

**Minutes of the Meeting of the Audit & Risk Committee
held on 12 May 2022 at 10.30am
via Zoom**

PRESENT: Isabel McGarvie Chair
Robert Fernie
Margaret Moore

IN ATTENDANCE: Paula Rice Director of Finance & Technology
Nikki Ritchie Director of People & OD
Martin Ritchie Internal Auditor, TIAA
Michelle Breen PA (Minutes)

042. Apologies for Absence

Apologies for absence were received from the Chief Executive, Director of Business Development, Director of Customer Experience and Head of Strategic Programmes & Improvement.

043. Declaration of Interests

There were no declarations of interest.

044. Minutes

(i) Minutes of Meeting held on 17 February 2022

The Minutes of the Audit & Risk Committee meeting held on 17 February 2022 were approved and signed by the Chair.

(ii) Confidential Minutes of Meeting held on 17 February 2022

The Confidential Minutes of the Audit & Risk Committee meeting held on 17 February 2022 were approved and signed by the Chair.

045. Business Arising

(i) Action List

Minute Reference 022 (i) – Annual Risk should have a due date added of no later than March 2023.

The Audit & Risk Committee noted the Action List.

046. Internal Audit

(i) Confidential: Redacted

(ii) Assurance Review of Corporate Performance Management

The Committee received Report A&R/5(ii)/MAY/22 from the Internal Auditor, which gave a substantial level of assurance for the review.. Two routine and one operational recommendations were identified and it was confirmed that work is already underway to deliver these. A query was raised on whether to retain the current KPIS and whether the Audit reviewed the current KPIs and then monitored how they are tracked or looked at the appropriateness of the measures themselves. The Internal Auditor advised that they did not specifically assess the appropriateness of KPI's but rather look at a framework for effective controls, and once satisfied move onto the testing in terms of KPIs, benchmarking against other organisations. It was requested that the Report reflect this fact. The Internal Auditor will take this on board.

The Audit and Risk Committee:

- i. approved the Internal Auditors report for Assurance Review of Corporate Performance Management; and**
- ii. noted the three recommendations.**

(iii) Assurance Review of Duty of Care (Asbestos Management, Fire Safety, Gas Safety and Legionella)

The Committee received Report A&R/5(iii)/MAY/22 from the Internal Auditor which provided reasonable assurance and no concerns on the compliance that has been carried out. The file management with Keystone is superior to other Providers. One important recommendation and two routine recommendations were identified, one of the routine recommendations has been completed and the important recommendation is on track for delivery. Two areas of good practice were also highlighted. The Director of People & OD, in relation to the important recommendation confirmed that all policies have been reviewed and remain legally compliant; gas checks are progressing; with a meeting scheduled to finalise the style of the documents as part of the wider review of H&S policies. Bield received a new asbestos policy from the appointed Consultant last week and the team are currently reviewing it. Critical Policies will go to Board for approval and other policies will go to SMT for approval. The 6 month H&S update will come to the next Board meeting in May and set out the up to date position on all work. Policies which remain legally compliant and will not require Board approval. The Internal Auditor confirmed the relevant policies for gas, water etc for Owner Services have been checked.

The Audit and Risk Committee:

- i. approved the Internal Auditors report for Internal Audit Report – Assurance Review of Duty of Care (Asbestos Management, Fire Safety, Gas Safety and Legionella); and**
- ii. noted the three recommendations**

(iv) Follow up Report

The Committee received Report A&R/5(iv)/MAY/22 from the Internal Auditor. The Follow Up Report highlighted 6 recommendations were implemented; 5 outstanding; and 2 were considered but not implemented, with evidence to ensure any original recommendation has been met. The Committee agreed to the removal of the two recommendations considered but not implemented. A query was raised on whether the pre void checks had commenced in April 2022 and the Director of People & OD confirmed this was the case. The Internal Auditor advised there will be outstanding actions from this report but they will be picked up at a later date to ensure they have all been completed, and included in the Quarter 4 Follow Up Report. The Report should amend the wording “approval” to “note”.

The Audit and Risk Committee noted the Internal Auditor’s Follow-up Report.

047. Priority Items

(i) Loan Portfolio Annual Return

The Committee received Report A&R/6(i)/MAY/22 from The Director of Finance & Technology which confirmed there are no interest bearing borrowings, and one Scottish Government loan attached to energy efficiency, payable over 3 years, with no interest.

The Audit & Risk Committee noted the Loan Portfolio Return and recommended that the Board approves its submission to the Scottish Housing Regulator.

(ii) Confidential: Redacted

048. Items for Noting

(i) Risk Management Annual Report 2021/22

The Committee received Report A&R/6(i)/MAY/22 from The Director of Finance & Technology and advised a risk assessment will be looked at in the upcoming months.

A query was raised regarding page 88, under section 6 of what is the expected timing of the risk appetite review and it was noted this would need to be built in parallel with the strategy and a further query on page 90 of the position on appointing pension advisors, to which the Director of People & OD informed the procurement paper is being drafted and will be tendered in the next few weeks.

A query was raised on whether our tenants are aware they are currently receiving a lower energy tariff due to Bield’s position as a housing organisation. It was noted tenants are aware through communications and consultation.

The Audit & Risk Committee:

- i. noted the content this paper; and
- ii. confirmed that there is a satisfactory system in place for the review of risk.

(ii) **Confidential: Redacted**

049. Any Other Business

Financial statements will be submitted to the Audit & Risk Committee for review when these are available.

It was noted the audit steps are progressing on time with the audit commencing on 6th June 2022. The feedback last year was to provide notice if there was a potential of any delays.

050. Date of Next Meeting

The date of the next meeting is due to take place on Thursday 30th June 2022 which will include the financial statements for recommendation and the Treasury Management Policy for approval. The 5 year plan will go to the Board at the end of May, and it has been agreed with the Regulator the 30 year plan is not required to be submitted by the end of June.