

# CLOCH HOUSING ASSOCIATION

Minutes of the Audit, Risk & Assurance Committee Meeting  
held on Thursday 27 November 2025 at 6pm  
via MS Teams

Present: David McIndoe (Chair)  
Clair Malpas  
Kelly Ferns  
Ken Robertson

*David A McIndoe*

David A McIndoe (May 21, 2026 11:47:32 GMT+1)

21/05/2026

Attending: Alana Durnin, Chief Executive Officer (CEO)  
Robert Pollock, Director of Assets (DoA)  
Megan Hughes, Finance Director (FD)  
Ewan Barr, Head of IT & Corporate Services (HITCS)  
David Quinn, Corporate Services Manager (CSM)  
Laura Young, Housing Manager (HM)  
Shonaid Musgrove, Senior Corporate Services Officer (SCSO) - minutes

Apologies: Eleanor Robertson, Femi Okelade, Elizabeth Simpson

Item	Description
1.	<p><b>Apologies &amp; Declarations of Interest</b></p> <p>The apologies were as noted above. There were no declarations of interest given.</p> <p>The Chair welcomed everyone to the first meeting of the new Audit, Risk &amp; Assurance (ARA) Committee. The Chair and CEO had met beforehand to discuss the agenda and the new format.</p> <p>The CEO advised that the aim of the new Committee was to streamline agendas, reports and minutes following the merger of the 2 Sub-Committees; aiming to enhance meeting effectiveness. The new structure should support clearer accountability and prioritisation across audit, risk and assurance functions.</p>
2.	<p><b>Minutes of the Joint F&amp;CS and H&amp;PS Meeting held on 28 August 2025</b></p> <p><u>Finance &amp; Corporate Services Sub-Committee</u></p> <p>The Minutes were approved as a true record.</p> <p>Proposed: C Malpas Seconded: K Ferns</p> <p><u>Housing &amp; Property Services Sub-Committee</u></p> <p>The Minutes were approved as a true record.</p> <p>Proposed: D McIndoe Seconded: K Ferns</p>

\* for approval  
\*\* for noting

*(p)* Presentation at Meeting

2.1	<p><u>Matters Arising &amp; Outstanding Actions</u></p> <p>The CEO gave a verbal report. Although the 2 sub-committees are no longer in existence the remaining outstanding actions will continue to be dealt with via the ARA and outstanding actions will form a new matters arising &amp; outstanding document for the ARA.</p> <ul style="list-style-type: none"> <li>➤ The pension issue had been addressed by bringing the payroll function back in-house. The Pensions Regulator will be advised once the remaining queries have been closed off with The Pension Trust. The SHR had been kept up-to-date and required no further information.</li> <li>➤ The repairs contracts can be retendered in August 2026 although there is a final one-year extension available until August 2027. Contractors would need to agree to any extension, and this may result in changes to pricing – currently the pricing is based on a time and material contract.</li> <li>➤ The Young Persons Steering Group will be combined now into the Inverclyde Developing the Young Workforce and the Glasgow Regional Opportunities for Work (DYW/GROW).</li> <li>➤ Restoring the portal to enable tenants to view planned maintenance work has still to be done but will be a straightforward task; Rubix taking precedence at the moment.</li> <li>➤ Service Charges – latest cost information has been sent to Arneil Johnston. Due to timescales and the planned rent consultation for 2026/27, general service charges will be updated to reflect actual costs for 2026/27, with consultation on an average cost model taking place in 2026/27. For supported accommodation, furniture due per the tenancy agreement will be replaced ahead of February 2026 and alternative models for Cloch + are currently being investigated, with a social enterprise identified who has an established delivery model.</li> <li>➤ Deferred Policies – will do a report for the Board following an audit of what's outstanding.</li> </ul> <p><u>Resolution</u></p> <p>The Committee noted the report.</p>
3.	<p><b>Quarter 2 Management Accounts</b></p> <p>The FD took the Board through a presentation based on the paper previously issued. The following key points were noted: -</p> <ul style="list-style-type: none"> <li>• A surplus of £1.1m was reported; exceeding the budgeted surplus of £718k.</li> <li>• The surplus variance mainly resulted from the timing of planned maintenance phasing rather than operational outperformance.</li> <li>• Income was slightly below budget by <b>£116,000</b>, influenced by a <b>£123,000</b> lower than budgeted grant release due to deferred income timing.</li> <li>• Operating expenditure was <b>£493,000 under budget</b>, including <b>£151,000</b> underspend in property depreciation, linking with the timing of planned maintenance and <b>£60,000</b> in reactive repairs, attributed to seasonal timing with higher repair volumes expected in winter.</li> <li>• Rent-related bad debts stood at <b>0.4%</b>, better than the budgeted <b>0.5%</b>, reflecting effective debt management.</li> </ul>

\* for approval  
\*\* for noting

- Staff cost savings of **£73,000** arose from vacancies and delayed recruitment, contributing to the underspend in management and administrative costs.
- Capital expenditure on planned maintenance was slightly below budget, with actuals at **£379,000** against a **£415,000** budget.
- Interest receivable was **£55,000**, exceeding budget by **£20,000** due to higher cash balances, linking to the planned maintenance programme timing and better-than-expected interest rates of **2.3%** versus the budgeted **1.9%**.
- All bank covenants were comfortably met; the tightest interest cover covenant showed an actual of **975%** against a threshold of **155%**.
- The gearing covenant was at **8%**, well below the covenant limit of **50%**, indicating strong financial health and borrowing capacity.

The Chair intimated that the Association was performing well, and the Quarter 2 figures were as expected. It is likely that more movement will be seen in the Quarter 3 accounts.

### Resolution

The Committee approved the Quarter 2 Management Accounts.

Proposed: K Ferns

Seconded: C Malpas

#### 4. **Internal Audit Plan**

The CSM took the Committee through the report and asked for their opinions on the schedule for the 3-year internal audit.

A discussion followed and the key points were: -

- Internal audits were deferred to Q4 due to resource commitments for the Rubix's system implementation.
- Committee members raised concerns about auditing creditor payments shortly after transitioning to Rubix in March 2026.
- A Committee member and the HITCS recommended focusing solely on Payroll audit in year one, delaying creditor payments audit until the new system matures.
- This approach optimises audit value by auditing stable processes rather than those in transition.
- The Committee agreed to revise the audit plan accordingly; allocating audit days to payroll and deferring creditor payments.
- There was discussion about the scope of tenant and resident safety audits planned for year two, with concerns that the allocated six audit days might be insufficient to cover extensive compliance areas effectively.
- The Committee were updated that further detail on audit scopes had been requested by the Leadership Team to ensure meaningful coverage.
- Internal discussions are ongoing regarding the suitability of the current audit provider for certain audits, especially tenant safety, with consideration of specialist firms for more focused reviews.

### Resolution

\* for approval

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	<p>The Committee noted the revised audit plan subject to the changes detailed above and recommended presenting the updated plan to the Board for formal approval.</p> <p><b>Action</b></p> <p>The CSM to prepare a new internal audit report to take to the Board for approval.</p>
5.	<p><b>Factoring Debt Write-Off (former owner)</b></p> <p>The Committee had been circulated with a report prior to the meeting</p> <p><b>Resolution</b></p> <p>The Committee noted all avenues had been exhausted trying to recoup the monies and gave approval for the factoring debt to be written-off.</p> <p>Proposed: C Malpas Seconder: K Ferns</p>
6.	<p><b>Quarter 2 KPI &amp; Risk Register Review</b></p> <p>The CEO took the Committee through the report advising that improvements in performance had been made on the previous year and Q1.</p> <p><b>KPI's</b></p> <ul style="list-style-type: none"> <li>• 21 had improved from last year.</li> <li>• Voids rent loss performance had decreased; however, this is due to having a larger turn-over of properties compared to last year, as our void relet times had improved.</li> <li>• ASB themes were being noted. A new group with other agencies is being trialled to address this and an article is being included in the Newsletter to focus on this area.</li> <li>• Complaint targets had also worsened; partly due to some lack of awareness by staff. The DCSC had carried out some training at the last staff meetings and performance in October had subsequently improved.</li> </ul> <p><b>Risks</b></p> <p>2 key areas to examine in more detail: - supply chain disruption and funding availability, with a presentation provided by the Director of Assets and Director of Finance.</p> <p><b>Supply chain disruption</b></p> <ul style="list-style-type: none"> <li>• The £8.5 million planned maintenance programme is mitigated by a multi-contractor approach, procurement agencies, robust contracts with dispute processes, proactive contract management, and prompt payments.</li> <li>• The DoA cited a recent contractor issue requiring a pivot to another contractor who were more expensive due to requiring scaffolding as a safe system of work at £10,000 per block, highlighting residual risks despite mitigations.</li> </ul>

\* for approval  
\*\* for noting

	<p>The Committee confirmed current controls are effective but noted risks tied to the urgent delivery timelines and contract dependencies. No change to the risk scoring was made.</p> <p><u>Funding availability</u></p> <ul style="list-style-type: none"> <li>• The FD confirmed financial resilience with an outstanding loan balance of £9.4 million secured against 832 units, leaving 653 properties available for future borrowing security.</li> <li>• Asset cover stood at 418% against a covenant of 110%, and gearing was at 8% against a 50% covenant, underscoring strong borrowing capacity.</li> <li>• Available funds, including cash and revolving credit of £6.3 million, totalled £11.3 million, sufficient to cover the planned maintenance costs of £8.5 million.</li> <li>• Plans are underway to release a further 188 units of security through expiring loan facilities in 2025 and to proactively refinance loans due in 2027 and 2028, with early lender engagement indicating potential for lower margins.</li> </ul> <p>The Committee acknowledged these measures demonstrate prudent risk management and financial planning. No change to the risk scoring was made.</p> <p><u>Resolution</u></p> <p>The Committee noted the report.</p>
<p><b>7.</b></p>	<p><b>Treasury Report</b></p> <p>The Committee had previously been issued with a report. The FD asked if anyone had a question on it.</p> <p>The Chair enquired if there was a reason for the existing loans being on a fixed rate – did the Association work to a particular percentage ratio. The FD replied that they were not aware of any rules on this; it was just how they currently were. The CEO advised that the Treasury Management Policy did not stipulate a particular percentage, which enabled the Association to react to market conditions, giving the example of the previous fixes put in place when base rate was at its lowest. In responding to more recent market conditions, the Association now has 88% of loans currently fixed giving protection against future increases in interest rates and providing stability in funding costs at a time of economic uncertainty across the wider cost base, linking with higher than expected inflation rates.</p> <p><u>Resolution</u></p> <p>The Committee noted the report.</p>
<p><b>8.</b></p>	<p><b>Factoring Debt Report</b></p> <p>The Committee had been circulated with a report prior to the meeting that shows the current position and the actions being taken by the Association to recover the debt.</p>

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	<p>A Committee Member commented that the good results shown demonstrate the hard work put in by the Finance team to reduce the overall debt.</p> <p><b><u>Resolution</u></b></p> <p>The Committee noted the report.</p>
<p><b>9.</b></p>	<p><b>Housing Services Report</b></p> <p>The HM was in attendance to address any questions from the Committee and advised that tenant engagement and service delivery improvements remain a priority. The following update was noted: -</p> <ul style="list-style-type: none"> <li>• The HM reported on tenant home visits, the first since COVID, with 38 visits completed showing mostly positive property conditions and tenant feedback.</li> <li>• The visits also identified vulnerable tenants for additional support, reflecting proactive case management.</li> <li>• Tenants expressed positive views on the ongoing window replacement programme, supporting value-for-money perceptions.</li> <li>• The service charge review is progressing with updated contract cost information for 2026/27 and plans to maintain charges based on actual costs with a 5% administration fee.</li> <li>• Tenant consultation on harmonising general service charges versus actual costs is scheduled for the following year to ensure informed decision-making by keep the consultation of this separate from the rent consultation in terms of timing.</li> <li>• Anti-social behaviour prevention efforts are underway through a new multi-agency group, aiming for long-term reduction in complaints and improved community safety.</li> </ul> <p>Committee members commended the teams for progress made in rent arrears reduction, tenant engagement, and service responsiveness.</p> <p><b><u>Resolution</u></b></p> <p>The Committee noted the report.</p>
<p><b>10.</b></p>	<p><b>Customer Involvement Team (CIT) Report</b></p> <p>The CSM and HM reported that the CIT reported increased engagement activity and positive momentum in tenant participation, though noted challenges in rent consultation response rates at 20%, with plans to boost participation in phase two.</p> <p>The HM gave a resume of the activities held during the week of engagement and that there was the use of separate rooms to have private conversations if this was required.</p> <p>Committee Members commented on the article in the local paper and noted journalistic errors made within it. A Committee Member suggested for future events a narrative is prepared for the paper, ahead of their visit. There was also</p>

\* for approval  
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	<p>a suggestion that all attendees to the event get a card stamped to confirm they had visited each stall and this would then be put into a prize draw, encouraging tenants to visit all exhibitors to get the most from the event.</p> <p>The Committee suggested wider Board reporting of customer engagement increase visibility of tenant-focused initiatives.</p> <p><b><u>Resolution</u></b></p> <p>The Committee noted the report.</p> <p><b><u>Action</u></b></p> <ol style="list-style-type: none"> <li>1. Report to Board on customer engagement.</li> <li>2. Consider using the card/stamp method for future events.</li> </ol>
<p><b>11.</b></p>	<p><b>Property Services Report (inc Health &amp; Safety)</b></p> <p>The DoA took the Board through the report, and the following key areas were highlighted: -</p> <ul style="list-style-type: none"> <li>• Property compliance remains strong, with key audit findings and improvement plans.</li> <li>• A recent landlord compliance audit confirmed a high level of legal compliance, with some improvement areas: <ul style="list-style-type: none"> <li>✓ <b>Asbestos management:</b> Developing strategy for independent surveys upon voids to build comprehensive data.</li> <li>✓ <b>Fire risk assessments:</b> Awaiting further advice due to potential high cost of retrofit in older buildings; current improvements integrated within planned works.</li> <li>✓ <b>Legionella risk assessments:</b> Expanding from water tanks to all properties in line with HSG274 guidance.</li> </ul> </li> <li>• Contractor availability challenges were noted due to the multi-contractor model and scheduling every three weeks, requiring future review for efficiency.</li> <li>• A stock condition survey is on track for presentation to the Board on 11th December 2025.</li> <li>• Tenant consultation on play parks and asset usage was discussed, with reference to other associations removing underused parks to reduce risks of anti-social behaviour and costs, noting this was taken forward on the request of tenants; this will be considered for relevance and tenant feedback.</li> </ul> <p>The Committee acknowledged ongoing compliance monitoring and proactive risk management in property services</p> <p><b><u>Resolution</u></b></p> <p>The Committee noted the report.</p>
<p><b>12.</b></p>	<p><b>Corporate &amp; IT Report</b></p>

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The CSM and HITCS asked if there were any questions on the report that had been previously circulated.

The Chair asked if there would be any impact from the separation of the IT services provision to [REDACTED]. The HITCS advised that there's still some work to be done but there's no major risk to either organisation. The using of each other's premises in the event of a disaster recovery programme is not critical and the use of our external IT providers, Tecnica, can be used instead. This will be finalised before the end of the contract.

### Resolution

The Committee noted the report.

## 13. **Appraisal of External Accreditations**

Following on from a request by Members a report had been prepared by the CSM. The Committee debated the various accreditations presented to them discussing the benefits, resources (financial and staff time) and tenant value of each one.

The outcome of this was as follows: -

- Investors in Young People (IYYP) was viewed positively, especially due to active engagement by one graduate but concerns were raised about limited broader youth engagement and proportional benefit versus cost (£1,800 approx.).
- Customer Service Excellence accreditation was questioned for value, with members seeing it as a legacy tool that has largely been superseded by the improvements made, internal performance measures and tenant feedback mechanisms.
- Cybersecurity Essentials accreditation was unanimously supported given its critical role in risk management.
- Investors in People (IIP) and Women in Social Housing (WISH) memberships were debated:
  - ✓ IIP was broadly viewed as tick-box with limited tenant impact.
  - ✓ WISH membership raised equity concerns due to gender-specific focus; committee preferred broader organisational initiatives to support confidence and succession planning across all staff.
  - ✓ It was noted that WISH membership is not currently budgeted and adopting it would require budget provision.

The Committee recommended revisiting the succession and confidence-building strategies for female staff through broader training and mentoring rather than specific memberships.

Next steps involve refining accreditation choices and presenting proposals to the Board for approval, ensuring alignment with strategic priorities and resource optimisation.

### Resolution

The Committee noted the report.

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	<p><b><u>Action</u></b></p> <ol style="list-style-type: none"> <li>1. Prepare a report for the Board for approving the choices of accreditation.</li> <li>2. Carry out training/mentoring for female staff members on succession and confidence building.</li> </ol>
	C Malpas left the meeting at 7:50pm.
<b>14.</b>	<p><b>Bi-Annual Complaints Report</b></p> <p>The CSM took the Committee through a slide show on complaints received for the last 6 months. Complaints handling showed improvement, with a decrease in complaints yet an increase in upheld or resolved cases, indicating better complaint resolution.</p> <ul style="list-style-type: none"> <li>• Complaints down by 45 compared to the previous year. <ul style="list-style-type: none"> <li>✓ 97.6% of complaints were responded to within the five working day target.</li> <li>✓ Stage two complaints met SPSO timescales at 77.8%, with average response times slightly above internal targets due to complex cases.</li> </ul> </li> <li>• Common complaint themes included property maintenance issues such as workmanship and delays, billing, and communication.</li> <li>• A rise in complaints related to the new automated repair service was noted, balanced by positive contractor and staff compliments.</li> <li>• Monthly complaint reviews have been reinstated to improve communication and performance with both staff and contractors.</li> <li>• Plans include issuing factoring newsletters separately from invoices and improving proactive communication with factor donors about planned maintenance.</li> </ul> <p>The Committee welcomed the improved complaint handling and recognised ongoing efforts to address communication and service quality</p> <p><b><u>Resolution</u></b></p> <p>The Committee noted the report.</p>
	The Chair suspended standing orders at 7:55pm with full agreement from the Committee.
<b>15.</b>	<p><b>Bi-Annual Gifts &amp; Hospitality Report</b></p> <p>A Member asked if the remaining budget would be spent by 31 March 2026. The SCSO replied it would as 8 charities had been identified following staff suggestions. The remaining budget would be divided equally amongst them.</p> <p><b><u>Resolution</u></b></p> <p>The Committee noted the report.</p>
<b>16.</b>	<b>Notifiable Events</b>

\* for approval

(p) Presentation at Meeting

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	Only 1 outstanding: the CEO post will be closed in due course now that a new CEO has been appointed.
<b>17.</b>	<b>Health &amp; Safety</b>  The Committee was advised there was nothing to report.
<b>18.</b>	<b>GDPR</b>  The Committee was advised there was nothing to report.
<b>19.</b>	<b>AOCB &amp; Reflections</b>  The CEO shared leadership feedback following a review of the ARA reports aiming to differentiate between reports taken as read and those requiring detailed discussion. The Committee supported focusing meeting time on key financial, risk, and accreditation items while managing duplication in papers.  Future meetings will incorporate planned “deep dives” on risks and strategic topics as requested by members. This approach aims to respect members’ time while ensuring robust oversight and informed decision-making across the organisation.  The Committee reflected on the meeting structure and reporting improvements to enhance effectiveness going forward. In particular the Committee felt that the first page of reports that considered, finance, risk, legal implications, etc had narrative that was repetitive in the body of the report and executive summary, and this should be considered and improved upon.
<b>20.</b>	<b>Date of Next Meeting - 26 February 2026</b>
	There being no other business the meeting closed at 8:17pm

\* for approval  
\*\* for noting

**(p)** Presentation at Meeting