

**June 2020**

**Sanctuary Scotland Housing Association Limited**

**Mapping Exercise for Assurance Statement - The Standards of Governance and Financial Management**

The purpose of this document is to provide the Board of Management of Sanctuary Scotland Housing Association Limited with assurance that the organisation complies with the requirements of Chapter Three of the Regulation of Social Housing in Scotland in relation to the standards of governance and financial management. The compliance requirements are defined, the evidence and practice to support compliance is described and additional information or further action defined.

Section 36 of the Housing (Scotland) Act 2010 requires the Scottish Housing Regulator to issue a Code of Conduct setting out Standards of Governance and Financial Management for Registered Social Landlords. These standards represents that Code.

Guidance	Evidence	Compliant?	Action required/commentary
<b>Standard 1</b> <b>The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users</b>			
1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	Operations plan approved annually by Board following discussion on SWOT and PEST and agreeing key objectives Linked to Group Business Plan as parent Outcomes against Ops Plan objectives provided to Board on an annual basis Budget approved by Board Financial Projections approved by Board Quarterly report on KPI's provided to Board Performance scrutinised in detail by Area Committees at every meeting	Yes	
1.2 The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	Constitution updated in 2016 prior to the ToE and agreed by SHR and OSCR prior to approval by Group Board and Scotland Board  The Sanctuary Group Governance Manual, which is issued to all Board members and is regularly updated, contains key documents to ensure clarity of role/responsibility and accountability, including: Code of Governance and Code of Conduct Rules of the Association Scope of Responsibility for Board members Role Profile for Board members Terms of Reference for Area Committees Standing Orders Financial Regulations SHR Regulatory Framework Scottish Social Housing Charter OSCR Guidance for charity Trustees Anti money laundering policy Data Protection Policy Fraud investigation and reporting policy	Yes	

	<p>Gifts, hospitality and Legacies policy          Health and Safety policy          Fire Risk Management Policy          Risk Management Policy          Whistleblowing Policy</p> <p>Governance structure ensures Board focus on strategic role whilst areas committees focus on operational role – appropriate reporting between the two lines of governance to ensure responsibility fulfilled</p> <p>Agenda structure ensures update on key areas included to promote overall responsibility and control</p> <p>All reports contain assessment of financial impact, risk, equality and diversity, value for money</p>		
<p>1.3 The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.</p>	<p>Compliant constitution in place - most recently reviewed and approved in 2016          Approval of policies and procedures by Board and all contain legal requirements/good practice          Key Group policies and procedures adopted          Regular reporting at Board meetings on key areas – for example: health and safety, safeguarding, development, financial performance          Annual internal review of assessment of adherence to standards of Governance and Financial Management          Internal audit review of governance arrangements in Scotland carried out in 2017</p>	<p>Yes</p>	
<p>1.4 All governing body members accept collective responsibility for their decisions.</p>	<p>Annual Appraisal process focuses on contribution and effectiveness of membership          Declaration of interest forms signed annually</p>	<p>Yes</p>	

	<p>Acceptance of code of conduct signed annually</p> <p>Conduct at meetings – participation in effective discussion, appropriate questioning of senior officers and other staff</p> <p>High quality board reports provide sufficient information to allow effective decision making</p> <p>The vast majority of decisions are made collectively rather than requiring votes to take place (as minutes show)</p> <p>The induction and on going training programme for Board members promotes understanding of both internal and external matters to support effective decision making</p> <p>Separate strategy day/s to ensure understanding of key issues and risk</p>		
<p>1.5 All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.</p>	<p>Code of Governance and Code of Conduct</p> <p>Rules of the Association</p> <p>Scope of Responsibility for Board members</p> <p>Role Profile for Board members</p> <p>Terms of Reference for Area Committees</p> <p>Clear role profile for Senior officer</p> <p>Appropriate line management arrangements and training/support/appraisal for senior officers</p> <p>Role of office bearers and in particular the Chairperson promotes constructive and professional working relationships</p> <p>Promotion of Core Values and Core Behaviours for both Board members and staff</p> <p>Annual appraisal process</p> <p>Annual collective appraisal of board effectiveness</p>	<p>Yes</p>	
<p>1.6 Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any</p>	<p>Annual Declaration of interest forms completed</p> <p>Annual acceptance of code of conduct for members form completed</p>	<p>Yes</p>	

<p>personal or other interest ahead of their primary duty to the RSL.</p>	<p>Approval of annual operations plan containing key service objectives Annual appraisal process Annual collective appraisal of board effectiveness</p>		
<p>1.7 The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).</p>	<p>Parent/subsidiary relationship and services expectations clearly set out in: Constitution Group Services Agreement Procedure Agreement</p> <p>Annual Declaration of interest forms completed Annual acceptance of code of conduct for members form completed</p> <p>Requirement to make a declaration of interest at Board meetings of any relevant item</p> <p>Every report provided to the Board highlights relevant risk and references appropriate area of risk map</p>	<p>Yes</p>	

Guidance	Evidence	Compliant?	Action required/commentary
<b>Standard 2</b> <b>The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities</b>			
2.1 The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.	Annual Report to Tenants The Voice newsletter National review panel Tenant representation on Board Review panel work feeds into Area committees and in turn to Board  Website provides detailed info, for example: Annual Report and Financial Statements Annual Report to Tenants Repairs and Gas Safety Handbook Complaints leaflet Tenant Handbooks Voice newsletter Repair diagnosis tool How to pay your rent Group Procurement Strategy How to pay rent Housing options information Development information  The publication scheme in relation to Freedom of Information provides extensive information on the Association under seven categories.	Yes	
2.2 The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its	Financial outturn, budget setting and financial projections recognises financial accountability Adherence to Scottish Social Housing Charter Publication of Annual Report and Financial	Yes	

<p>accountabilities.</p>	<p>Statements</p> <p>Approach to best value is robust, for example:  Review of staffing structure and operating model  Internalising maintenance service to have more control over cost and quality</p> <p>Risk, Assurance and heat Maps to ensure key risks are highlighted, effectively monitored and considered at every meeting in the context of decision making  Internal Audit Function ensure independent scrutiny  Group Audit and Risk Committee oversees assurance and risk for all subsidiaries</p> <p>The publication scheme in relation to Freedom of Information provides extensive information on the Association under seven categories.</p>		
<p>2.3 The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.</p>	<p>Key Group documents published:  Annual Accounts and Financial Statements  Group Business plan  Social Value Report</p> <p>Key Scotland documents/information published:  Annual Report and Financial Statements  Annual Report to Tenants  Repairs and Gas Safety Handbook  Complaints leaflet  Tenant Handbooks  Voice newsletter  Repair diagnosis tool  How to pay your rent</p>	<p>Yes</p>	<p>Implementation of Freedom of Information (Scotland) Act will support additional 'publishing' of information</p>

	<p>Group Procurement Strategy How to pay rent Housing options information Development information</p> <p>The implementation of the Freedom of Information (Scotland) Act resulted in the extensive information being published, requests being responded to and advice and information being given to support openness and transparency.</p>		
<p>2.4 The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.</p>	<p>Annual rent increase consultation Feedback forms on website The Voice newsletter National review panel Tenant representation on Board Review panel work feeds into Area committees and in turn to Board STAR satisfaction survey carried out by external providers in 2019 and action plan in place to address feedback</p>	<p>Yes</p>	
<p>2.5 The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.</p>	<p>Compliance with notifiable events guidance is evidenced by those made during last two years: Changes to operating model and staffing structure Gas service Cases upheld by SPSO Dispatches</p> <p>Monitoring of covenants to ensure compliance Annual Return to OSCR to evidence compliance Annual loan portfolio return to SHR</p>	<p>Yes</p>	

Guidance	Evidence	Compliant?	Action required/commentary
<b>Standard 3</b> <b>The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay</b>			
<p>3.1 The RSL has effective financial and treasury management controls and procedures to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.</p>	<p>Financial Regulations  Group Treasury Management policy  Group Services Agreement with Sanctuary Housing Association  Procedure Agreement Sanctuary Housing Association  Group Audit and Risk Committee function  Effective budget setting and detailed monitoring of management accounts by Board  Financial efficiency targets for senior member of staff  Value for money objectives for senior member of staff  Scrutiny of development programme by Board  Financial projections and scenario planning  Group provide Treasury management arrangements so that Sanctuary Scotland benefit from the access to funding that this brings – Scotland Board approve participation in all arrangements  Creation of temporary sub committee to consider revolving credit facilities in the timescales required  All treasurer related reports include covenants compliance for external loans as well as those going via Sanctuary Treasury  Risk discussion on Treasury Management with Board, Internal auditors and Group Treasurer</p>	<p>Yes</p>	
<p>3.2 The governing body fully understands the implications of the treasury management strategy it</p>	<p>Financial Regulations  Group Treasury Management policy  Detailed reports provided to Board to</p>	<p>Yes</p>	

<p>adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.</p>	<p>accompany Treasury Management decisions  Management account/budget monitoring  Financial projections and scenario planning  Risk, Assurance and Heat map  Training provided to Board on Financial Management, Treasury Management and Financial projections  Group Audit and Risk Committee oversee function for Group and all subsidiaries</p>		
<p>3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.</p>	<p>Group Business Plan  Scotland Operations Plan  Risk, Assurance and heat map  Financial Projections and scenario planning  Annual Budget setting process  Annual rent increase process  Management Accounts presented at every board meeting to allow financial scrutiny and this includes risks and meeting financial covenants  Scrutiny of key performance indicators quarterly by Board  Financial implications and risks are presented as part of every Board report  Group Executive and Group Board scrutiny of Scotland as parent</p>	<p>Yes</p>	
<p>3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.</p>	<p>Annual budget scrutinised and approved by Board  On going monitoring of budgets and financial forecast at every Board meeting  Financial projections and scenario planning scrutinised and approved by Board  Feedback from SHR on scenario planning positive during annual meeting and this is communicated to Board  Annual Rent increase – Board approve the level of increase to be consulted on, are provided with a full report on the outcome of</p>	<p>Yes</p>	

## Appendix 1

	the consultation (including the full responses received) prior to setting the rent increase. Detailed affordability modelling provided to the Board prior to rent setting		
3.5 The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.	Reporting on covenant compliance provided and discussed at every Board meeting Annual Financial projections and scenario planning fully considers the implications of covenants All Treasury Management reports relating to funding contain detailed information on covenant compliance	Yes	
3.6 The governing body ensures that employee salaries, benefits and its pension offerings are a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.	Terms and conditions in Scotland were reviewed and harmonised in 2016. Salary levels were set following an external benchmarking exercise Review of staffing structure 2017 and implemented from 1 April 2018 Changes to operating model from 1 April 2018 to make full use of central services form the Group	Yes	
3.7 The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.	Engagement plan considered by Board to ensure they are clear about SHR requirements All returns/documentation are submitted to the SHR within required timescales – all are considered by the Board prior to submission along with an explanation of methodology where appropriate	Yes	

Guidance	Evidence	Compliant?	Action required/commentary
<b>Standard 4</b> <b>The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose</b>			
4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.	All Board agendas and papers are co-ordinated via the Group's Governance and Company Secretarial team to ensure robust processes, high quality reports and consistency of approach Annual Governance diary for Scotland – this highlights standard reports and timings of key approvals and the timing of meetings Standing items on agenda to ensure regular updates and scrutiny Standard reporting format ensures key information is provided and explained Potential options identified and key options recommended (reports evidence this) Appropriate questioning and challenge of staff members and requests for additional information if required (minutes are evidence) Minutes record decisions made	Yes	
4.2 The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.	Meeting minutes record discussions and key areas of challenge, further information requirements  Quarterly operational performance reports are provided to the board of management to ensure scrutiny and challenge  Outcomes achieved against the Scotland operations plan is provided to the Board on an annual basis	Yes	
4.3 The governing body identifies risks that might prevent it from achieving the RSL's purpose	Risk, assurance and heat maps are reviewed every six months and heat maps are reviewed at the end of meeting discussions to	Yes	

<p>and has effective strategies and systems for risk management and mitigation, internal control and audit.</p>	<p>consider potential changes to risks Risks identified in every report provided to board and related to key risks in the risk map Group Audit and Risk committee function adds additional level of scrutiny</p>		
<p>4.4 Where the RSL is the parent within a group structure it fulfils its responsibilities as require in our group structures guidance to: a) control the activities of, and manage risks arising from, its subsidiaries; b) ensure appropriate use of funds within the group; c) manage and mitigate risk to the core business; and d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.</p>	<p>Group Services Agreement Procedure Agreement Group Risk and Audit Committee function Group Executive and Group Board scrutinise Scotland Performance Sanctuary Group representative on Scotland Board Treasury management is a group function Risk, Assurance and Heat Map for Scotland is scrutinised by Group Audit and Risk Committee Risk Maps for all areas of Group activity where services are provided to Scotland e.g. Corporate services, Treasury and development Sanctuary Group has G1 and V1 ratings</p>	<p>Yes</p>	
<p>4.5 The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where</p>	<p>There is an internal audit function which is led by the Group Group Risk and Audit Committee with a clear terms of reference An annual report is provided to confirm the proposed audit activity Outcome reports are provided to the Board The senior officer is required to ensure any recommendations made are addressed The minutes of the Group Risk and Audit Committee provided on a quarterly basis to the SHR</p>	<p>Yes</p>	

<p>the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.</p>			
<p>4.6 The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL's external auditor and its internal auditor.</p>	<p>Formal appointments by Group Board of internal and external auditor            Group Audit Committee (with appropriate remit)            Formal format programmes agreed for both internal and external auditors            Internal audit produces Terms of Reference for every area being audited            Appointment of Auditor and annual fee (on proportional basis) also agreed by Scotland Board            Internal audit reports considered by Board of Management            Outcomes and follow up actions monitored by Group Audit and Risk Committee and senior staff</p>	<p>Yes</p>	

Guidance	Evidence	Compliant?	Action required/commentary
<b>Standard 5</b> <b>The RSL conducts its affairs with honesty and integrity</b>			
5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.	Core Values and Behaviours Code of conduct Annual Declaration of interest Contracts of employment Internal and external audit functions Appraisal process for Board Members My performance process for staff members Mandatory training provided in key areas Staffing structure ensures support and guidance in place for staff Adherence to regulatory guidance and in particular notifiable events	Yes	
5.2 The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.	Code of Conduct included in Sanctuary Group Governance Manual Annual acceptance of the code of conduct signed by board members Annual appraisal process Annual collective appraisal of board effectiveness Rules of the Association Whistleblowing Policy	Yes	
5.3 The RSL pays due regard to the need to eliminate discrimination, advance quality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.	Fairness for All Equality and Diversity Scheme Core Values and behaviours Equality and Diversity matters/implications highlighted in every report All Policy documents reference Equality and Diversity Mandatory Training for board and all staff members Recruitment of board members process is open and transparent	Yes	

<p>5.4 Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.</p>	<p>Code of Conduct  Annual Declaration of interest  Requirement to declare an interest in any agenda item at board meetings  Whistleblowing policy  Standing Orders  Financial Regulations  Procurement and approval processes  Gifts, Hospitality and Legacies Group policy and procedure  Benefits for Officers and Members process (covering potential non-contractual benefits)  Board receives annual report on corporate registers, including declarations received on gifts and hospitality, benefits for officers and members and declaration of interests</p>	<p>Yes</p>	
<p>5.5 The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.</p>	<p>The Group Procedure Agreement provide that Sanctuary Housing Association must be consulted on and approve the appointments of Directors of Sanctuary Scotland and senior officers of Sanctuary Scotland  The appraisal of the senior officer is the responsibility of Sanctuary Housing Association  Clear role profile  Clear line management  My Performance ensuring clear objectives and requirements  Contract of employment    Independent advice taken where appropriate, for example the transfer of engagements process</p>	<p>Yes</p>	
<p>5.6 There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there</p>	<p>The culture of the organisation is open and transparent – My performance 121 for staff, annual review/appraisal, team meetings, senior management team monthly meeting,</p>	<p>Yes</p>	

<p>had been fraud, corruption or other wrongdoing within the RSL.</p>	<p>feedback from IIP, clear HR policies and procedures, contracts of employment</p> <p>Code of conduct for Board members Declaration of interest for board members</p> <p>Clear policies are procedures (available for board members as part of Sanctuary Group Governance Manual and staff in intranet): Whistleblowing procedure reviewed by Group Audit and Risk Committee annually Anti money laundering Data protection Fraud investigation and reporting Gifts, hospitality and Legacies Health and safety, Risk Management</p>		
<p>5.7 Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and is in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. The RSL has considered alternatives to severance, including redeployment.</p>	<p>The review of the staffing structure and operating model provides clear evidence that this was adhered to.</p> <p>The changes proposed were scrutinised and approved by the Board of Management.</p> <p>Formal consultation was carried out with the staff affected by this in accordance with TUPE.</p> <p>Staff were given opportunity for vacant positions that arose. The severance payments made were in accordance with legal and policy requirements.</p> <p>This was monitored by the Board via management account reporting and updates from the Senior Officer – Directors report.</p>	<p>Yes</p>	

<p>5.8 Where a severance payment is accompanied by a settlement agreement the RSL does not use this to limit public accountability or whistleblowing. The RSL has taken professional legal advice before entering into a settlement agreement.</p>	<p>Settlement agreements are used very rarely and must be signed by the Head of HR services or Group Director – Corporate Services. Settlement agreements (when used) are drafted by external legal advisors and do not include any clauses restraining employees from making protected disclosures</p>		
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Guidance	Evidence	Compliant?	Action required/commentary
<b>Standard 6</b> <b>The governing body and senior officers have the skills and knowledge they need to be effective</b>			
<p>6.1 The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body.</p>	<p>Rules of the Association            Standing Orders            Annual appraisal process            Annual appraisal process outcomes are reported to the Board of Management and this also identifies succession planning requirements            Annual collective appraisal considers the skills of the board and succession planning requirements            Succession planning is also considered at Board strategy sessions</p>	Yes	
<p>6.2 The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, delivery good tenant outcomes, and manage its affairs. It assesses the contribution of continuing governing body members, and what gaps there are that need to be filled.</p>	<p>Annual Equality and Diversity forms are completed by Board of Management            Annual appraisal process            Annual board collective appraisal            Skills mix and succession planning highlighted in outcome report to Board            Most recent recruitment process identified two suitable candidates but only one appointed to ensure additional skills added to the board</p>	Yes	
<p>6.3 The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive</p>	<p>Annual Equality and Diversity forms are completed by Board of Management            Annual appraisal process            Annual board collective appraisal            Skills mix and succession planning highlighted in outcome report to Board            Most recent recruitment process identified two suitable candidates but only one appointed to ensure additional skills added to the board</p>	Yes	

<p>member seeking re-election after nine years' continuous service demonstrates continued effectiveness.</p>	<p>Detailed training plan in place and all members are provided with at least four hours of training prior to every board meeting Currently no members with nine years continuous service but the nine year rule and assessment has been applied to former members</p>		
<p>6.4 The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.</p>	<p>Board agreed additional recruitment as part of the appraisal and succession planning process in 2018 External advert agreed and two board members were actively involved in the interview and recruitment process The recommendations for recruitment were then agreed by the Group Board and the Scotland Board</p>	<p>Yes</p>	
<p>6.5 The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain , or refresh, skills and expertise and sustain their continued effectiveness.</p>	<p>The induction programme covers Introduction to the Sanctuary Group The Sanctuary Group Governance Manual Health and Safety Data Protection - GDPR Equality and Diversity Board Member duties and liabilities</p> <p>A training plan is agreed for the coming year and includes a minimum of four hours training or discussion during the afternoons prior to the Board meetings.</p> <p>Strategic Away Days are held at least once per year on a Sunday and includes Board and senior staff members – focusing on key strategic subjects</p> <p>The appraisal process assesses skills gaps and additional training requirements</p>	<p>Yes</p>	

<p>6.6 If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.</p>	<p>No payment is made to any non-executive governing body members (other than out of pocket expenses for which a clear policy exists)</p>	<p>Yes</p>	
<p>6.7 The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.</p>	<p>The Group Procedure Agreement provide that Sanctuary Housing Association must be consulted on and approve the appointments of Directors of Sanctuary Scotland and senior officers of Sanctuary Scotland          The Sanctuary Scotland Operations plan (linked to the Group Board) sets the key objectives for the senior officer          An annual board and senior officer session on PEST, SWOT and key outcomes and objectives inform the content of the operations plan          The Group sets key objectives for the senior officer and these are reviewed monthly via the My Performance process          An annual review/appraisal is carried out and a 'rating' applied to that</p>	<p>Yes</p>	

Guidance	Evidence	Compliant?	Action required/commentary
<b>Standard 7</b> <b>The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants</b>			
<p>Where an RSL is considering organisational or constitutional change, or acquisition or disposal of land or assets:</p> <p>7.1 The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.</p>	<p>Examples of compliance</p> <p><u>Transfer of engagement proposals</u> Extensive due diligence carried out to assess impact on Sanctuary Scotland. Clear benefits identified for current and future tenants</p> <p><u>Operating model and staffing structure changes:</u> Key report provided in October 2017 that laid out proposals, considered financial implications and the benefits to customers and future tenants for scrutiny and approval</p> <p><u>MMR</u> Report provided that laid out the case for disposal of leases in accordance with regulatory requirements</p> <p><u>Thistle Housing Association</u> Regular board reports provided to update progress, identify risk and seek approval to move forward</p>	Yes	
<p>7.2 The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance and Financial Management, Constitutional Requirements, and Group Structure guidance.</p>	<p>The governance structure has been 'slimmed' since 2016 – removing two special committees – this allowed a more efficient structure without compromising effectiveness. Clarity of roles of Board and Area committees via scope of responsibility for board members, role profile for board members, terms of reference for Area Committees.</p>	Yes	

<p>7.3 The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.</p>	<p>Examples of compliance  <u>Operating model and staffing structure changes</u>            Consultation letting issued giving feedback options and meetings arranged at every office</p> <p><u>Transfer of engagements</u>            Extensive tenant consultation            Consultation with other key stakeholders including funders, local authorities and regulators</p>	<p>Yes</p>	
<p>7.4 The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.</p>	<p>Examples of compliance  <u>Operating model and staffing structure changes</u>            Savings identified from proposed changes to support value for money and financial viability            Proposals provided a clear increase in service level via mobile working, and access to services 24/7</p> <p><u>Transfer of engagements</u>            Due diligence and business plan showed financial viability            Merger 'promises' delivered good outcomes for tenants            All were subject to external scrutiny  <u>Thistle Housing Association</u>            Update reports provided on progress with due diligence and risk identified</p>	<p>Yes</p>	
<p>7.5 The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment</p>	<p><u>Examples of compliance following organisational changes or disposals</u>            Organisational changes            Monitoring of merger promises for transfer of engagements            Financial savings identified by changes to staffing structure were monitored via ongoing</p>	<p>Yes</p>	

levels).	<p>financial reporting                  Deployment of mobile working monitored                  Provision of 24/7 accessibility to service  <u>Disposal of leases for MMR</u>                  Subsidiary put in place to permit delivery                  Minutes of subsidiary and key reports                  provided to Board to allow monitoring of                  delivery</p>		
7.6 Charitable RSLs seek consent/notify OSCR of changes to their constitution and other changes as appropriate.	The transfer of engagements process evidences compliance with this in relation to the constitutional changes	Yes	
7.7 The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking into account of appropriate professional advice and value for money - whether as part of a broader strategy or on a case by case basis.	<p>The transfer of engagements and disposal of MMR leases to subsidiary processes clearly evidence compliance with this guidance</p> <p>Asset Management Strategy approved by Board and will ensure compliance with guidance if any disposals are considered as a part of this</p>	Yes	
7.8 The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	The transfer of engagements process clearly evidences compliance with this guidance	Yes	
7.9 The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	Disposals in relation to Mid Market Rent, the Victoria, Malletsheugh and leases to third parties provide evidence of this	Yes	

Guidance	Evidence	Compliant?	Action required/commentary
<b>Standard 7</b> <b>The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants</b>			
7.10 The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	Funding primarily supports development and regeneration activities which is considered a core activity.  This does exclude providing security in relation to staff pensions as accounts will evidence.	Yes	