

**Present:** Kath Mands, Ron Neave and Denis Brown. The following joined via Video Conferencing: Gordon Edwards (Chair), Rhona McLeod, Paul Hocking, Andrew Black and Nile Istephan.

**In Attendance:** Barry Moore (CE) and Roz Clark (CSO). The following joined via Video Conferencing: Marjorie Sloan (CSD and Secretary).

The Secretary welcomed everyone to the meeting. In particular she welcomed Nile to his first meeting as a co-optee and introduced him to those Members he had not yet met. The Secretary explained that she would lead the meeting until item 20/10/5 when the elected Chair would then be in place to lead the meeting.

**20/10/1 Apologies** Vicki Cutler

**20/10/2 Declarations of Conflicting Interests**

No Member declared a conflicting interest.

**20/10/3 Election of Office Bearers**

The Secretary explained that as per the Association's Rules and Standing Orders, Nile, as a co-optee, would be unable to take part in the discussion on and voting for the election of Office Bearers.

#### Appointment of Chair

The Secretary asked Kath, the current Chair, whether she would be willing to continue in the role. Kath said that she was willing to continue in the role of Chair, subject to the results of the ongoing investigation, and if confirmed as Chair would immediately stand down for the duration of the investigation subject to someone else being willing to take on the role.

Gordon confirmed that he was willing to take on the role of Chair on a temporary basis for the duration of the investigation.

The Secretary asked if any other Members wished to be considered for role of Chair. There were no other nominations. The Secretary asked all Committee Members to confirm the appointment of Kath as Chair, subject to the outcome of the investigation, noting that she would stand down from the role during the investigation and that Gordon be appointed as Interim Chair.

The Management Committee unanimously **agreed** to the **appointment** of Kath Mands as Chair. Kath Mands stood down from the role of Chair for the duration of the investigation.

The Management Committee unanimously **agreed** to the **appointment** of Gordon Edwards as Interim Chair for the duration of the investigation.

#### Appointment of Vice-Chair

The Secretary asked Ron, the current Vice-Chair whether he would be willing to continue in the role. Ron confirmed that he would subject to the results of the ongoing investigation, and if confirmed as Vice-Chair would immediately stand down for the duration of the investigation.

The Secretary asked if any other Members wished to be considered for role of Vice-Chair. There were no other nominations. The Secretary asked for nominations for a temporary Vice-Chair but there were no nominations.

The Secretary confirmed that there is no requirement in the Rules to appoint a Vice-Chair and therefore if no one was willing to take on the role of Vice-Chair on a temporary basis the Committee could agree to the suspension of this element of the Standing Orders for the duration of the investigation. The Management Committee unanimously agreed to the suspension of this element of the Standing Orders for the duration of the investigation.

The Management Committee unanimously **agreed** to the **appointment** of Ron Neave as Vice-Chair. Ron Neave stood down from the role of Vice Chair for the duration of the investigation. The Management Committee unanimously **agreed** to the suspension of element of the Standing Orders relating to the Association having a Vice-Chair for the duration of the investigation.

#### Appointment of Secretary

The Secretary highlighted that it had previously been agreed that the Role of Secretary be undertaken by the Corporate Services Director. The CSD asked Committee if they are willing for this to continue. The Management Committee unanimously **agreed** to the **appointment** of CSD as Secretary.

#### **20/10/4 Sub-Committee Membership**

The Secretary gave an overview of the three sub committees.

#### Audit, Finance and Risk Management Committee (AF&RMC)

The Secretary reported that the AF&RMC membership was currently Gordon, Denis, Kath and Vicki. The Secretary reported that Gordon and Kath had indicated that they were willing to continue on the Committee but that Vicki had indicated that she intended to stand down. The Secretary asked Denis to confirm whether he was willing to remain a Member and he confirmed he did. The Secretary then asked for any other volunteers.

As there were no other nominations Management Committee **agreed** that Gordon, Kath and Denis would be **appointed** to the AF&RMC.

The Secretary highlighted that Gordon's appointment as Interim Chair of the Management Committee effected his position as Chair of the AF&RMC and therefore needed further discussion. The Secretary highlighted that the Terms of Reference of the AF&RMC state that the Chair and Vice-Chair of AF&RMC should be appointed by the Members of that Committee with the proviso that it should not be the Chair or the Vice-Chair of the Management Committee.

The CE explained the corporate governance issues in detail giving examples of why, under normal circumstances, it would be inappropriate for the Chair of the AF&RMC to also be the Chair of the Management Committee. There followed discussion and the Management Committee unanimously **agreed** that should the AF&RMC wish to appoint Gordon as Chair of that Committee it would be a pragmatic approach to what was a temporary appointment.

#### Asset Management and Development Committee (AM&DC)

The Secretary reported that AM&DC members were currently Denis, Kath, Paul and Ron. The Secretary confirmed that Kath, Paul and Ron were willing to continue but that Denis wished to stand down.

As there were no other nominations Management Committee **agreed** that Kath, Paul and Ron would be **appointed** to the AM&DC.

#### Investigation Sub-Committee

The Secretary confirmed that the Investigation Sub-Committee Members were currently [REDACTED]

#### **20/10/5 Minute of Committee Meeting 26 August 2020 and Tracker**

The Chair presented the minutes of the meeting held on 26 August 2020. The CSD highlighted that on page 3 item 20/08/15 the AGM item should include the following amendment: The Secretary confirmed to the Committee that Rules 62-67 have been followed during the year. The Management Committee unanimously agreed to the amendment.

Approved. Proposed Kath Mands, Seconded Ron Neave.

The Chair presented the tracker. The CSD confirmed that the meeting regarding the review of pensions which was due to take place on 18 November 2020 had been delayed until January 2021. The CSD explained that this was due to advice given by the Pensions Review Company because the triennial valuation of the pension scheme had not yet been received and the Terms and Conditions Review was ongoing.

#### **20/10/6 Matters Arising**

The Chair asked for any matters arising. Kath gave an update to item 20/08/19 regarding the CE's Appraisal. Kath reported that the CE's appraisal had been suspended due to the ongoing investigation. Kath explained that she had spoken to the SHR who had confirmed that this was not a Notifiable Event.

**20/10/6A** The Chair explained that this item was not on the Agenda but that the Investigation Sub-Committee wished to give a verbal brief on the situation so far. The Chair of the Sub-Committee highlighted that he could not go into any detail that could compromise the investigation but that he could give an update on the process and progress so far. He highlighted that the Sub-Committee had principally approved the remit with the agreement of the SHR and that there was now a clear process going forward. He explained that discussions had taken place with the Solicitors and Independent Investigation Company appointed and it was expected that the investigation would commence imminently. It was expected that correspondence would be sent to those individuals involved over the coming days. He highlighted that the company appointed to carry out the investigation were well versed and respected in the field. The Chair of the Sub-Committee confirmed that he had spoken with the lead Solicitor and lead Investigator in person and was confident that the investigation would be carried out efficiently and effectively.

█████ provided additional context as to how █████ had been co-opted onto the Management Committee and appointed as Chair of the Sub-Committee. She explained that following a conference call with the SHR and Solicitors it was highlighted that there were a limited number of current Management Committee Members who had not been the subject of allegations and could objectively join the Sub-Committee. The SHR approached █████ as he has the appropriate experience. She explained that █████ was co-opted onto the Management Committee so that he could then be appointed Chair of the Sub-Committee thus maintaining the independence required.

The Chair asked whether the minutes of the meeting on 9 October 2020 where █████ was co-opted were available for approval. █████ explained that at present the minutes could not be provided as they could compromise the investigation. He explained that he was seeking legal advice on what could be disclosed and would provide this at the earliest opportunity.

The Chair stated that he wanted to make it absolutely clear that no committee members or staff involved in the investigation would be present during any decision making in relation to the investigation at subsequent Committee Meetings. The Chair thanked █████ for their updates.

#### **20/10/7 Chair's Actions Confidential Report Procurement Smoke Alarm and Heat Detector Installation Report**

The CE gave a summary of the report. A Member highlighted the current news reports regarding a possible extension to the February 2021 deadline. The CE commented that it was not confirmed whether there would be an extension and if so, whether or not it would apply to housing associations, hence the Association would continue to work to the February 2021 deadline.

Committee **approved** the tender by RB Grant Ltd in respect of the Smoke Alarm and Heat Detector Installation programme.

#### **20/10/8 Income Report August 2020**

Committee **noted** the Income Report August 2020.

### **20/10/9 Income Report September 2020**

The CE talked through the report highlighting the points to note. The CE explained that although the September income had increased, it was important to look at the cumulative figures. He also raised a note of caution in light of the impact of the imminent ending of the furlough scheme. The CE explained that reporting on a monthly basis would give a more accurate reflection of the current financial situation. The CE talked through the rent arrears figures highlighting the exceptional work being done by staff to maintain performance. The CE highlighted the significant challenges relating to the legal action relating to rent arrears. However, he stressed that despite the challenges ahead the Association was performing exceptionally well and is in a very strong financial position. The Chair stated that this was very reassuring. The CE confirmed that the income reports would continue to be reported to the AF&RMC following the pandemic, as it was important that Committee were kept fully updated on all financial matters. The Management Committee commended staff on the very good rent arrears figures and asked that their thanks and appreciation be conveyed to the staff involved. Committee **noted** the Income Report September 2020 and asked the CE to pass on their appreciation to staff.

### **20/10/10 Internal Management Plan**

The CE reported that Agenda Items 20/10/10, 20/10/11 and 20/10/12 are fundamental to the Association's Annual Assurance Statement. The CE highlighted that these reports were part of the final three steps to submission of the Annual Assurance Statement. The CE said that there would be a further meeting in mid-November where the only subject for discussion would be the Annual Assurance Statement and that the actual Annual Assurance Statement would be approved at the November 2020 Management Committee Meeting. The CE highlighted that due to COVID-19, the Governance Training Plan had been delayed, however, a plan was now in place to deliver the Governance Training Plan by 31 March 2021. Priorities 1 - 4 would be delivered by the end of December 2020. In January 2021 a consultant would carry out individual Management Committee Member appraisals and it was anticipated that the majority of these would be done virtually. Committee appraisals would then be carried out in February 2021 and this would be undertaken by another consultant. The Management Committee agreed the importance of completing the Governance Training Plan and that the use of information technology was a good use of resources in the current climate.

The CE talked through the report highlighting a number of the objectives in particular.

The CE highlighted the Internal Audits completed since the last update, in particular Procurement which received Full Assurance, showing the improvements implemented following the Altair Report were fully embedded within the Association and the Internal Audit Report on Assurance Statement which would be discussed at item 20/10/12.

The CE highlighted that the Financial Statements for the year ended 31 March 2020 and the Management Letter were not qualified and clean respectively. He highlighted that it was good governance that the AF&RMC Members met with Internal and External Auditors without staff present. The CE highlighted that it was good practice to have external independent reviews. The Association had commissioned an external review of the Annual Return on the Charter (ARC) which had been presented to the Management Committee in July 2020.

The CE reported that health and safety was one of the SHR's main priorities and hence it was important that the Regulation Manager was kept fully apprised of the Association's compliance in this respect.

The CE gave an update on the Gas Servicing Reports which had previously gone to Committee. He explained that Notifiable Events relating to gas servicing issues had been submitted during COVID-19.

He highlighted that he had regular discussions with the Regulation Manager to give him updates on progress. Committee asked if the Notifiable Events were now closed. The CE confirmed that one of the Notifiable Events was closed and that he expected the other to be resolved prior to the November Committee Meeting. Committee stated that it would give them additional confidence in signing off the Assurance Statement if the Notifiable Event was closed. The CE commented that complying with the Notifiable Events procedure was in itself compliance with the Regulatory Framework.

The CE gave an update on Development. He explained that despite the delay due to COVID-19, since Bancon have been on site progress has been very good. He highlighted that caution may be required over the current 52-week programme particularly as it was unknown what future impact COVID-19 or inclement weather would have on the programme.

The Chair thanked the CE for his comprehensive update. He suggested that, as previously discussed, the Internal Management Plan should be renamed the Business Plan as this would bring it in line with other organisations. The CE agreed with the Chair's suggestion and highlighted that as the Association's Rules were currently under review the amendment to terminology would be considered during that process.

Committee **approved** the Internal Management Plan

## **20/10/11 Governance, Financial Management and Procurement Implementation Plan**

### **Governance**

The CE talked through the Governance actions of the Implementation Plan. The CE highlighted that red text provided the detail on COVID-19 implications. This information would be important when Management Committee were considering and agreeing the 2020 Annual Assurance Statement.

### **Financial Management**

The CSD talked through the Financial Management actions of the Implementation Plan, highlighting that the majority were complete and this had been done well within the required timescales.

### **Procurement**

The CE talked through Procurement actions of the Implementation Plan, highlighting that the Internal Audit on Procurement had received Full Assurance. The CE further highlighted that we had now received Full Assurance on Development and Procurement.

A Member asked for clarification if the Altair Report had been considered as part of the Internal Audit as it was still showing as 'in progress and ongoing'. The CE explained that the Procurement actions were formulated from the Altair Report and the Internal Audit looked at each action. The CE explained that the particular action would remain 'in progress and ongoing' until the 2020 Annual Assurance Statement was submitted.

The Chair highlighted the importance of implementing the Governance Training Plan in the timeframe suggested. The CE explained that the Governance, Financial Management and Procurement Implementation Plan was provided to the SHR so that they were kept updated.

Committee approved the Governance, Financial Management and Procurement Implementation Plan.

## **20/10/12 Internal Audit: Assurance Statement**

### **20/10/13 2019 Annual Assurance Statement**

The Chair asked Committee to consider agenda items 12 and 13 together as they were interlinked.

The CE explained that, last year, a revised Internal Audit Plan had been produced which aligned with the Association's Strategic Objectives and the Annual Assurance Statement. He explained that whilst this report would normally be discussed by the AF&RMC in the first instance, it was of such significance in relation to the Annual Assurance Statement that it should be presented to the Management Committee at this stage.

He gave an overview of the report highlighting that Internal Audit are of the opinion that the Association was in a position to report full compliance within its Annual Assurance Statement.

The Chair stated that he was pleased to see the progress which had been made on the items which had been highlighted in the 2019 Annual Assurance Statement.

The CE talked through the process leading up to the submission of the 2019 Annual Assurance Statement which included an 8 programme where Management Committee Members were asked to comment on each individual Standard. This was followed up by an Away-Day where all of the comments and issues raised were discussed prior to the agreement of the Annual Assurance Statement. The CE stressed that it had been a huge time commitment by the Management Committee members in 2019 and that the work undertaken then laid the foundation for the 2020 Annual Assurance Statement.

The Chair asked that all Management Committee Members be provided with a copy of the SFHA Supplemental COVID-19 Guidance. He also asked that the additional meeting regarding the Annual Assurance Statement previously suggested to be in mid-November be organised as a matter of priority.

Committee **discussed** the Internal Audit: Assurance Statement.

Committee **discussed** the 2019 Annual Assurance Statement.

#### **20/10/14 Confidential Report Terms and Conditions Review**

The CSD and CSO left the meeting. The CE gave an overview of the report then left the meeting.

The CE re-joined the meeting followed shortly after by the CSD and CSO.

Committee **approved** that the Terms and Condition Review.

#### **20/10/15 AOB Confidential Briefing**



Meeting closed at 18.40