

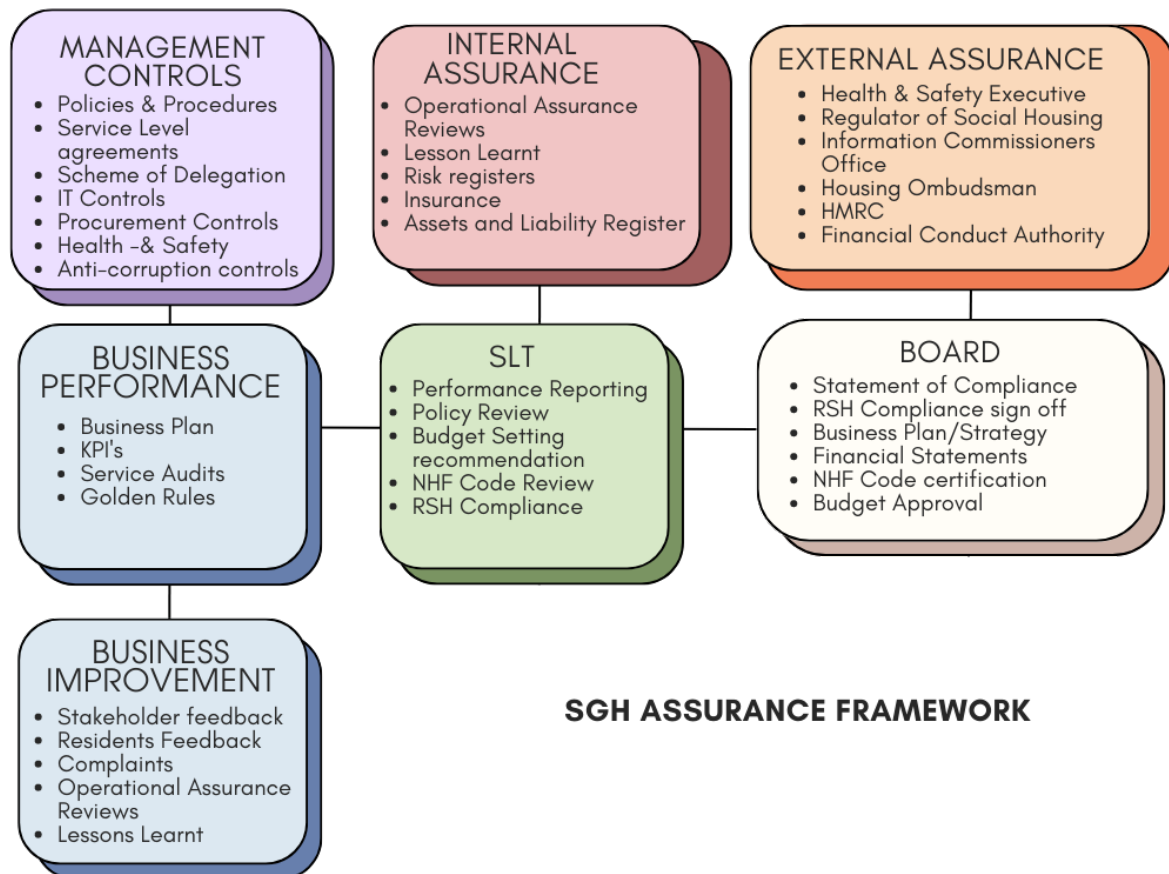


Internal Control & Assurance Framework October 2024

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Internal Control and Assurance Framework



St George Housing's internal control system is a structured set of processes, policies, and practices designed to ensure a robust risk management framework and that our operations are effective, efficient, and compliant with relevant statutory and regulatory requirements. In meeting the regulatory standards set by the regulator of social housing, our internal control system addresses various aspects of the association's activities. Here are some key components of our current internal control system:

1 Governance Structure and Leadership

SGH has in place solid management arrangements which include a strong Board that meets monthly and a Senior Leadership team (SLT) that meets weekly. Our governance and structure include:

1. Clearly defined roles and responsibilities for our Board of Directors, SLT executives, operational management and service delivery teams.
2. Policies and procedures outlining the decision-making process and such as our scheme of delegations and procurement policies.
3. Probity policies and procedures that help to shape good governance within SGH by promoting integrity, ethical conduct and conflict of interest management.

2 Risk Management

SGH has established a risk management framework to identify, assess, and mitigate potential risks related to our operations and strategic goals. We will develop this framework to include the following:

1. Identification and assessment of potential risks associated with the SGH's operations.
2. Implementation of risk mitigation strategies and controls to minimize the impact of identified risks.
3. Adoption of a centralised risk register that outline identified risks, their potential impact, and mitigation strategies.
4. Developing processes for reporting and investigating incidents, such as health and safety breaches or accidents.
5. Regular review processes by conducting compliance checks to ensure they align with regulatory requirements and mitigate potential risks.
6. Risk Evaluation: Each paper that is brought to Board includes a risk section where the impact of any proposals is evaluated against our risk register and adjusted accordingly.

3 Financial Controls

SGH will establish a risk management framework to identify, assess, and mitigate potential risks related to housing and tenancy management. We will develop this framework to include the following:

1. Budgeting and financial planning processes to ensure resources are allocated appropriately.
2. Regular financial reporting and analysis to monitor the association's financial health.
3. Internal and external audits to verify the accuracy of financial records and compliance with accounting standards.
4. Scheme of delegation sets out the delegated authority and financial approval limits for personnel across SGH.
5. Chartered accountant that make up the finance team to oversee the internal finance function at SGH.

4 Procurement and Contract Management

SGH have policies and procedures the set out the framework and principles governing the procurement of goods and services by across the association. These processes are in accordance with UK laws and regulations and includes:

1. Procedures for selecting managing agents and contractors, ensuring they meet relevant standards and regulations.
2. Contract review and approval processes to ensure the terms and conditions align with the association's objectives.
3. The development of a contract performance framework built into SLA agreements and reported to the Board.

5 Compliance and Regulatory Reporting

SGH has management arrangements in place to ensure that we will continuously monitor and evaluate our operations, performance and processes against key regulatory and statutory requirements. These management arrangements will include:

1. Regular review and assessment of the regulatory requirements imposed by the regulator of social housing.
2. Policies and procedures for reporting and addressing any non-compliance issues.
3. A chartered Director of Governance who will have direct oversight on all governance related issues.
4. Annual Board review and approval of SGH' compliance against the regulatory standards.
5. KPI reporting will be aligned with the regulatory requirements and embedded in our service level agreements with our service delivery partner.

6 Tenancy Management

SGH's internal control and assurance framework is designed to ensure we manage the risks associated with the delivery of our tenancy management services. To manage these risks, we will implement:

1. Processes for tenant selection, approval, and ongoing management.
2. Procedures to address tenant concerns and feedback in accordance with our resident engagement strategy.
3. Regular evaluation and audit of our service delivery partners approach to tenancy management.
4. A fair and transparent complaints process that is aligned with our service delivery partners and reviewed annual against the housing ombudsman compliant handling code.
5. Regular management and board reporting covering areas such as voids, complaints, repairs and Health & safety compliance.
6. Online tenancy management IT systems to ensure that both SGH and our service delivery partners have the most update tenancy and resident data.

7 Property Management

Our internal control environment aims to ensure that SGH delivers a property management service that provides value for money and assurance that our homes are well maintained, safe and compliant with all landlord statutory requirements. We will do this by implementing a:

1. Maintenance and inspection schedule for properties to ensure they meet safety and quality standards.
2. Procedures for handling repairs and addressing property-related issues promptly.
3. A program of regular quality assurance audits of our service delivery partners, to be measured against agreed KPI's and reported to the Board.
4. Centralised online property management systems that help to ensue key property data is recorded and up to date.

8 Data Security and Privacy

SGH takes data security and privacy seriously and has already taken measures to strengthen our processes in this area. Our internal control environment achieves this by:

1. Safeguarding sensitive tenant and organisational data through access controls, encryption, and data management policies.

2. Developing data breach policies to guide management of the steps to take in the event of a Breach.
3. Ensuring all our systems include anti malware and virus protection to safeguard our IT systems and data integrity.
4. Providing all staff with cyber security training to upskill staff awareness on cyber-attacks.
5. Developing policies and processes that ensure we proactively mitigate cyber-attacks and enhance our IT securing environment.
6. Having in place signed data sharing and consent agreements for all tenants.

9 Internal Communication

SGH has chosen to outsource some of its tenancy and property management services to a service delivery partner. To manage this third party contract risk, we will adopt a robust process to ensure that SGH retains adequate oversight and control over management in this area. We will achieve this by:

1. Ensuring there is clear communication channels among staff, departments, and management to ensure effective coordination.
2. All policy and procedures are fully aligned and communicated with our services delivery Partners.
3. Key contacts are shared amongst staff to ensure the smooth delivery of services.
4. Embedding our service standards, role, responsibilities, KPI's and expectations in our contractual service level agreements.

10 Performance Monitoring and KPI's

SGH will embed a culture of continuous improvement supported by a performance monitoring framework that includes Board agreed performance targets and key performance indicators. We will regularly monitor our performance against the regulatory standards and will utilise resident feedback to evaluate our performance and shape and deliver new and improved services. We will achieve this by:

1. Agreeing key performance indicators (KPIs) to measure the association's performance against regulatory standards.
2. Regular reporting to the board and senior management on operational, financial, and compliance-related matters.
3. Conducting quality assurance audits and reviews across our operational outputs to continuously improve our services.
4. Aligning and utilising resident feedback to evaluate and improve our services.

11 Training and Development

SGH will invest in training and development to ensure staff and Board members are well-equipped to deliver services and manage the association to meet regulatory standards.

1. Training programs for staff and management to ensure they understand and adhere to regulatory requirements and internal policies.

2. Registering with the NHF to access key resources and training for staff and the Board.

12 Whistle Blowing Procedures

A key priority for SGH is integrity and reputation and understand as part of a regulated sector we have an important responsibility to uphold the highest standards of probity and ethical conduct across our operations. To achieve this we have in place:

1. Anonymous reporting channels for all personnel and stakeholders to raise concerns about potential misconduct or regulatory violations.
2. Bi-annual email reminder to board and staff about whistleblowing, gifts hospitality and declarations of interest.

13 Continuous Improvement

SGH will Invest in training and development to ensure staff and Board members are well-equipped to deliver services and manage the association to meet regulatory standards.

1. Regular review and evaluation of the internal control system's effectiveness and relevance.
2. Implementation of improvements based on lessons learned and changes in regulations.
3. External and independent review of our internal controls.

Above we have outlined some specific examples of our current internal control process within SGH that help meet the regulatory standards set by the regulator of social housing. Our goal is to implement and develop a comprehensive internal control framework that effectively manages and mitigates the risk across the association and aligns with the standards set by the regulator of social housing. SGH will carry out regular assessments of our internal control system which is crucial to ensuring ongoing compliance and effective risk management. This framework will be reviewed every two years by the Board.

Responsible officer: Director of Operations

Policy Author: Director of Governance

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