

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

Attendance	John Rawson (JR) (Chair), Ian Mason (IM), Andrew Parfitt (AP), 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), Emma Cathcart (EC) Counter Fraud Enforcement Unit, Jaina Mistry (JM) SWAP
Recorder	Rhian Watts (RW)
Apologies	David Clowes (DC), Christine Gore (CG), Lucy Cater (LC) SWAP
Quorate?	Yes

Item	Notes	Action for
1	<p>Meeting commenced at 17:05</p> <p>Apologies received from DC, CG and LC.</p> <p>No declarations of interest.</p>	
2	<p><u>Board Champion for Risk (Verbal)</u></p> <p>IM noted that there had been a number of changes to the corporate risk register since his last update to the Committee, including the addition of an emerging risk relating to the new regulatory and legal framework. He noted that he and AW would be attending the National Housing Federation (NHF) Audit & Risk conference and would be scheduling a session afterwards to review the new risk and consider learnings from the conference. IM invited any NEDs who were interested to attend. He noted that it would be useful for CBC colleagues to attend a future session to see the level of detail and complexity contained within our risk management system.</p> <p>The Committee noted the contents of the verbal update.</p>	

<p>3</p>	<p><u>Agree non-confidential minutes of the 13.07.2023 meeting and note progress on current action points</u></p> <p>JR noted that the action related to the creation of a wellbeing, safety and health learning framework had been suspended in light of the CBC-CBH transition. He asked for further details on the decision to suspend this work. EW explained that this action had originally come from a suggestion that we adopt the approach taken with the complaints learning framework to embed the work already carried out around incident leaning with teams and the Wellbeing and Safety Group (WASG). She highlighted that this was a great proposal, but it was anticipated that it would require additional resource and system development, and it was anticipated it would take 3-4 months. EW noted that when activities were reviewed and prioritised following the transition announcement, it was felt that this work should be paused until after we had a better understanding of how CBC and CBH’s health and safety provision will be integrated. RP agreed and noted that it had been a good idea whilst our work was in a steady state as it would have allowed us to continue improving the service but that the focus now should be reacting to change. AP asked whether there was a mechanism to allow us to hand over paused activities to CBC. EW confirmed that this could be provided to CBC through the working group. RP commented that as CBH is the bigger organisation we will be in a good position to influence change at CBC.</p> <p>The Committee agreed that the non-confidential minutes of the 13.07.2023 meeting were a true record and noted the progress on current action points.</p>	
<p>4</p>	<p><u>Review and Recommend to Board Financial Regulations and associated policies</u></p> <p>AD introduced the updated Financial Regulations and explained that these had been reviewed alongside the Counter Fraud and Anti-Corruption Policy and the Anti-Money Laundering Policy to</p>	

	<p>ensure they remain aligned. He highlighted that there are no significant changes to the policies except for updating names and formatting. AD explained that the main changes to the Financial Regulations were to reflect that we no longer handle petty cash and instead use credit cards. He noted that where customers wish to use cash, they are handled through the Post Office instead. AD added that we have included a requirement that where cash is handled directly the Executive Director of Finance and Resources must be informed as it falls outside the usual arrangements. He noted that additional changes to thresholds reflect changes in the market i.e. the high inflation and changes to contract values in line with public procurement rules.</p> <p>EC noted that she has recently reviewed council counter fraud policies to ensure they remained up to date. She confirmed that she would review the CBH policies to ensure that no additions have been missed.</p> <p>IM asked whether colleagues were now spending their own money and claiming it back due to the lack of petty cash. AD confirmed that the majority of purchases were now paid using company credit cards. He added that where colleagues do personally pay for business expenses, these remain the same and can be reclaimed in line with CBH's Expense Policy.</p> <p>IM asked why section 8.4 of the Financial Regulations still includes requirements for cash receipts if we are no longer taking cash payments. AD explained that whilst we are intending not to take cash, we retained the requirements in the Financial Regulations alongside the requirement to inform the Executive Director for Finance and Resources of any cash payments to mitigate against any potential fraud.</p> <p>IM asked whether the deletion of clause 11.2.1 in the Financial Regulations relating to asset disposal meant that CBH no longer had detailed financial procedures. AD explained that in most cases the disposal of assets would be referred and acted based on CBC's</p>	
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	<p>policies. He noted that where disposal is considered this will be carried out through CBH project methodology to ensure good practice.</p> <p>The Committee approved the Financial Regulations, Counter Fraud and Anti-Corruption Policy and Anti-Money Laundering Policy and recommended these to the Board for approval on 31 January 2024.</p>	
<p>5</p>	<p><u>Review and Recommend to Board Gas Safety Policy 2023</u></p> <p>VD introduced the Gas Safety Policy and explained that compliance policies are reviewed every three years. She noted that the most significant change from a regulatory perspective since the last review was in relation to the updated smoke and carbon monoxide alarm regulations. VD explained that it is now mandatory for social housing providers to fit carbon monoxide detectors. She highlighted that this was already in the policy as we had followed best practice. VD explained that the policy had been updated to clarify that this was now mandatory. She added that we have also updated the access procedure to allow the use of forced injunctions to reflect current practice.</p> <p>The Committee considered the revised Gas Safety Policy and recommended that it is presented to CBH Board for approval.</p>	
<p>6</p>	<p><u>Counter Fraud and Enforcement Unit Update</u></p> <p>EC introduced the report and updated the Committee on current activities. She noted that they were currently completing some comms around romance and online shopping fraud, both of which are prevalent at this time of year, which will be shared across the partnerships. EC highlighted the importance of the work carried out on the waiting list to ensure that CBH are housing the right people. She explained that to support the CBC-CBH transition process she would be carrying out a piece of work to ensure that the tenancy, housing fraud and verification work carried out is continued.</p>	

	<p>RP thanked the team for the work carried out. He commented on the need for housing within Cheltenham and highlighted that every fraudulent person removed from the waiting list or abandoned property returned represented a home for someone in need. JR echoed his comments and asked that EC pass on the Committee’s thanks to the team.</p> <p>The Committee considered the report and commented as necessary.</p>	
<p>7</p>	<p><u>Internal Audit Update and Draft Internal Audit Plan 2024-25</u></p> <p>JM introduced the update on the internal audit plan for 2023-24 and noted that one audit had been completed since July on the fire door procurement at James Donovan House. She confirmed that this had received a medium substantial assurance with no issues identified. JM noted that a number of audits are currently in progress including the three compliance audits following up the Pennington Choices audit. She explained that these would now be light touch reviews which had freed time to carry out an additional advisory piece of work on the use of agency and temporary staff (IR35). JM confirmed that the audits of core financials were also in progress and that preparatory work was beginning on the remaining ICT audit. She highlighted that a follow up had also been carried out on the agreed actions and many had been closed with six still outstanding. JM noted that all but one of these actions was still within the agreed target date.</p> <p>JM also provided the Committee with the draft internal audit plan for 2024-25. She explained that following the CBC-CBH transition announcement the decision had been made to focus on operation activities audits to reduce potential duplication with CBC’s internal audit plan. JM noted that to ensure the plan remains agile and reactive to the evolving situation the final plan for quarters 1 and 2 would be brought to the Committee in February, with quarters 3 and 4 to follow later.</p>	

	<p>JR noted the delayed timeline for the action relating to risks for home workers and asked whether there was a way to expedite the work in this area. EW commented that she would need to look into the detail to confirm what was possible. She noted that risk assessments are carried out with colleagues annually to assess their home working arrangements and resolve any issues identified.</p> <p>JR asked for clarification around progress made on the audits relating to compliance. JM confirmed that the work has been planned and is expected to be completed by Christmas.</p> <p>The Committee:</p> <ul style="list-style-type: none"> • Noted the Internal Audit Update report and considered the assurances provided and the agreed actions, commenting on its content as necessary. • Considered and commented on the content of the Draft Internal Audit Plan for 2024-25. 	
<p>8</p>	<p><u>Big Six Audit Action Plan</u></p> <p>VD introduced the update on the big six action plan and highlighted that 11 of the original 20 recommendations are now complete. She noted that all but one of the remaining actions are best practice recommendations, many of which require system development which is taking longer to achieve. VD explained that as QL is not a dedicated compliance system it is not possible for it to do everything we need but we are continuing to develop the system as far as we can. She noted that whilst these recommendations are remaining open this doesn't represent a lack of progress in the background.</p> <p>JR asked whether we are anticipating progress accelerating again soon and what impact the CBC-CBH transition will have on progress. VD commented that she is not expecting the restructure to have a significant impact as we will be continuing to focus on</p>	

	<p>legal compliance. She highlighted that working through the activities will lead to best practice in our activities. VD added that this will be supported with technical audits on these compliance areas. She confirmed that we are expecting progress to continue to be gradual. IM asked whether we would reach a point where we need to adopt another compliance system to run alongside QL due to the limitations in functionality. He asked whether CBC may have systems that we are able to adapt. VD confirmed that CBC have their own systems and we will be working closely with colleagues at CBC during the transition to consider how to make best use of our different systems. She noted that as our compliance is so closely tied to housing it would make sense to continue with QL. VD explained that we don't want to detach inspections from the logging of actions that result from them as this has the potential for information to get lost. She confirmed that we are continuing to maximise our use of QL, supported by other systems as currently needed. VD noted that Aareon have promised that compliance is high on their roadmap but have not yet indicated any timescales.</p> <p>AT joined the meeting.</p> <p>AP asked in relation to the data validation recommendation what was the main cause of differences between systems and whether we had a sense of the size of the issue. VD explained that where information is located on two different systems there may be issues of manual input which can lead to human error. She noted that where we can we look to automate the process with systems that allow workflow. VD added that we had reviewed using the T100 system, but it had not been possible to interface this with QL. She confirmed that we are aware that the biggest areas of concern are in relation to asbestos and legionella, and whilst the data can be held within the system, there are limitations in relation to accessing the data. She noted that we are currently tendering for asbestos surveys and exploring the provider holding the data on our behalf.</p>	
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	<p>The Committee noted progress against made against the 'Bix Six' Healthcheck Action Plan.</p>	
<p>9</p>	<p><u>Wellbeing, Safety & Health Update and Compliance Summary</u></p> <p>EW introduced the report and highlighted that the delivery of the wellbeing, safety and health workplan is continuing. She noted that activities had been reviewed to prioritise work and it had been agreed that the rewrite of policies, procedures and the handbook would continue as it would have long term benefit with CBC. She highlighted that work had also begun with Rob Bunting to support colleagues who work with tenants suffering from trauma. She added that work had also begun on our 10th RoSPA (Royal Society for the Prevention of Accidents) submission.</p> <p>AT provided the Committee with an example of a new custom report built in the T100 system which allows easy access to data, KPIs and provides monthly benchmarking across teams. He highlighted the benefits to managing risks this would bring. IM asked when the report would go live. AT confirmed that the report is 95% ready, and it was expected to go live in the next couple of weeks. IM commented that from a Board Champion perspective it would be good to review the system more closely. AT confirmed that he has reviewed the T100 system with CG.</p> <p>JR commented on the increase in anti-social behaviour (ASB) seen in August and asked if there was a reason for this increase. AT confirmed that it primarily reflected the school holidays.</p> <p>JR asked if there was a reason that the fire actions are not RAG rated in the compliance report and whether there was any cause for concern in this area. AW explained that they were not RAG rated as there are no targets to compare the data against. EW commented that as fire risk assessments are being carried out continually there is always a programme in place for actions. She noted that we focus on monitoring any high-risk actions past their</p>	

	<p>target date for completion which is reviewed regularly via a separate report.</p> <p>RP noted that it was unusual to have one RIDDOR incident and three non-RIDDOR incident with no near misses reported. He suggested that it would be good to encourage colleagues to proactively report these. AT agreed and noted that colleagues are being encouraged to report near misses but that further work was required to ensure that there was no fear of a blame culture and that colleagues were educated further on what to report.</p> <p>RP noted that whilst our year-to-date rating for average number of working days lost to sickness was rated Red it was important to remember that our figures are still slightly lower than the national trends.</p> <p>The Committee noted the information within the report.</p> <p>AT left the meeting.</p>	
<p>10</p>	<p><u>Corporate Risk Update</u></p> <p>AW introduced the report and highlighted that the score for two risks – ‘loss of skills and knowledge’ and ‘loss of effective leadership’ – had increased. He noted that the risk – ‘CBH financial plan becomes viable’ – had reduced and a new risk – In-Depth Assessment (IDA) from RSH’ – had been added.</p> <p>IM commented that the transition announcement had generated instability that has been reflected in the changes to the corporate risks. He highlighted that it was important for CBH and the Board to continue to do the best job they can for customers and colleagues whilst the company still exists. IM added that it was important to hand over what CBH have built to CBC in as good a condition as possible. He praised the work that AW and DC have carried out in building a phenomenal risk management system and</p>	

	<p>the importance of sharing the detail within the system with colleagues at CBC.</p> <p>AP noted the increased impact and probability for 'loss of effective leadership' and asked whether raising these had been a contentious decision. AW clarified that this was reflective of the current time and that it was anticipated the scores would decrease again as the transition progresses. RP commented that it was important to remember that leadership is an activity rather than a person. AD agreed that this is about the knowledge and process rather than individuals. He noted that mitigation actions are being put in place to ensure leadership is maintained during the handover.</p> <p>RP asked whether sufficient mitigations, such as information sharing, are in place to control the risks that have increased. AW confirmed that this is being explored through our evolving partnership work. He explained that the actions developed through the working group will help to mitigate this risk. RP suggested that CBC members could be sent on conferences and training and the Board development programme could be shared with them. AW confirmed that this was being discussed.</p> <p>RP noted that the risk relating to new supply schemes becoming financially unviable had not increased despite the issues experienced with 320 Swindon Road. He asked whether consideration had been given to raising the probability. AD commented that the issues at 320 Swindon Road had not been solely due to financial viability but had also reflected timing and net zero requirements. He noted that other schemes, for example section 106 schemes, were not impacted in the same way. EW commented that it would be a useful exercise for the Executive Team to discuss the scoring of this risk to consider the situation at 320 Swindon Road and what this might reflect for the future.</p> <p>ACTION – AD to consider the scoring of risk 'New supply schemes become unviable - finance or delivery'</p>	<p>AD</p>
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	<p>The Committee:</p> <ul style="list-style-type: none">• Considered and provided feedback on the information provided against Corporate Risks.• Considered the risks included and whether they provide the Committee with appropriate and relevant risk information.	
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Meeting Closed at 18:34



Signed.....
Chair of the Audit and Risk Committee
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Date: 15/02/2024