

IRVINE HOUSING ASSOCIATION'S ANNUAL ASSURANCE STATEMENT

PURPOSE OF THE ASSURANCE STATEMENT

The Board is required by the Scottish Housing Regulator (SHR) to submit an Annual Assurance Statement providing assurance that the organisation complies with the relevant requirements of chapter 3 and the standards of governance and financial management in the Regulatory Framework.

OVERALL ASSURANCE STATEMENT

The statement is made by the Board and for the year ended 31 March 2019 and to the date of signing this report, the Board states that:

“We comply in all material respects with the requirements set out in Chapter 3 and the standards of governance and financial management of the Regulatory Framework.

The Board has sufficient knowledge of the Regulatory Standards to be able to identify any area of material non-compliance.

It is satisfied that there is a robust process to ensure that any material non-compliance would be reported to both the Board and the Regulator.

The Board has duly considered the self-assessment of compliance carried out by the senior management team. Specifically:

The Board is satisfied with the rigor of the approach.

The Board is satisfied that none of the identified areas for improvement represent a material area of non-compliance and that action plans have been put in place to address these issues within an appropriate timescale.

The Board has taken an active approach to understanding the requirements, reviewing the evidence presented by management, and sought additional assurance from our Internal Audit Team. As a result the Board is confident that it has taken all appropriate and reasonable steps to ensure the accuracy of the statements made in this Statement.”

Approved by the Board on 19 September 2019

Signed: Date:

Chairman

INTRODUCTION

This is a new regulatory requirement and the year ended 31 March 2019 is the first year for which the assurance statement has been made.

This is statement by the Board and the conclusion is owned by the Board. In reaching this conclusion we have brought the Board's knowledge and experience to bear as well as reviewing the self-assessment of compliance done by the senior management team.

BOARD ASSESSMENT OF COMPLIANCE WITH THE REGULATORY STANDARDS

Board knowledge of the Regulatory Standards

The Board received regular briefings on the development of the Regulatory Framework during the consultation period. Subsequent to the issuing of the new Framework it was immediately made available to all Board Members and has been the subject of further briefing and regular updates at each Board meeting. Briefing notes and guidance by the SHR and professional trade bodies have also been circulated to Board Members. This has included the SFHA "Toolkit".

Process for identifying any material non-compliance

No framework of control can guarantee that adverse events will never happen. Whether something is material or not will always be a judgement. In defining what is "material" we have been informed by guidance from the SHR which states that a material issue could:

- Seriously affect the interests and safety of tenants, people who are homeless or other service users.
- Threaten the stability, efficient running or viability of service delivery arrangements.
- Bring the landlord into disrepute, or raise public concern about the organisation of the social housing sector.
- Put at risk the good governance and financial health of the organisation.

The Board has established a comprehensive performance framework to hold the senior management team to account for the most fundamental areas of the organisation's activities. This includes regular Board reports covering:

- Financial performance including cash flow and compliance with loan covenants.
- Landlord safety responsibilities incorporating a comprehensive compliance dashboard.

- Customer satisfaction including performance KPIs and complaints analysis.
- Risk – both internal and from the external environment.
- Progress in delivering the Corporate Plan.

The Board is satisfied that adequate whistleblowing arrangements are in place to ensure that matters of concern to employees, customers or stakeholders can be brought to its attention.

No material areas of non-compliance have been identified in the year under review through these routine monitoring arrangements.

The Board is satisfied that there are robust arrangements to ensure that any adverse events which need to be reported to the Board are done so on a timely basis. We are developing a formalised procedure to ensure that any adverse events which need to be reported to the Regulator are identified and acted on.

Rigour of the self-assessment by the senior management team

A detailed report on the self-assessment by the senior management team was considered by the Board on 19 September 2019. The Board is satisfied with the rigor of the approach which included:

- Reviewing the guidance and seeking informal soundings from the Regulator and from other housing providers.
- Carrying out a line by line assessment of compliance with each requirement of Chapter 3.
- Assembling and reviewing a body of evidence to support those assessments including relevant KPIs, Board reports and assurance reports.
- Seeking an early challenge from Riverside's Internal Audit team on the logic of the approach.

The focus of the management self-assessment in this first year was to obtain sufficient assurance about compliance with each of the Requirements. Looking forward to next year, it is proposed that early in the process the Audit and Risk Committee are tasked with determining areas of the Regulatory Requirements that should be subject to a more detailed examination and Internal Audit. As well as giving the Board further comfort, this is in line with our agenda of continuous improvement.

The Board asked Riverside's Internal Audit team to team to carry out a reality check of the assurance given to Board. The findings of their work were considered by the Board on 19 September 2019. Internal Audit's overall conclusion was that "The local management team applied a sensible and diligent methodology. The self-assessment conclusions were consistent with the evidence they collected and our own routine audit work and wider knowledge of the business"

The Board has assurance on the systems and processes provided on a Group-wide basis by Riverside on which Irvine HA relies e.g. central support services. The Audit & Risk Committee at Irvine scrutinised the Riverside Group Annual Report on Internal Control for the year ended 31 March 2019 on behalf of the Irvine HA Board. There are no material weaknesses which have an impact on Irvine HA.

Areas for improvement

In the consideration of the self-assessment, the Board has recognised that the Association will need to further develop and prioritise the investment programme to ensure properties meet EESSH by December 2020 and that it, therefore, remains compliant with Standard 4 of the Scottish Social Housing Charter. This re-prioritisation will form part of the forthcoming business planning round.

The Board is satisfied that the current Business Plan contains sufficient resources to support the required investment and that this improvement opportunity does not represent a material breach of the Regulatory Standard.