

Approved MINUTE

Meeting of the Audit and Risk Committee held on 28 April 2022 at 2.00pm held via Zoom

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

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

Also in attendance: Allison Devine, (AD) Alexander Sloan, External Auditors (Agenda item 3 only)
Stephen Pringle, (SP) Wylie & Bisset, Internal Auditors (Agenda item 4 only)

Item		Action
1.	<p>Introduction and Apologies</p> <p>The Chair welcomed everyone to the meeting and introduced Allison Devine from Alexander Sloan (External Auditor – Agenda Item 3 only) and Stephen Pringle from Wylie & Bisset (Internal Auditor – Agenda item 4.1 and 4.2 only).</p> <p>Apologies were received from Craig Wood and Jackie Leeds.</p>	
2.	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>	
3	<p>External Audit</p> <p>3.1 Annual Audit Plan 2021/2022</p> <p>AD presented the Annual Audit Plan to 31 March 2022, provided as Appendix 2, which included the audit and reporting timetable for the audit due to be completed by 30 June 2022. A final report will be presented at the next Committee meeting.</p> <p>AD noted that there had been no changes to the regulatory standards in relation to the financial statements and the audit risks remain similar to previous years.</p>	

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	<p>Some interim audit testing had taken place and no issues had been identified at this time.</p> <p>The audit fee for 2022 was noted as £8,600 (excl. VAT).</p> <p>The Committee decided:</p> <ol style="list-style-type: none"> 1. that the proposed Audit Plan and the timetable for actions thereafter leading up to presentation of the audited Accounts to the AGM be approved; and 2. that the fee of £8,600 (excl. VAT) for the annual audit be approved. <p><i>AD left the meeting following consideration of this item</i></p>	
<p>4.</p>	<p>Internal Audit</p> <p>4.1 Internal Audit Plan 2021/2022: update on Reviews</p> <p>SP presented an update on two internal audit reviews for Planned Maintenance and Follow Up Review carried out in January 2022.</p> <p>Planned Maintenance received a Strong Assurance grading and Follow Up Review received a Substantial Assurance grading. Further details were provided in Appendices 1 and 2. An update on recommendations from previous audits was provided in Appendix 3.</p> <p>The Annual Assurance Report for 2021/22 was attached as Appendix 4 and SP confirmed that Wylie and Bisset were of the opinion that RSHA had adequate and effective risk management, control, and governance processes in place, and could provide reasonable assurance that there were no major areas of weakness. There were no high-risk actions outstanding.</p> <p>A Committee member asked about the recommendation noted in the Follow Up Review in relation to Cyber Security and data leakage. The DECO/DFCS reported that a risk assessment will be completed shortly. A tender for IT services may take place in the near future and it would be prudent to complete tender process before any further software upgrade was purchased/implemented. The programming of this work will be discussed at the next SMT.</p> <p>Progress with respect to the recommendation regarding the Contracts Register was also noted.</p> <p>A Committee member commented on the inclusion of best practice in the reports and how useful these are in supporting staff and improving performance.</p> <p>The Committee decided:</p> <ul style="list-style-type: none"> • that the contents of the report and attached appendices be approved. <p>4.2 Annual Internal Audit Work Plan 2022/2023</p> <p>SP presented the draft Annual Internal Audit plan for 2022/23, attached as Appendix 2. Details of the areas selected for review were provided along with the number of workdays allocated for each area.</p>	<p>SMT</p>

	<p>The annual work plan for 2022 is part of the 3-year rolling plan, which can be amended depending on priority and risk.</p> <p>A Committee member commented that she welcomed the inclusion of arrears management as an audit area for 2022/23 and stressed the need for arrears to be prioritised even during periods of resource shortfalls. Another Committee member asked if virtual viewings were carried out to speed up the allocations process and the CEO confirmed that they were.</p> <p>A Committee member (Chair of RSHA Board) welcomed the offer of training from Wylie Bisset and suggested that he would liaise with the GCO now that the annual review process was complete. Finance for Non-finance People and Fraud Awareness had been identified as training topics to be included in the Learning and Development Plan for 2022/23.</p> <p>The Committee decided:</p> <ol style="list-style-type: none"> 1. the contents of the report be noted; and 2. that the Annual Internal Audit Plan for 2022/23 be approved. <p><i>SP left the meeting following consideration of this item.</i></p>	RSHA Chair/ GCO
5.	<p>Minutes of Previous Meetings</p> <p>5.1 Minute of Audit and Risk Committee Meeting – 4 November 2021 The Minute was approved on a motion by Mark Griffiths and seconded by Margaret Vass</p> <p>5.2 Confidential Minute of Audit and Risk Committee Meeting –4 November 2021 The Minute was approved on a motion by Margaret Vass and seconded by Mark Griffiths.</p>	
6.	<p>Matters Arising Schedule The CEO presented the Matters Arising Schedule.</p> <p>It was confirmed that the Chair of A&R Committee had contacted the Internal Auditor after the last meeting. This will be kept on the Action Tracker for future meetings as a reminder of the need for the Committee to discuss any issues directly with the Internal Auditor without staff in attendance and to do this on a regular basis.</p> <p>The Committee decided:</p> <ul style="list-style-type: none"> • that the Matters Arising Schedule be approved. 	DCEO/ DFCS
7.	<p>Health and Safety</p> <p>7.1 Incidents – There were no incidents to report.</p> <p>7.2 Health and Safety Update The report provided an update on H&S related issues within the Association.</p>	

	<p>Electrical Servicing Requirements and Electrical Installation Condition Reports (EICRs) is now identified as Mandatory/Essential training for the DHPS and CEO.</p> <p>The CEO advised that a Notifiable Event would be submitted to the SHR as soon as possible following the meeting. The Committee requested that details of the recovery plan be submitted to the SHR with the Notifiable Event.</p> <p>The Committee decided:</p> <ul style="list-style-type: none"> • that the contents of the report and attached appendices be approved. <p>7.3 Health and Safety Competency Framework and Training Needs Analysis. The report provided an update on the Training Needs Analysis (TNA) conducted by Housing H&S Compliance (HH&SC), attached as Appendix 1. A summary of the comments/responses between RSHA and HH&SC were provided in Appendix 2.</p> <p>The Committee decided:</p> <ol style="list-style-type: none"> 1. that the contents of the report be noted; 2. that the Training Needs Analysis be approved and recommended to the Board for adoption; 3. that the training records will be maintained by Corporate Services; and 4. that delivery of Mandatory and Essential training be approved, with a ‘best endeavours’ approach to delivery of Desirable and Optional training as resources allow. 	CEO
8	<p>Annual Risk Review</p> <p>The report presented the outcome from the annual risk review. A strategic risk management workshop held in March 2022 by Edinburgh Risk Management General (ERMG) identified a new set of strategic risk themes:</p> <ul style="list-style-type: none"> ○ Recruitment and Retention ○ Confidence and Trust ○ Safety and Security ○ Economy and Finance ○ Investments ○ Environmental Social Governance ○ Partnership and Collaboration <p>ERMG had recommended an alternative risk scoring matrix methodology, and the risk module on Decision Time will be updated to reflect the new set of strategic risk themes and to reflect the new risk matrix.</p> <p>The CEO gave the Committee an overview of the new matrix and explained the benefits of using the new matrix to effectively assess risks at the most appropriate level and allow more effective monitoring. It was noted that the score is identified by the positioning on the grid as opposed to a multiplying factor.</p> <p>The Committee decided:</p> <ol style="list-style-type: none"> 1. the contents of the report be noted; 	

	<p>2. that the Strategic Risk Themes, Strategic Risks and Operational Risks as provided in Appendix 1 be approved and recommended to the Board for adoption; and</p> <p>3. that the risk assessment methodology be approved and recommended to the Board for adoption, and that the Risk Management Framework previously approved in November 2021 be updated to include this new methodology.</p>	
9.	<p>Resources Update Confidential</p> <p>9.1 Confidential Board and Staffing Update including Board Development Plan</p> <p>The report was a confidential Item.</p> <p>9.2 Investors in People Review 2021</p> <p>The report presented the final report on the Investors in People (IIP) accreditation process for the 3-year cycle ending in 2021 and outlined the next steps. The DECO/DFCS noted that the Association would be eligible to apply for the next level of accreditation at the end of the current 3-year period.</p> <p>RSHA had successfully achieved Silver accreditation, with a score of 722 (out of 900) – up from 696 in 2018. The report provided several recommendations for continued improvement which the SMT will take forward, and a staff team building day was planned for June 2022.</p> <p>The Committee decided:</p> <ul style="list-style-type: none"> • that the contents of the report be approved. 	SMT
10.	<p>Governance</p> <p>10.1 Record of Electronic Approvals</p> <p>There had been no electronic approvals since the last meeting.</p> <p>10.2 Succession Plan Senior Staff</p> <p>This item was confidential.</p>	
11.	<p>Finance</p> <p>There was no Finance report.</p>	
12.	<p>Action Tracker</p> <p>The updated Action Tracker was presented to the Committee. It was noted that the request under FOI was being treated as a Subject Access Request (SAR).</p> <p>The Committee decided:</p> <ul style="list-style-type: none"> • that the Action Tracker be approved. 	
13.	<p>Any Other Competent Business</p> <p>The Audit and Risk Committee advised the DCEO/DFCS that they wished the RBS Bank Mandate to be reviewed to ensure that it is up to date.</p>	

	<p>With regard to the required Authority & Certificate the Audit and Risk Committee approved the following:</p> <ul style="list-style-type: none"> • if we add or remove Authorised Signatories in the “Add or remove individuals” section of this form, the Bank will update our mandate accordingly for the accounts we specify in this form’s “About your business” section • if we change the Signing Rules in the “Account Signing Rules” section of this form, the Bank will update our mandate accordingly for the accounts we specify in this form’s “About your business” section • the Bank can phone the individuals we’ve identified as “Call Back Contacts” to confirm or correct any instructions or information that that we’ve given the Bank • and the current mandate will continue as amended. 	
<p>14.</p>	<p>Date of next meeting Audit and Risk Committee: Thursday, 30 June 2022, 2pm, in Doune office (tbc).</p> <p>Lorna Cameron gave apologies in advance for the above meeting as she will be on holiday.</p>	

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