendance: Donna Birrell – Chief Executive Officer (CEO)
Gerry Casey – Depute CEO / Director of Finance & Corporate Services (DCEO/DFCS)
Craig Wood – Director of Housing and Property Services (DHPS)
Sandra McPhee – Governance and Compliance Officer (GCO)
(Minutes)

Also in Attendance: Allison Devine – Alexander Sloan – External Audit – Item 3 only (AS)
Susan Brook - Wylie & Bisset – Internal Audit –Item 4 only (WB)

Item		Action
1.	Introduction and Apologies M Vass welcomed everyone to the meeting as acting Chair. Margaret advised that as Fiona is currently acting Chair of the Board, it would not be appropriate for her to Chair the meeting. The Chair welcomed Gerry Casey to his first Audit and Risk meeting. Apologies were received from H Dales.	
2.	Declarations of Interest There were no declarations of interests.	
3	External Audit Report	
3.1	Meeting with External Auditor (prior to Audit for 2022/23)	

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	<p>Allison Devine joined the meeting from Alexander Sloan and presented the Audit Plan for 2022-23, which sets out the scope of the engagement, timetable and the main audit Risks.</p> <p>AS advised that the main risks that will be looked at during the Audit are</p> <ul style="list-style-type: none"> - Management override of control - Errors in revenue recovery - Development risks in relation to meeting the covenants - Current working environment including the increase in costs <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Approved the proposed Audit Plan and the timetable for actions thereafter leading up to the presentation of the audited accounts to the AGM ❖ Approved the proposed fee of £9,240 (excl. VAT) for this year’s audit. <p style="text-align: right;"><i>A Devine left the meeting</i></p>	
4.	<p>Internal Audit Report</p> <p style="text-align: right;"><i>S Brook joined the meeting</i></p>	
4.1	<p>Review of Internal Audit Function 2020-23</p> <p>The DCEO/DFCS presented the report which provided a summary of the audits carried out over the past three years. The Committee noted that all audits scored a grading in the top 2 categories with 5 getting the highest rating of ‘Strong’.</p> <p>There was one audit outstanding which was for the Budget Setting Process which was delayed until April 2023 due to change over of staff. This Audit has now taken place with draft report received this week for comments and finalising. This will be reported to the next Audit and Risk Committee taking place in June.</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted the content of the report. 	DCEO/DFCS
4.2	<p>Internal Audit Plan 2022-23</p> <p>The DCEO/DFCS gave a briefing on the reports and advised that the final report for the Development Contract Management audit which was carried out in February 2023 was given Strong assurance.</p> <p>The follow-up review report looked at previous recommendations and what has been implemented and what has not. Of the recommendations, 5 of the 11 recommendations had been fully implemented, one has been partially implemented and the remaining 5 have not been implemented.</p> <p>WB advised that they have no concerns or any issues with the audit areas addressed.</p>	

	<p>The Committee:</p> <ul style="list-style-type: none"> ❖ Approved the contents of the report ❖ Approved the Development Contract Management Audit report, Follow-up Review report and Update on the recommendations from past audits. 	
4.3	<p>Draft Internal Audit Plan 2023-26 Including Internal Audit Plan for 2023-24</p> <p>WB presented the Internal Audit plan for the next three years and highlighted the plan for the coming year.</p> <p>Within the plan contingency time has been included for any additional audit to be done which could include the ARC validation process or any issues arising from the SHR Annual Assurance Statement Visit.</p> <p>The Committee raised the following comments/queries</p> <ul style="list-style-type: none"> • Useful to have contingency built into the plan in case needed especially with the Assurance visit happening soon. <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Reviewed and approved the draft Internal Audit Plan for 2023/24 to 2025/26 <p style="text-align: right;"><i>S Brook left the meeting.</i></p>	
5.	Minutes of Previous Meetings	
5.1	<p>Minute of Audit and Risk Committee Meeting – 10 November 2022</p> <p>The Minute was approved by Mark Griffiths and seconded by Kenneth Butler.</p>	
6.	<p>Matters Arising Schedule</p> <p>The schedule was presented to the Committee.</p> <p>The Committee raised the following comments / queries</p> <ul style="list-style-type: none"> • Is there a requirement to have the extra £300k insurance for business interruption? Does this include the reinstatement cost of the property? The DCEO/DFCS confirmed that this is included as standard but confirmation will be obtained from the insurers. • It was noted that if this doesn't cost extra or affect the premiums, it is a good fallback to have in place. Again, this will be clarified with the insurers. <p>The Committee</p> <ul style="list-style-type: none"> ❖ Approved the Matters Arising Schedule. 	<p>DCEO/DFCS</p> <p>DCEO/DFCS</p>
7.	Health and Safety	

<p>7.1</p>	<p>Incidents</p> <p>No incidents to report.</p>	
<p>7.2</p>	<p>Health & Safety Update</p> <p>The DCEO/DFCS presented the report which highlighted the following</p> <ul style="list-style-type: none"> - Updates on Health and Safety related issues - Updated action plans - Health and Safety training for staff <p>The Committee were also provided with the proposed new reporting framework for H&S including new H&S KPIs to be incorporated with quarterly performance reporting and a draft Annual Health & Safety Assurance document, which will be presented to the Board in October of each year.</p> <p>The Committee raised the following comments / queries</p> <ul style="list-style-type: none"> • The new Annual H&S Assurance document is very good and an improvement to the reporting to the Board and Audit & Risk Committee • The new document is good as gives assurance rather than re-assurance each year. Pleased to see this now in place. <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted and approved the content of the report and the supporting documents ❖ Noted that 2 outstanding actions from the HH&S Compliance audit were now complete ❖ Noted that there have been no health & safety incidents 	
<p>7.3</p>	<p>Health & Safety Competency Framework and Training Needs Analysis (TNA): Annual Review</p> <p>The CEO presented the report relating to the annual review of the Health & Safety Competency Framework and Training Needs Analysis for staff and advised that the guidance from EVH in the Control Manual is very generic, however we have set the training needs for specific job roles within the organisation.</p> <p>It is very comprehensive, detailing what is mandatory, essential, desirable and optional training for the staff team.</p> <p>In addition to this document, training is ongoing and organised as required. It was noted that Damp and Mould awareness for staff is now included within the training matrix.</p> <p>The Committee raised the following comments / queries</p>	

	<ul style="list-style-type: none"> • The training matrix is complex and a very comprehensive document and good to have this tied in with all job profiles. Very well done. • Should the damp & mould training not be mandatory for Housing Officers? Housing Offices aren't required to identify any causes of issues but if they see anything on their visits to tenant's homes they will raise these with the technical staff. <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted the contents of the report. ❖ Approved the Competency Framework and the TNA and to make the recommendation to the Board that they be adopted. ❖ Noted the delivery of mandatory and essential training will be prioritised and a best endeavours approach will be adopted to the delivery of desirable and optional training as resources allow or specific training needs are identified. 	
8.	RSG Key Risks	
8.1	Risk Exception Report No reports.	
9.	Resources Update Confidential	
9.1	Confidential Board and Staffing Update including Board Development Plan Confidential report.	
9.2	Confidential - RSG Succession Plan – Senior Staff Annual Review Confidential report	
9.3	<p>Staff Appraisal Review: Revised Framework</p> <p>The CEO presented the report on the proposed revised framework for staff development and review and to proceed with a consultation with staff.</p> <p>The following was highlighted</p> <ul style="list-style-type: none"> - With the size of the organisation, the current framework is cumbersome, overly administrative and doesn't link to performance - Other organisations' frameworks are more streamlined, linked to continual development, linking performance to the values and objectives of the organisation. - Simplified approach with less administrative burden on line managers. <p>The committee raised the following comments / queries</p>	

	<ul style="list-style-type: none"> • The proposed framework is a vast improvement on current process by linking to our objectives and streamlining for line managers and staff. • Reduced bureaucracy • By taking away the word ‘appraisal’ and replacing with ‘review’ it is much more user friendly. <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted the contents of the report. ❖ Approved a recommendation to the Board to review the current staff appraisal framework in line with the Draft Employee Development and Review framework presented. 	
9.4	<p>Investors in People (IIP)</p> <p>The CEO presented an update report on the Association’s IIP accreditation, and highlighted the following</p> <ul style="list-style-type: none"> - RSHA was awarded IIP Silver in November 2021 - The IIP process follows a three-year cycle with the current cycle 2021-24 - Cost of the IIP accreditation has been included in the business plan and interim activity review budgeted for 2023-24 financial year. <p>The report also provided the Committee with an update on the progress to date following the presentation of the final report to Committee in November 2021.</p> <p>The Committee:</p> <ul style="list-style-type: none"> ❖ Noted the contents of the report. 	
10.	Governance	
10.1	<p>Record of Electronic Approvals</p> <p>There had been no electronic approvals since the last meeting.</p>	
11.	<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 	
12.	<p>Any Other Competent Business</p> <ul style="list-style-type: none"> • Fiona Boath advised the Committee that the Board appraisals were going well and the final report will be presented to the Board at their meeting in May 2023. 	Chair / North Star

	<ul style="list-style-type: none"> The CEO advised that a Board member, who was previously on this Committee noted an interest to re-join. However, as per the remit of the Committee the maximum number of members is six. <p>Following discussion about the membership of the Committee it was agreed to leave the number at six for the time being and if another member leaves the Committee, the interested Board member will be contacted.</p>	
13.	<p>Date of next meeting</p> <p>Audit and Risk Committee: Thursday, 29 June 2023 at 2.00 p.m, via Zoom.</p>	

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