

Minutes from Online Audit and Risk meeting - Non-Confidential held 9th February 2023

Attendance	John Rawson (JR) (Chair), David Clowes (DC) (Vice Chair), Christine Gore (CG), Andrew Parfitt (AP), Ian Mason (IM) (<i>joined as noted in minutes</i>), Richard Pineger (RP), Arthur Dzido (AD), Emma Wall (EW), Vicky Day (VD), Andy Tootell (AT) (<i>joined as noted in minutes</i>), Adam Waller (AW), Lucy Cater (LC) SWAP
Recorder	Rhian Watts (RW)
Apologies	None
Quorate?	Yes

Item	Notes	Action for
1	<p>Meeting commenced at 17:33</p> <p>No apologies received.</p> <p>No declarations of interest.</p>	
2	<p><u>Board Champion for Risk (Verbal)</u></p> <p>DC introduced his update and noted that it would be his last as Board Champion for Risk. He explained that he had met with AW and IM to review the highest scoring corporate risks. DC highlighted that they had discussed the cyber security risk following some high profile attacks locally and nationally, and had been reassured at the actions CBH are undertaking to prevent attacks. He noted that this had been reviewed by the Committee in the previous year but suggested it would be a sensible area for more in-depth analysis again soon. DC added that they had also considered, following the Peabody case, how we are ensuring tenant welfare. He noted that a review would be brought to the Committee in May to ensure that we have adequate controls in place relating to safeguarding. DC added that they had also discussed a shift in language in relation to the Housing Revenue</p>	

	<p>Account (HRA) Business Plan becoming unviable to remove the reference to the Business Plan and reflect the wider pressures on the HRA in the current operating environment. AW confirmed that this is being discussed with AD and Stafford Cruse (Head of Finance and IT).</p> <p>ACTION – Schedule review of the cyber security risk with the Committee</p> <p>DC noted that he would be circulating a written report following the meeting. He highlighted that his conversation with AW had reviewed a wide range of risks and he had been pleased to see that most of the highest scoring risks had been discussed at the Committee or at Board. DC commented that it was good to see these were live risks, actively managed and discussed on a regular basis. AD agreed that it was important that the risk register is not a static document and is incorporated into the business and how we are delivering plans.</p> <p>JR thanked DC on behalf of the Committee for the tremendous and valuable work he has carried out with AW during his time as Board Champion for Risk. The Committee also thanked IM for the support he has been providing to the Board Champions.</p> <p>The Committee noted the contents of the verbal update.</p>	<p>AD</p>
<p>3</p>	<p><u>Board Champion for Health, Wellbeing and Safety (Verbal)</u></p> <p>CG explained that she had met with AT and had a very positive discussion about recent health, wellbeing and safety activities. She highlighted that AT has recently completed CBH's 9th RoSPA (Royal Society for the Prevention of Accidents) award submission and thanked him for the large amount of work this involves. She noted that the results are expected by March or April and that the submission had flagged one issue around leadership training. CG explained that the executive team had now received this training and that AT would be providing Board with a Board InSight session in this area in June. She noted that they had also discussed the</p>	

	<p>ongoing integration of the new health and safety management system which is going well. CG added that the current area of work is considering individual tasks on the system to ensure timescales, frequency and priorities are appropriate and proportionate. She noted that they had also discussed the recent internal audit into health and safety and a number of recommendations were in the progress of being implemented. CG highlighted that we also recently received funding to provide public access defibrillators to the outside of CBH buildings, with 2 installed at Hesters Way Resource Centre and the Depot and 2 to follow at St Pauls and Oakley. EW thanked CBC for introducing the opportunity to us.</p> <p>CG highlighted that she has also met with DC and EW. She noted that it had been agreed that she would meet with Heads of Service in the future to receive an overview of activities. CG thanked AT for the illuminating and insightful discussions they have had. JR thanked AT on the Committee’s behalf.</p> <p>The Committee noted the contents of the verbal update.</p>	
<p>4</p>	<p><u>Agree non-confidential minutes of the 10.11.2022 meeting and note progress on current action points</u></p> <p>The Committee agreed that the non-confidential minutes of the 10.11.2022 meeting were a true record and noted progress on current action points.</p>	
<p>5</p>	<p><u>Review and recommend to Board Internal Audit Plan 2023-2024 and Internal Audit Update</u></p> <p>LC introduced the progress report on the 2022-23 internal audit plan and explained that 2 final reports had been issued since the last meeting. She noted that the audit of HR and the new starter process had received a medium limited assurance with 4 priority 2 actions and the audit of core financials had received a medium substantial assurance with no agreed actions.</p>	

	<p>DC commented that it was disappointing to receive a limited assurance for the new starter process and noted that he was particularly concerned that Heads of Service had been able to bypass pre-appointment checks. AD agreed and explained that we are ensuring appropriate controls are in place and business risk is reduced. He noted that feedback from the team has been positive and that he would be seeking additional assurance that the processes are working and being followed. AD commented that this has been a difficult period for the team following the departure of the previous Head of Service. He highlighted that Emma McShane has now started as Head of People and Culture and that they will be working together to ensure we get this right. LC noted that 2 of the agreed actions have now been completed and the remaining 2 are in progress.</p> <p>AT joined the meeting.</p> <p>LC introduced the Internal Audit Plan for 2023-23 and noted that whilst the plan hasn't changed from the draft reviewed in November 2023 the format has been updated. She explained that she had worked with AD to create a document that shows what has been audited in the past and enable us to identify any gaps that should be audited in the future. AD commented that this would provide a more transparent view of our audit history, show where we are heading, provide better assurance and identify priorities. He highlighted that this should make audit planning easier in the future. JR agreed that this was a useful development. DC commented that the document now resembled an internal audit universe which provides the Committee with more clarity. He noted that there are some areas that haven't been considered for 5-6 years which could be prioritised in future plans. AD noted that we are also intending to link this document in the future with the risk register to provide a risk-driven approach that will allow plans to be shaped by our highest risk areas rather than focusing on areas that have not previously been audited.</p>	
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<p>6</p>	<p>IM joined the meeting</p> <p><u>Internal Audit Priority 3 Recommendations Update</u></p> <p>AW introduced the update on the priority 3 internal audit recommendations and noted that 1 recommendation was ongoing with an extended end date and no new recommendations had been added.</p> <p>The Committee noted progress on Priority 3 Internal Audit Management recommendations.</p>	
<p>7</p>	<p><u>Progress Update on the Regulator of Social Housing’s Standards</u></p> <p>AW explained that we annually review our compliance with the Regulator of Social Housing’s (RSH) economic and consumer standards. He noted that this had been reported to Board in 2022 with 3 areas of partial compliance reported and it had been agreed that a 6 monthly updates on progress would be reported to the Committee.</p> <p>JR asked for further details on the tenant led Community Investment Plans. EW explained that there are 5 areas/estates that have been covered by Community Investment Plans which are currently coming to an end. She highlighted that we will be engaging with these communities to identify what support can be provided by CBH and other agencies to support their wellbeing and meet the communities’ needs. EW explained that we will also be utilising data to shape these plans and understand the</p>	

	<p>communities both on the ground and demographically, for example by identifying where there are high levels of under-25s not working. She added that we are aspiring to maximise social value and linking communities with large businesses in their areas. EW explained that we will be working with CBC and then will approach those businesses to maximise the financial benefit of these business link for communities. She noted that we have started advertising events in the communities and will be capturing feedback and progressing through to draft plans that will be discussed with CBC, Board and other partners.</p> <p>The Committee considered and provided feedback on the progress reported.</p>	
<p>8</p>	<p><u>Big Six Audit Action Plan</u></p> <p>VD introduced the update on progress against the Big Six Audit Action Plan and noted that we are making steady progress on completing actions. She explained that many of the actions aren't one off but will become business as usual and that we are currently considering the best approach to provide assurance that these are fully embedded.</p> <p>IM commented that we have discussed previously limits to the functionality of the QL system and asked if there were any updates. VD explained that this has been discussed a number of times with Aareon and they have undertaken to develop compliance management functionality in QL but we currently don't have a timescale for this work. She noted that for the new estate officer roles we would like to automate their inspections as far as possible so that workflows can be generated directly in the system. VD explained there are still limitations with QL, for example in relation to temperature checks for legionella, which will be managed through processes and other mechanisms. EW commented that it is a challenging time for system suppliers to have the agility to respond to the quickly changing legislation but that we will continue to discuss developments with Aareon.</p>	

	<p>CG thanked VD and her team for the huge amount of work undertaken and highlighted the assurance that the report provides to the Committee.</p> <p>DC asked for further details about the delay to completing the recommendation around the Dangerous Substances and Explosive Atmospheres Regulations 2005 (DSEAR). VD explained that we are currently seek clarification as to whether the requirement of these regulations apply to us due to the size and ventilation of our boiler rooms.</p> <p>JR asked for further details of the rationale and objective behind the restructuring within property compliance. VD explained that currently compliance responsibility has been split between Technical & Investment and Building Services and we are aiming to bring all of this under a single property compliance manager to ensure they have oversight of all areas. She noted this will include appointing additional roles under this role. EW added that in reality the restructuring involves moving 1 compliance area to sit with the other 5 so does not represent a significant restructure.</p> <p>The Committee noted and considered progress made against the 'Big Six' Compliance Healthcheck Action Plan.</p>	
<p>9</p>	<p><u>Health, Safety & Wellbeing Update and Compliance Summary</u></p> <p>AT introduced the report and explained that it covered health, safety and wellbeing activities from October – December 2022. He noted that the majority of the incidents reported were minor with 1 incident reported to the Health & Safety Executive (HSE) under RIDDOR regulations due to the colleague being off work for 7 days. AT highlighted that SWAP had completed an internal audit in December and that most of the actions have been completed. He explained that the new health and safety management system was now 90% populated and the modules were well embedded into the business. AT added that the system is also generating valuable</p>	

	<p>data and is currently being evaluated. He noted that he will also be carrying out a procedures review to bring them into line with the system and will be meeting with Emma McShane to discuss the support that can be provided with wellbeing initiatives.</p> <p>EW introduced the Compliance Report and updated the Committee on the KPI relating to <i>'Smoke Detectors - % all properties with detectors that are hard wired with battery back up'</i>. She noted that whilst there were 455 properties that could be considered non-compliant, in reality we are compliant and this reflects data that needs updating. EW explained that as of the 1 February the number had reduced to 300 properties where data needs inputting, and 33 properties where we are working to gain access on a daily basis. JR thanked her for the update.</p> <p>IM noted that performance for health and safety inductions completed in 1 week was 50% but that this reflected only 1 colleague not having been completed in the 1-week target. He commented that the 100% target made this seem more significant than it was, so it was important to consider the narrative. CG noted that she also had concerns that some targets may not be realistic. She highlighted the KPIs relating to safeguarding and commented that whilst a target of 0 cases was understandable it didn't reflect the world we are operating within. CG suggested that this could be clarified in the narrative. EW commented that it is difficult to set targets, particular in areas like safeguarding where a high number could equally be considered positive as it would reflect cases being reported. She agreed that the commentary should reflect the actual position.</p> <p>RP noted that the Compliance Report doesn't currently reflect damp, mould and condensation and asked when we expect this to be included. EW confirmed that we have started to develop KPIs relating to this area and are working to create an automated approach through QL. She highlighted that this will consider length of cases, those signed off by tenants and the identification of</p>	
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	<p>severity. EW noted that we are aiming to have this completed over the next 3 months.</p> <p>The committee noted the information within the report.</p>	
<p>10</p>	<p><u>Sector Risk Profile and Corporate Risk Update</u></p> <p>AW noted that the RSH releases a Sector Risk Profile annually to highlight the main risks faces and actions that housing providers should take to manage these risks. He explained that ET assess this document and map it across our business structures to identify any gaps, which has produced 5 areas of focus. AW noted that the report also includes the regular corporate risk update. He highlighted that there had been no changes to impact or probability following the latest reviews with risk owners.</p> <p>RP noted that it was reassuring to see that the risks highlighted in the Sector Risk Profile were already being managed within CBH. IM agreed noting the focus on access to labour and skills, which had been reviewed with the Committee in September 2022. AW noted that this was still at the top of agendas and being discussed regularly within the business. AD commented that Emma McShane will be leading our approach to retention, attracting new people, creating apprenticeships and successful onboarding to ensure that we are taking multiple and proactive approaches to this challenge. He added that we will be working to create a pool of potential candidates.</p> <p>JR noted that the risk relating to ‘poor stock condition’ references delays to stock surveys “due to the unreliability of resource”. He asked for further details. VD explained that we had taken on agency resource to carry out surveys but that this had ended as they were not delivering to our requirements. She noted that we are reviewing our needs moving forwards and are proposing a catch-up survey. VD highlighted that as part of the Asset Management Plan we will be reviewing the quality of our data and looking for areas of weakness.</p>	

	<p>The Committee considered and provided feedback on the information provided and discussed whether this provides Committee with reassurance that the company is both aware of and actively managing the risks highlighted in the Sector Risk Profile. They also reviewed the current Corporate Risk positions.</p>	
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Meeting Closed at 18:40



Signed.....
Chair of the Audit and Risk Committee

Date: 11/05/2023