

# Social Landlord Self-Assurance

A toolkit for maintaining strong  
governance and meeting  
regulatory requirements

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July 2019

Developed by Linda Ewart  
on behalf of SFHA

[www.sfha.co.uk](http://www.sfha.co.uk)

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## Foreword

The Scottish Federation of Housing Associations (SFHA) Self-Assurance Toolkit has been developed in conjunction with the Scottish Housing Regulator (SHR), the Glasgow and West of Scotland Forum of Housing Associations (GWSF) and the Association of Local Authority Chief Housing Officers (ALACHO). We are delighted to share with the sector the material provided in this guidance as the first phase of this piece of work. The toolkit will be an ongoing project, and will form a central hub of guidance for the sector – available not just to SFHA members but to all RSLs and local authorities.

In the first instance, the toolkit focusses on the types of question that governing bodies/committees should be asking themselves relating to regulatory requirements and standards, in order to gain the level of assurance required that compliance is being achieved. Equally, if not more importantly, it provides social landlords with guidance on gathering evidence to demonstrate this compliance – in order to feed into their existing self-assurance processes.

Whilst this guidance does provide some additional suggestions around potential processes that could be undertaken when producing an Annual Assurance Statement, and the format that these might take (in order to augment the existing SHR Guidance<sup>1</sup> and Frequently Asked Questions<sup>2</sup>), it is important to note that the material provided at this stage is not intended to be a guide on how to produce your first Annual Assurance Statement. Indeed, with statements due in by the end of October 2019, we recognise that RSLs and local authorities will already be assessing the outcomes of their existing self-assurance processes as the deadline for submission of the statement approaches.

In large part, the toolkit is an expanded version of the self-assessment guidance<sup>3</sup> produced by the SFHA in 2018, reflecting changes made to the Regulatory Framework on 1 April 2019. SFHA were pleased to commission Linda Ewart to once again draft the content of the guidance, providing consistency with the previous work.

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<sup>1</sup> Scottish Housing Regulator (Feb 2019) [Annual Assurance Statement Statutory Guidance](#)

<sup>2</sup> Scottish Housing Regulator (May 2019) [Annual Assurance Statement Frequently Asked Questions](#)

<sup>3</sup> SFHA (June 2019) [Regulatory Standards of Governance and Financial Management - SFHA Guidance on Self-Assessment](#)

Many SFHA members will already have been working with the 2018 guidance and will be familiar with the format and methodology used. Whilst local authorities and non-SFHA members will not have previously had access to the SFHA guidance, all social landlords will have mechanisms in place to meet the requirement under the previous Regulatory Framework to assess their governance structures and arrangements against Regulatory Standards. This guidance is intended to build on the mechanisms landlords already have in place.

The toolkit is not intended to be prescriptive. Our intention is for the toolkit to help social landlords to develop and refine their self-assurance process over the coming months and years. There is no expectation – either in 2019 or in future years – for the toolkit to be used as a rigid checklist. It is crucial landlords retain discretion to consider what extent and depth of self-assurance is appropriate and proportionate for their organisation, and to decide over what period to develop these processes.

The Annual Assurance Statement, or self-assurance process undertaken, is not intended to demonstrate that the governing body/committee guarantee everything is perfect. Instead, the aim is that governing bodies are confident that appropriate systems, evidence, relationships and channels of communication are in place. In addition, producing the Annual Assurance Statement will ensure governing bodies/committees are as well informed as they can be about how the organisation is performing, and if a significant problem were to arise it would be identified and addressed.

The toolkit is aimed at two main audiences within landlords. Whilst the primary audience is governing body/committee members, we appreciate that it is likely to be senior staff who have responsibility for co-ordinating the gathering of necessary evidence to support the governing body/committee to make the Annual Assurance Statement. This is reflected in the guidance provided.

The development of self-assurance processes, the submission of Annual Assurance Statements and SHR's consideration of the statements are a learning process for all parties. It is recognised there will be challenges for landlords, most notably in deciding whether any areas of non-compliance are 'material', and SHR has indicated it will take account of this in its assessment of the first round of statements. The experience of both landlords and SHR following the first submissions will inform further refinement of the toolkit.

The SHR has provided assurances it will take a more supportive role in the first year of the Annual Assurance Statements – in recognition of the learning process. This

means landlords will be in a position to refine their approach to self-assurance where necessary over a more prolonged period – i.e. there is not an expectation that all of the material included within this guidance will be considered between now and October 2019.

Our ultimate aim is for the toolkit to exist in a web-based format – with links to each individual standard/requirement and guidance provided for each. This early form of the guidance is intended as a working document that will be adapted following the first submissions of the Annual Assurance Statements in order to ensure it is as user-friendly and helpful for the sector as possible.

**Sally Thomas, Chief Executive, Scottish Federation of Housing Associations**

**Michael Cameron, Chief Executive, Scottish Housing Regulator**

**David Bookbinder, Director, Glasgow and West of Scotland Forum of Housing Associations**

**Tony Cain, Policy Manager, Association of Local Authority Chief Housing Officers**

## **Previous SFHA Guidance**

This toolkit updates SFHA's previous 2018 guidance on self-assessment. Whereas the previous publication focussed on the Regulatory Standards of Governance and Financial Management (which only apply to RSLs) this revised guidance has a wider focus and is intended for use by both RSLs and local authorities.

However, many elements of the 2018 guide remain relevant and may be useful as you develop your ongoing self-assurance processes. In particular:

- the seven Principles of Self-Assessment outlined – which expand on those identified by the SHR's 2017 Thematic Study on Self-Assessment<sup>4</sup>
- the Process of Self-Assessment – which outlines how organisations might wish to approach the process and key considerations
- an example of how RSLs in particular may wish to consider adopting different review cycles for specific Regulatory Standards, and what this could look like in practice

A link to the previous SFHA guidance is included below:

[Regulatory Standards of Governance and Financial Management - SFHA Guidance on Self-Assessment \(June 2018\)](#)

## **Annual Assurance Statements**

In 2019, the Scottish Housing Regulator revised its Regulatory Framework<sup>5</sup>. This placed a new requirement on all social landlords to submit an Annual Assurance Statement to the SHR by the end of October each year. This statement must either confirm that the governing body/committee is assured that the landlord is complying with all relevant regulatory requirements and standards, or highlight any material areas of non-compliance and how the landlord will address these.

The ongoing process for gathering evidence to ensure the governing body or committee has the necessary level of assurance it needs to complete the statement, is in many ways more important than the statement itself. Your self-assurance process is crucial to ensuring strong governance within your organisation, with regulatory compliance the side-effect of a robust process. It is this process that is the focus of this toolkit.

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<sup>4</sup> Scottish Housing Regulator (Aug 2017) [Self Assessing Against Regulatory Standards a Thematic Inquiry](#)

<sup>5</sup> Scottish Housing Regulator (April 2019) [Regulatory Framework](#)

The preparation of the Annual Assurance Statement – and gathering of the evidence on which this is based – should not be a one-off large exercise on an annual basis. That said, there are a series of steps that will go into putting together your statement each year, and we have provided an example of a process that could be followed at Appendix A. This could be used as a template for organisations when planning their process, but is intended to be illustrative rather than prescriptive. The governing body will drive the process, but it is clear that staff will also be involved in the presenting, gathering and distribution of evidence as part of the process – which is reflected in Appendix A.

Whilst this toolkit is not a guide on how to complete your Annual Assurance Statement (further guidance will follow in this regard), we have outlined some further considerations to take into account once you have gathered your evidence and come to agree your statement:

- **Format** - the SHR has not provided any template wording for the Annual Assurance Statement, to allow each organisation some flexibility in how they wish to present their statement. Many organisations are considering including additional caveats to add context to the statement, such as “*to the best of our knowledge.*”
- **Length** – there is no requirement to submit a lengthy statement. In fact, it is possible that your statement will be one sheet of A4, particularly if you are stating that you comply.
- **Materiality** – the process we have identified in this guidance through the toolkit provided will inevitably mean you will identify areas for improvement that should form the basis of an action plan. However, in most cases the actions identified will not be material and will not require notification to the SHR as part of your Annual Assurance Statement. It is important to note that the most crucial aspect of self-assurance is recognising areas for improvement and how they can be achieved – irrespective of which of these (if any) you are required to notify to the SHR.

The above should be considered in conjunction with the SHR’s Statutory Guidance<sup>6</sup> and FAQs<sup>7</sup> on Annual Assurance Statements.

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<sup>6</sup> Scottish Housing Regulator (Feb 2019) [Annual Assurance Statement Statutory Guidance](#)

<sup>7</sup> Scottish Housing Regulator (May 2019) [Annual Assurance Statement Frequently Asked Questions](#)

## **How to use the toolkit**

Regulatory Requirements/Standards within the SHR's revised Regulatory Framework fall into one of three categories:

- Requirements for all social landlords (i.e. both RSLs and local authorities)
- Requirements for RSLs only
- Regulatory Standards of Governance and Financial management (which also only apply to RSLs)

For RSLs, compliance with the Regulatory Standards of Governance and Financial Management will support them in demonstrating compliance with other elements of the Regulatory Framework. Appendix B cross-references these elements to help RSLs as part of the self-assurance process, in order to avoid duplication.

For each of the requirements/standards the toolkit at Appendix C identifies:

- Core evidence that is likely to be relevant
- A number of points to think about, under the heading "Self-Assurance Factors"
- Other Regulatory Standards that directly link to that requirement/standard, that should also be considered
- Key links to existing guidance

We suggest that the toolkit is used to inform discussions - which might involve different people at different times - which will lead to the governing body/committee forming an assessment of your compliance. It is recommended that your self-assurance process involve both senior staff and governing body/committee members. Inevitably, much of the work in gathering evidence will fall to officers – but it should be a question of pulling things together/identifying where records are, rather than creating evidence. However, it must be the governing body/committee who lead and drive the process, as it is ultimately they who must be assured the organisation is achieving compliance. It is for individual landlords to decide what approach is appropriate for them.

In the toolkit at Appendix C, each element of the regulatory framework is supported by a range of specific self-assurance factors which landlords can consider. We recognise that the toolkit could make the process look daunting, as there is a lot to think about when considering how well you comply with the requirements/standards. However, if the toolkit is used to inform your assessment and supplement what you already do, rather than as a checklist, we believe it should not be onerous.

Whilst the toolkit looks at the specific detail of each requirement/standard, in thinking about self-assurance more generally, the governing body/committee may want to think about the following factors as prompts:

- How do we know we are complying?
- Are we confident that we receive good quality performance information that enables us to understand how effectively we are achieving our objectives?
- Are we confident about the information we receive/are there gaps?
- Is our approach consistent with our obligations/requirements? How do we know?
- Do we benchmark our performance with other social landlords?
- On what issues have we had complaints from tenants/services users? Are there any significant trends?
- How do we use internal audit to support us? How do we decide which areas internal audit should focus on?
- How do we decide if any further external assurance or analysis is required?

## Appendix A

# Template Process when Developing Annual Assurance Statement

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July 2019

<b>Task</b>	<b>Who</b>	<b>Time Frame</b>
Agree process; identify responsibilities; appoint short-life working group – SLWG - (if required)	GB	
Review the Regulatory Requirements	GB/SLWG and senior staff	
Gather the evidence required to assess compliance	Staff	
Develop evidence bank to describe how the evidence supports and demonstrates compliance	Staff and SLWG/GB	
Consider / review / revise the evidence bank	GB/SLWG and staff	
Identify gaps and/or weaknesses in evidence	SLWG/GB	
Complete initial assessment of compliance	SLWG/GB	
Identify actions for compliance and actions for improvement	SLWG/GB	
Develop and implement compliance action plan	SLWG/GB and Staff	
Develop improvement action plan and implementation map	SLWG/GB	
Review completion of compliance action plan	SLWG/GB	
Update evidence bank	Staff	
Review evidence bank and assess compliance	SLWG/GB	
Identify any remaining areas of non-compliance	SLWG/GB	

<b>Task</b>	<b>Who</b>	<b>Time Frame</b>
Assess materiality of identified areas of non-compliance	SLWG/GB	
Develop compliance action plan and implementation map	SLWG/GB	
Consider Draft Annual Assurance Statement	SLWG/GB	
Agree Annual Assurance Statement	GB	
Submit Annual Assurance Statement to SHR by 31 October	GB	
Publish Annual Assurance Statement on website and notify tenants of assurance/compliance levels	Staff	
Monitor implementation of action plans	GB	
Report any changes to assurance/compliance to SHR	GB	

## Appendix B

# How Regulatory Requirements link to Regulatory Standards

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July 2019

Ref	Requirements	Relevant Regulatory Standards (RS)
AN1	Prepare and submit Annual Assurance Statement (AAS) by 31 October	No Standard refers directly to the ASS but <b>Regulatory Standard (RS) 2.2 and 2.5</b> are relevant
AN2	Notify SHR of any material changes during the year	<b>RS 2.2 and 2.5</b>
AN3	Have assurance and evidence of meeting legal obligations relating to: <ul style="list-style-type: none"> <li>• Housing and homelessness services</li> <li>• Equality and human rights</li> <li>• Tenant and resident safety</li> </ul>	<b>RS 1.3</b> (in general terms) RS 4.1
AN4	Notify SHR of any tenant or resident safety matters reported to or being investigated by the Health and Safety Executive (HSE)	<b>RS 2.5</b>
AN4	Notify the SHR of any reports from statutory or regulatory authorities or insurance providers relating to safety concerns	<b>RS 2.5</b>
AN5	Make the Engagement Plan available and accessible to tenants and service users, including online	<b>Standard 2</b> <b>RS 2.1</b>
CH1	Annually submit an Annual Return on the Charter in accordance with published guidance	<b>RS 1.3</b>
CH2	Involve tenants and other relevant service users in the preparation and scrutiny of performance information: <ul style="list-style-type: none"> <li>• Agree approach with tenants</li> <li>• Ensure the approach gives tenants a real and demonstrable say in performance assessment</li> <li>• Publicise the approach to scrutiny to tenants</li> </ul>	<b>Standard 2</b> <b>RS 2.1 and 2.2</b>

Ref	Requirements	Relevant Regulatory Standards (RS)
	<ul style="list-style-type: none"> <li>Ensure the approach can be verified and demonstrate that it has happened</li> </ul> Involved other service users appropriately having asked and taken account of their needs and wishes	
CH3	Report performance in achieving/progressing towards Charter outcomes and standards to tenants and other service users by October each year	<b>Standard 2</b> <b>RS 2.1 and 2.4</b> <b>RS 1.3</b>
CH3	Agree the format of reporting with tenants and other service users; ensure it is accessible and that language is plain and jargon free	<b>RS 1.3 and 2.4</b>
CH4	Report annually on performance to tenants and other service users and include: <ul style="list-style-type: none"> <li>Assessment of performance against each relevant Charter outcome</li> <li>Relevant comparisons including with previous years, other landlords and national performance</li> <li>Plans for delivering improvement</li> <li>Methods for tenants and service users to comment on the style of reporting</li> </ul>	<b>RS 1.3</b> <b>Standard 2</b>
CH5	Make SHR's Landlord Report easily accessible to tenants, including online	<b>Standard 2</b>
WB1	Have a whistleblowing policy and effective arrangements for governing body members (GBMs) and staff which is easily available and promoted	<b>Standard 5</b> <b>RS 5.2 and 5.6</b>

Ref	Requirements	Relevant Regulatory Standards (RS)
EH1	Be assured and have evidence that equality and human rights issues are considered properly in: <ul style="list-style-type: none"> <li>the design and review of internal and external policies</li> <li>day-to-day service delivery</li> </ul>	<b>All Standards</b> <b>RS 1.3</b> <b>RS 5.3</b>
EH2	Collect data relating to each of the protected characteristics for existing and new tenants; people on waiting lists; GBMs and staff	<b>RS 1.3</b> (in general terms)
TS1	Make information on reporting significant performance failures, including SHR's leaflet, available to tenants	<b>RS 1.3 and 2.2</b>
TS2	Provide tenants and other service users with information needed to complain and seek redress and respond to tenants within agreed timescales, in accordance with SPSO guidance	<b>RS 2.2</b>
TS3	Ensure that effective arrangements are in place to learn from complaints and other tenant feedback, in accordance with Scottish Public Services Ombudsman guidance	<b>RS 2.4</b>
SG1	Comply with and submit information to the SHR in accordance with guidance on Notifiable Events (NEs)	<b>RS 1.3</b> <b>RS 2.5</b> <b>Standard 7 (where applicable)</b>
SG2	Comply with and submit information to the SHR in accordance with guidance on Group Structures	<b>RS 4.4</b> <b>Standard 7 (RS 7.1-RS 7.6)</b>
SG3	Comply with and submit information to the SHR in accordance with guidance on consulting tenants where tenant consent is required	<b>RS 7.1, 7.3 and 7.8</b>

<b>Ref</b>	<b>Requirements</b>	<b>Relevant Regulatory Standards (RS)</b>
SG4	Comply with and submit information to the SHR in accordance with guidance on financial viability of RSLs: information requirements	<b>RS 1.3</b> <b>RS 1.7</b>
SG5	Comply with and submit information to the SHR in accordance with guidance on determination of accounting requirements	<b>RS 1.3</b> <b>RS 3.7</b> <b>Constitutional Standard (CS) 3</b>
SG6	Comply with and submit information to the SHR in accordance with guidance on preparation of financial statements	<b>RS 1.3</b> <b>RS 3.7</b> <b>CS3</b>
OC1	Make publicly available, including online, up-to-date details of: <ul style="list-style-type: none"> <li>• Who is on its governing body (GB)</li> <li>• The date when they first became a member or office-holder</li> <li>• How to become a member of the RSL and of the GB</li> <li>• Minutes of GB meetings</li> </ul>	<b>RS 1.3</b> <b>RS 2.1</b> <b>RS 6.4</b>
OC2	Keep up-to-date organisational details in the Register of Social Landlords by maintaining information via the Landlord Portal	<b>RS 1.3</b> <b>RS 2.5</b>
OC3	The constitution of the RSL must comply with all legislative requirements under the 2010 Act and the SHR Constitutional Standards	<b>RS 1.3</b>
GF1	Comply with the Regulatory Standards of Governance and Financial Management	<b>RS 1.3</b> <b>RS 2.5</b>

Social Landlord Self-Assurance

Appendix C

# Self-Assurance Toolkit

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July 2019

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# Requirements for all Social Landlords

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## **Assurance and Notification (AN)**

*SHR Requirements relating to Annual Assurance Statements and legal obligations*

### **Other Regulatory Requirements/Standards to Consider:**

Regulatory Standards 2, 3 & 4 (for RSLs only)

### **Links to Relevant Documents and Guidance**

#### **Scottish Housing Regulator**

- [SHR Assurance Statement Statutory Guidance Feb 2019](#)
- [SHR Annual Assurance Statement FAQs](#)
- [SHR Engagement Plans](#)

#### **Housing**

- [Model Tenancy Agreements](#)
- [Scottish Government \(Feb 2019\) Social Housing Allocations in Scotland Practice Guidance](#)
- For LAs Only- [Scottish Government \(2014\) - Guidance on the operation of Local Authority Housing Revenue Accounts 2014](#)

#### **Homelessness**

- [SFHA Rapid Rehousing Briefing](#)
- For LAs only:
  - [Scottish Government Code of Guidance on Homelessness](#)
  - [Scottish Government Guidance on Services for Young People Ceasing to be looked after by LAs](#)
  - [Scottish Government - Housing Options Protocol for Care Leavers \(esp para 11. 1 and 13\)](#)

#### **Equality and Human Rights**

- [Equality and Human Rights Commission](#)

#### **Tenant and Resident Safety**

- [Scottish Government Tolerable Standard guidance - Fire and Carbon Monoxide detection](#)
- [SHR Notifiable Events Guidance](#)
- [Health and Safety Executive](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
AN1	<p>Prepare an Annual Assurance Statement in accordance with SHR published guidance, submit it to us (SHR) between April and the end of October each year, and make it available to tenants and other service users.</p>	<p>Previous Annual Assurance Statement (AAS) (after October 2019) and action plan relating to improvements</p> <p>Self-assurance assessment/ evidence bank/supporting narrative and documentation</p> <p>Notes of working group/sub-committee meetings/governing body/committee discussion</p> <p>Action plans to support preparation of current AAS</p> <p>Notes of discussions/ consultation with tenants</p> <p>Record of governing body/committee consideration of compliance and approval of AAS</p> <p><b>Post-Submission</b> Annual Assurance Statement/ report to tenants</p>	<p><b>Prior to submission:</b></p> <p>Has the governing body/committee been involved effectively in assessing compliance with the Regulatory Framework?</p> <p>Have we gathered and reviewed sufficient evidence to provide us with appropriate assurance of the RSL's compliance prior to signing off our assurance statement?</p> <p>Have we considered the SHR guidance on Annual Assurance Statements?</p> <p>Have we identified any areas of material non-compliance? If so, have we agreed a realistic and deliverable compliance plan? Have we agreed how implementation will be monitored?</p> <p>Have we identified any areas of non-compliance that are not material? How have we satisfied ourselves the failure is not material? Have we obtained assurance about how the weakness will be resolved? How will that be monitored?</p> <p>Have we identified improvement actions? Are we clear about the intended benefits/outcomes from improvement? Have we agreed how will delivery be monitored and measured?</p> <p><b>Post submission:</b></p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>Is our Annual Assurance Statement available to tenants and other service users? Is it published on our website?</p> <p>Have we engaged with tenants about the content of the AAS?</p>
AN2	<p>Notify us (SHR) during the year of any material changes to the assurance in its Annual Assurance Statement.</p>	<p>Most recent Annual Assurance Statement</p>	<p>How do we monitor ongoing compliance with the requirements of the Regulatory Framework?</p> <p>Do we have systems/processes in place to identify any material change? How do we test these systems?</p> <p>Are we assured that any changes in compliance will be communicated to relevant stakeholders, including lenders and tenants?</p> <p><b>Post submission</b></p> <p>Have there been any material changes since we last submitted the Annual Assurance Statement?</p> <p>Have we notified the SHR?</p>
AN3	<p>Each landlord must have assurance and evidence that it is meeting all of its legal obligations associated with housing and</p>	<p>Internal audit reports</p>	<p>Are we confident that we have an appropriate understanding of the legal requirements associated with our duties as a RSL?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	homelessness services, equality and human rights, and tenant and resident safety.	<p><b>Allocations:</b> policy; local lettings initiatives; nominations agreements; Common Housing Register agreement(s); consultation reports; monitoring reports</p> <p><b>Anti-Social Behaviour:</b> policy; monitoring reports</p>	<p>Do we have effective arrangements to ensure that our knowledge is kept up-to-date effectively? What systems do we have in place to ensure we are aware of changes in legislation?</p> <p>Do our policies refer to relevant legislation and the associated requirements?</p> <p>Do we consider legal implications under each governing body/committee report?</p> <p>How do we assure ourselves that our allocations policy and practice are compliant with the law and good practice? How do we gain assurance about the effective implementation of the allocations policy?</p> <p>How do we ensure that we take account of the views of current and future tenants?</p> <p>How do we gain assurance that our housing stock is being used to meet housing need effectively?</p> <p>How do we gain assurance that our housing stock is being managed effectively?</p> <p>How do we assure ourselves that ASB is being tackled effectively and that our legal responsibilities are being met?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		<p><b>Evictions:</b> policy; monitoring reports</p> <p><b>Abandonment:</b> policy; monitoring reports</p> <p><b>Tenancy Agreements</b></p> <p><b>Homelessness:</b> performance reports</p>	<p>How are we assured that we always act within the law? Do we make appropriate use of specialist legal advice?</p> <p>How do we gain assurance that our abandonment policy is compliant with the law? How do we oversee its effective implementation?</p> <p>Was the governing body/committee involved effectively in agreeing the revisions to the tenancy agreement associated with the implementation of the 2014 changes?</p> <p>How did we gain assurance that the necessary consultations were carried out?</p> <p>How did we use consultation feedback to inform the final agreement? How did we explain our response?</p> <p><b>All Landlords:</b> How do we assure ourselves that we are meeting our legal obligations to people who are homeless?</p> <p><b>Local Authorities (LAs):</b> Do we receive information about any breaches of the 2017 Order in respect of our use of unsuitable temporary accommodation?</p>



Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>Are we assured there is a realistic and deliverable strategy to achieve compliance with the 2018 fire safety regulations?</p> <p>How do we gain assurance that residential buildings meet other relevant safety standards (e.g. electrical safety; legionella; lift maintenance; asbestos removal)?</p> <p>How do we gain assurance that contractors working on our behalf comply with safety legislation?</p> <p>Do we use internal audit effectively to provide assurance?</p>
AN4	<p>Notify us (SHR) of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.</p>	<p>Stock condition survey</p>	<p>How are we notified about any investigations being carried out by the Health and Safety Executive (HSE)?</p> <p>Are there any cases being investigated currently by the HSE relating to the safety of our tenants and/or residents?</p> <p>If there are (or have been during the last year), are we co-operating with the HSE? Are we engaging effectively with affected tenants/residents (and their families if relevant)? Have we notified the SHR? How will / did we consider the report from the investigation?</p> <p>Have we considered any reports by any regulatory or statutory authorities or insurance provider relating to safety concerns in or around any of our properties in the last year? How are we notified about any such reports /</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>investigations? How are we assured that any recommendations are / have been implemented effectively?</p> <p>Are we assured that there is an effective approach to assessing and reporting on the safety of our properties?</p> <p>How are we assured that the frequency of these assessments is adequate?</p> <p>Are we assured that all necessary actions from these assessments are implemented effectively?</p> <p>Are there any necessary actions outstanding that result in a property being unsafe? How would such a situation be managed?</p>
AN5	Each landlord must make its Engagement Plan easily available and accessible to its tenants and service users, including online.	Current Engagement Plan	<p>Is our Engagement Plan easily accessible via our website?</p> <p>Have we promoted our Engagement Plan in our newsletter?</p>

## Scottish Social Housing Charter Performance

### **Other Regulatory Requirements/Standards to Consider:**

Regulatory Standards 1.3, 2.1, 2.2 and 2.4 (For RSLs)

### **Links to Relevant Documents and Guidance:**

- [Scottish Social Housing Charter April 2017](#)
- [SHR Charter Technical Guidance February 2019](#)
- [TIS Tenant Scrutiny Accreditation](#)
- [TPAS Tenant Involvement Accreditation](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
CH1	Submit an Annual Return on the Charter (ARC) to us (SHR) each year in accordance with our published guidance.	<p>ARC submission</p> <p>External validation (not a requirement)</p> <p>Charter performance reports to governing body/committee</p>	<p>Did we submit our Annual Return on the Charter by the end of May this year?</p> <p>How do we gain assurance about the accuracy of the data in our ARC return?</p> <p>Did the governing body/committee review the ARC data effectively in advance of it being submitted?</p> <p>Do the governing body/committee get regular reports on our performance against the Charter?</p> <p>Do we undertake benchmarking to compare our performance with other landlords? How do we use the results of such comparisons to influence service delivery?</p> <p>How do we consult/engage with tenants about our performance? Are we assured that we make effective use of engagement/consultation to drive service improvement?</p>
CH2	<p>Each landlord must involve tenants, and where relevant, other service users, in the preparation and scrutiny of performance information. It must:</p> <ul style="list-style-type: none"> <li>• agree its approach with tenants</li> <li>• ensure that it is</li> </ul>	<p>Tenant scrutiny reports and action plans</p> <p>Minutes from governing body/committee meetings where scrutiny reports considered</p>	<p>How did we agree our approach to tenant scrutiny with tenants?</p> <p>Do tenants determine their scrutiny priorities?</p> <p>Are we confident that our engagement activities provide us with access to a representative range of tenant opinions?</p> <p>How do we gain assurance that tenant views inform and influence our delivery of services?</p> <p>How have tenants influenced our performance? How are tenants involved in monitoring our performance?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	<p>effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance</p> <ul style="list-style-type: none"> <li>• publicise the approach to tenants</li> <li>• ensure that it can be verified and be able to show the agreed approach to involving tenants has happened</li> <li>• involve other service users in an appropriate way, having asked and had regard to their needs and wishes.</li> </ul>		<p>Have we sought (or considered seeking) specialist support in developing our engagement and consultation with tenants and/or in assessing its effectiveness?</p> <p>Are we confident that we provide appropriate support to tenants to enable them to exercise their scrutiny role effectively?</p> <p>Do we include information about how tenants can become involved in helping to assess our performance on our website, social media platforms and in our publications?</p> <p>Do we publish tenant scrutiny reports and our responses?</p> <p>Do we make effective arrangements to support tenants with additional needs to participate in our scrutiny and engagement activities?</p> <p>Do we have effective arrangements for engaging with other service users (e.g. owners who purchase factoring services; tenants of other landlords who use our support services; family members of tenants and residents in our supported accommodation)?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
CH3	<p>Each landlord must report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.</p>	<p>Annual charter report to tenants</p> <p>Feedback on Charter report</p> <p>Record of consideration of SHR landlord report by governing body/committee and any agreed action plan</p>	<p>How did we consult with tenants and service users about the format of our annual Charter Report?</p> <p>Are we assured that the views of tenants and service users have influenced the format of our annual report?</p> <p>How did we gain that assurance? Have we acted on feedback from tenants and service users to revise the format of the report?</p> <p>Did we publish our annual Charter report by October in the period covered by this Annual Assurance Statement? How did we make the report available to our tenants and service users?</p>
CH4	<p>When reporting its performance to tenants and other service users each landlord must:</p> <ul style="list-style-type: none"> <li>• provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord</li> <li>• include relevant</li> </ul>	<p>Annual Charter report to tenants</p> <p>Feedback on charter report</p>	<p>Are we assured that our annual report includes comparisons with an appropriate range of other landlords as well as the national average?</p> <p>Have we included comparisons between our current performance and our performance in previous years?</p> <p>Have we agreed with tenants and service users how these comparisons should be presented and explained?</p> <p>Does our report explain clearly any factors that have influenced our performance (positively and/or negatively)?</p> <p>Does our report explain clearly how we will address any areas for improvement? Are we assured that areas for improvement and appropriate actions have been discussed with our tenant scrutineers?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	<p>comparisons – these should include comparisons with previous years, with other landlords and with national performance</p> <ul style="list-style-type: none"> <li>• set out how and when the landlord intends to address areas for improvement</li> <li>• give tenants and other service users a way to feed back their views on the style and form of the reporting.</li> </ul>		<p>Does our report explain why specific Charter outcomes do not apply to us?</p> <p>How have we responded to the performance report? Are we assured that we have effective ways of ensuring that intended improvements are delivered and that commitments to tenants and service users are met?</p> <p>Are we assured that tenants and service users are able to comment on our report easily?</p>
CH5	<p>Each landlord must make the SHR report on its performance easily available to its tenants, including online.</p>	<p>Charter report to tenants</p> <p>Website</p>	<p>How have we made our report available to tenants and other service users?</p> <p>Is our report easily accessible from our website?</p> <p>Have we promoted our report on our social media platforms and in our newsletter?</p> <p>Are we assured that our tenants have been consulted about the format in which our report is published? How have we gained that assurance?</p>

## Tenant and Service User Redress

### **Other Regulatory Requirements/Standards to Consider:**

Regulatory Standards 1.3, 2.2 and 2.4 (for RSLs)

### **Links to Relevant Documents and Guidance**

- [SHR Significant Performance Failure Leaflet for Tenants](#)
- [Scottish Housing Regulator - Complaints Handling By Social Landlords in Scotland - a Thematic Inquiry](#)
- [SHR Factsheet on Making a Complaint about a Regulated Body](#)
- [SPSO Model Complaint Handling Procedure for RSLs](#)
- [SPSO Model Complaints Handling Procedure for Local Authorities](#)
- [University of Glasgow - Being Complained About Guidelines](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-Assurance Factors
TS1	Each landlord must make information on reporting significant performance failures, including SHR leaflet, available to its tenants.	<p>Website</p> <p>Leaflets displayed in offices</p> <p>Information in newsletters</p>	<p>How do we make the SHR's leaflet on reporting significant performance failures available to our tenants?</p> <p>Is it easy for tenants to access the leaflet?</p>
TS2	Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).	<p>Complaints reports to governing body/ committee</p> <p>Charter statistics</p> <p>Internal audit</p>	<p>How do we gain assurance that we provide information to tenants and other service users in ways that enable them to complain?</p> <p>How have the response timescales been agreed locally? Have tenants been consulted and have their comments informed the agreed timescales?</p> <p>How are we assured that we respond to complaints within agreed timescales? How do we gain assurance that we are following SPSO guidance in our handling of complaints?</p> <p>Are we confident that we receive reports that give us sufficient information about complaints received to enable us to monitor our performance in terms of both process and service delivery? Do we receive such reports at the right frequency?</p> <p>How have we used information from complaints to inform our delivery of services and/or change our practices?</p> <p>Do we compare our performance in handling complaints with that of other landlords? Are we assured that our performance meets our expectations and published standards?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-Assurance Factors
			<p>Has complaints handling been included in a recent internal audit programme? Are we assured that any recommendations have been implemented effectively?</p>
TS3	<p>Each landlord must ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance</p>	<p>Complaints reports to governing body/ committee</p> <p>Tenant scrutiny Reports</p>	<p>How do we use the information that we receive about complaints?</p> <p>Are we assured that we respond effectively to complaints and that we learn from them?</p> <p>How have our services and/or processes been changed because of feedback from complaints?</p> <p><b>Where you have a Tenant Scrutiny Panel:</b></p> <p>Does our Tenant Scrutiny Panel have a role in monitoring our response to complaints?</p> <p>Have we sought feedback on our handling of complaints from the scrutiny panel?</p>

## Whistleblowing

### **Other Regulatory Requirements/Standards to Consider:**

Regulatory Standard 5.2 and 5.6 (for RSLs)

### **Links to Relevant Documents and Guidance**

- [SHR Whistleblowing Fact Sheets](#)
- [Draft SPSO National Whistleblowing Standards](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-Assurance Factors
WB1	Each landlord must have effective arrangements and a policy for whistleblowing by staff and governing body/committee members which it makes easily available and which it promotes.	Whistleblowing policy  Any whistleblowing cases that have taken place	<p>How have we made staff and governing body/committee members aware of our policy on whistleblowing and the process to be followed where concerns exist?</p> <p>How are we assured that staff and GBMs are aware of the policy and process?</p> <p>Do we promote the whistleblowing policy regularly?</p> <p>Have we ensured the Whistleblowing Policy applies and is promoted throughout our group structure?</p> <p>Have we provided any training to staff and governing body/committee members on whistleblowing?</p>

## Equality and Human Rights

### **Other Regulatory Requirements/Standards to Consider**

Regulatory Requirement: AN3

Regulatory Standards: All Standards; especially 1.3 and 5.3 (for RSLs)

### **Links to Other Relevant Documents and Guidance**

- [Equality and Human Rights Commission](#)
- [EHRC Guidance - Housing and Disabled People - Your Rights](#)
- [EHRC Guidance Housing and Disabled People - What Should Local Authorities Do?](#)
- [SHR Thematic Enquiry Use of Equalities and Diversity Data by Social landlords](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-assurance Factors
EH1	Each landlord must have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.	Equalities and diversity policy  Aids and adaptations policy  Recruitment policy  ASB policy  Provision of policies and information in alternative formats and languages  Availability of interpreting services  Accessible offices/venues	<p>Do our policies consider and take account of equalities implications?</p> <p>How are we assured that our policies and practices do not discriminate unlawfully or unfairly?</p> <p>Do the reports that we consider include reference/links to equalities implications?            Do we carry out equalities impact assessments on any proposals relating to service delivery? How do we use these assessments to support our decision-making?</p> <p>How do we monitor our performance in promoting equalities?</p>
EH2	To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new		<p><i>Pending further guidance being issued, compliance with this requirement will not be measured by the SHR until April 2021. In the meantime, it is recommended that landlords continue to collect the equalities data that was previously submitted in the Annual Return on the Charter (ARC) – i.e. Ethnic origins and disability details of service users, staff and governing body/committee members.</i></p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-assurance Factors
	<p>tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide gypsy/traveller sites must collect data on protected characteristics for these service users.</p>		

# Requirements for Registered Social Landlords Only

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July 2019

## Statutory Guidance

### **Other Regulatory Requirements/Standards to Consider**

Regulatory Standards 1.3, 2.5, 3.7, 4.4, 7 (where applicable)

### **Links to Relevant Documents and Guidance**

- [SHR Statutory guidance: Notifiable Events](#)
- [SHR Statutory guidance: Group Structures](#)
- [SHR Statutory Guidance: Tenant Consultation and approval](#)
- [SHR Statutory Guidance: Financial Viability of RSLs: Information Requirements](#)
- [SHR Statutory Guidance: Determination of Accounting Requirements](#)
- [SHR Statutory Guidance: Preparation of Financial Statements.](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
SG1	Comply with, and submit information to us (SHR) in accordance with, our guidance on <u>notifiable events (NE)</u>	<p>Notifiable events policy</p> <p>Notifiable events register</p> <p>Reports to GB</p> <p>Scheme of delegation</p>	<p>Are we satisfied that the requirements of the NE guidance are well understood?</p> <p>Are we satisfied that relevant policies and processes highlight the potential for NE to arise? Do we include consideration of NE on governing body agendas?</p> <p>Does our scheme of delegation specify where responsibility lies for submitting NE to the SHR?</p> <p>Does the governing body review the notifiable events register annually?</p> <p>Are we satisfied that all required notifications have been made during the last year? How have we gained this assurance?</p> <p>Are we satisfied that, where a notifiable event arises, all other notifications are/have been made (e.g. to funders and/or other regulators?) How do we gain that assurance?</p>
SG2	<p>Comply with, and submit information to us (SHR) in accordance with our guidance on <u>group structures</u></p> <p>This only applies to RSLs which are members of a group structure</p>	<p>Rules/Articles of Association</p> <p>Independence agreement/intra-group agreement</p> <p>Service level agreement</p> <p>Intra-group loan Agreement(s)</p> <p>Other intra-group agreements</p>	<p>Are we assured that the constitutions of all members of the group comply with legal and regulatory requirements? How do we gain this assurance?</p> <p>Where a subsidiary is a RSL, are we assured that there are sufficient members of the GB to form a quorum who are independent of other group members?</p> <p>Where a subsidiary is not registered, are we assured that there are some GBMs who are not also members of another group GB?</p> <p>How do we gain this assurance?</p> <p>How do we gain assurance that the terms of intra-group agreements comply with legal, constitutional and regulatory requirements and conditions?</p> <p>How do we monitor the operation of the intra-group agreement?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		<p>Specialist advice</p> <p>Group accounts</p> <p>Asset register(s)</p> <p>Risk register (s)</p> <p>Loans register</p> <p>Schedule of Covenants</p> <p>GB reports</p> <p>Financial projections and budgets</p> <p>Standing Orders</p> <p>GBM profile and recruitment policy</p> <p>Code of Conduct</p> <p>Policy on entitlements payments and benefits</p> <p>Whistleblowing policy</p>	<p>How do we monitor intra-group loan agreements?</p> <p>How do we monitor the performance delivered via Service Level Agreements (SLAs)? How do we review the terms of SLAs?</p> <p>How are we assured that our intra-group service delivery arrangements comply with procurement legislation?</p> <p>Do we receive periodic reports on the activities of the other group members?</p> <p>How are we assured that the GBs within the group have the necessary skills and knowledge to fulfil their roles?</p> <p>Are all GBMs within the group subject to an annual review of the effectiveness of their contribution?</p> <p>Do our GBM role descriptions set out the responsibilities that GBMs who are members of more than one organisation in the group have?</p> <p>Do all GBMs within the Group subscribe to the same Code of Conduct?</p> <p>Do our group policies establish a consistent framework to ensure that we conduct our affairs with honesty and integrity?</p> <p>Does our policy on declaring interests and identifying and managing conflicts reflect our group structure?</p> <p>Do the chairs of the group GBs meet periodically?</p> <p>Are all members of the group involved in formulating and reviewing the business and financial plans?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>How do we gain assurance that the group's activities are subject to effective scrutiny in respect of audit, risk and performance?</p> <p>Are we assured that the group's financial statements (individually and collectively) comply with current accounting requirements?</p> <p>Have we taken legal advice about the need to prepare consolidated accounts?            How are we assured that the activities of any subsidiary complement the objectives of the parent and do not put the interests of tenants at risk?</p> <p>For a parent RSL: How do we monitor the affairs of our subsidiaries to ensure that we are able to take appropriate action in the event of a failure or breach that requires step-in action?</p> <p>Does our website and the information that we make available describe the activities of group members and the relationships between group members clearly?</p>
SG3	<p>Comply with, and submit information to us (SHR) in accordance with, our guidance on <u>consulting tenants where tenant consent is required</u>  <i>This applies only where a RSL is intending to either: dispose of tenanted properties by sale or transfer; or become a subsidiary of another organisation; or is</i></p>	<p>Notifiable events register</p> <p>Tenant consultation plans</p> <p>Rules</p> <p>Legal advice</p> <p>Independent adviser feedback and verification</p>	<p>Have we notified the SHR of our intentions?</p> <p>What arrangements have we made to ensure that any additional regulatory requirements / expectations are fulfilled?</p> <p>How have we assured ourselves that our transfer / disposal / restructuring plans are in accordance with our business plan and are in the best interests of our tenants?</p> <p>How have we gained assurance that our plans / proposals meet legal and regulatory requirements?</p> <p>Have we considered and made adequate arrangements for effective consultation with tenants in our plans for disposal / transfer / restructuring?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	<p><i>intending to convert from being a company to become a registered society; or is likely to be restructured as a result of the actions of creditors; or intends to be dissolved or wound up voluntarily</i></p>	<p>GB reports and minutes</p> <p>Records and copies of notifications to the Office of the Scottish Charity Regulator (OSCR) and Financial Conduct Authority (FCA)</p> <p>Notices and minutes of Special General Meetings (SGMs)</p>	<p>Have we engaged independent, free advice and support for tenants?</p> <p>Have we consulted the SHR about our consultation plans?</p> <p>Are we satisfied that all notices have been served on tenants in accordance with legal requirements?</p> <p>Have we taken account of tenant feedback and have our proposals changed as a result?</p> <p>Have we notified the SHR about the outcome of the consultation and how our proposals have been affected?</p> <p>How are we satisfied that the ballot is/was/will be conducted in accordance with legal and regulatory requirements and good practice?</p> <p>How are we satisfied that the meetings of shareholding members have been/will be called and conducted in accordance with constitutional requirements?</p> <p>How have we gained assurance that the necessary notifications have been made to OSCR, the FCA and the SHR?</p>
SG4	<p>Comply with, and submit information to us (SHR) in accordance with, our guidance on <u>financial viability of RSLs: information requirements</u></p>	<p>Five Year Financial Projections (FYFP)</p> <p>Audited accounts</p> <p>Auditor's Management Letter,</p> <p>GB report and response to auditor</p>	<p>Are we assured that all financial returns are submitted to the SHR on time? How do we gain that assurance?</p> <p>Are we aware of any significant additional information requirements that the SHR has specified and how these are met?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		<p>Audited financial statement return</p> <p>Loan Portfolio Return (and in-year updates/amendments)</p> <p>Financial statements for related organisations within a formal or informal group structure</p> <p>Consolidated group accounts (if produced)</p> <p>Register of returns</p>	
SG5	<p>Comply with, and submit information to us (SHR) in accordance with, our guidance on <u>determination of accounting requirements</u></p>	<p>Financial statements</p> <p>Audited accounts</p> <p>Auditor's management letter</p> <p>GB and/or Audit Committee reports</p> <p>Minutes of GB and/or Audit Committee meeting(s)</p>	<p>How are we assured that financial statements and reports comply with legal and regulatory requirements?</p> <p>Has the GB given due consideration to the financial statements before approving them for presentation to the membership?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
SG6	Comply with, and submit information to us (SHR) in accordance with, our guidance on <u>preparation of financial statements.</u>	Notifiable events policy and register  GB/Audit Committee reports and minutes  Auditor's report	How are we assured that the preparation of financial statements accords with current statutory, regulatory and accounting practice?  How have we gained assurance that the RSL remains a 'going concern'?

## ORGANISATIONAL DETAILS AND CONSTITUTION

### **Other Regulatory Requirements/Standards to Consider**

Regulatory Standard 1.3, 2.1, 2.5 and 6.4

### **Links to Other Relevant Documents and Guidance**

[Register of Social Landlords](#)

[SFHA Model Rules 2013 \(as Amended 2015\)](#)

[SFHA Guide to Making Rule Amendments](#)

[SFHA Accompanying Guidance to Model Rules](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/	Self-Assurance Factors
OC1	<p>Make publicly available, including online, up-to-date details of:</p> <ul style="list-style-type: none"> <li>– who is on its governing body</li> <li>– the date when they first became a member/office holder</li> <li>– how to become a member of the RSL and of the governing body, and</li> <li>– minutes of governing body meetings.</li> </ul>	<p>Website</p> <p>Newsletters</p> <p>Annual report(s)</p>	<p>Do we have the names of our governing body members on our website, along with the date they first became a governing body member?</p> <p>Have we published on our website and in relevant publications the names of our office bearers and the date they became an office bearer?</p> <p>Are there details on our website of how to become a governing body member?</p> <p>Do we publish information about joining the GB, including the specific skills and knowledge we have identified we need, in advance of our Annual General Meeting (AGM)?</p> <p>Is our process for recruiting GBMs clear and transparent?</p> <p>Are the minutes of GB meetings available on our website?</p>
OC2	<p>Keep up-to-date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.</p>	<p>Scheme of Delegation</p> <p>Staff role descriptions</p>	<p>Do we regularly update our entry on the Register of Social Landlords as and when required?</p> <p>Where is responsibility for updating our entry on the register located?</p>
OC3	<p>The constitution of the RSL must comply with all legislative requirements under the 2010 Act and the</p>	<p>Rules/Articles</p> <p>Legal advice</p> <p>GB minutes</p>	<p>Are our rules based on the SFHA model or an alternative?</p> <p>Are we satisfied that any amendments to the model comply with the Constitutional Standards?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/	Self-Assurance Factors
	SHR Constitutional Standards		<p>How have we gained this assurance?</p> <p>Are we satisfied that the composition of our GB and any sub-committees is consistent with our constitution?</p>

Social Landlord Self-Assurance

# Regulatory Standards of Governance and Financial Management

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July 2019

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Scottish Federation of  
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Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Questions for Governing Body Members to ask/Self-Assessment Factors
GF1	Comply with the Standards of Governance and Financial Management and associated guidance	Evidence bank  Records of assessment process  Action plan(s)	<p>Are we satisfied that we have assessed our compliance with the regulatory standards effectively?</p> <p>Have we reviewed our compliance with each standard at least once in the last three years?</p> <p>Have we considered the materiality of any areas of non-compliance and are our conclusions supported by the evidence we have reviewed?</p> <p>Have we accurately disclosed any areas of material non-compliance and are we satisfied that there is a deliverable action plan in place to address these areas?</p> <p>Do we have an effective framework for monitoring achievement and for notifying the SHR when complete?</p>

## Regulatory Standard 1

*The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users*

### Other Regulatory Requirements/Standards to Consider

Regulatory Standards 2, 3 and 4

### Links to Other Relevant Documents and Guidance

#### SFHA Guidance

- [SFHA Internal Audit Guidance](#)
- [SFHA Model Role Descriptions for Governing Body Members and Office Bearers \(May 2018\)](#)
- [SFHA Model Rules 2013 \(as Amended 2015\)](#)
- [SFHA Governing Body Member Annual Review Guidance](#)
- [SFHA Model Entitlements Payments and Benefits Policy](#)
- [SFHA Model Code of Conduct for Governing Body Members](#)

#### SHR Guidance

- [SHR Regulatory Framework](#)
- [SHR Notifiable Events guidance](#)
- [SHR Recommended Practice: Business Planning Dec 2015](#)

#### Other

- [OSCR Guidance and Good Practice for Charity Trustees](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
1.1	<p>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.</p>	<p>Strategic planning process (notes of away days, governing body reports etc.)</p> <p>Strategic Plan/Strategy</p> <p>Risk Register</p> <p>Financial planning process (notes and records)</p> <p>Risk assessment and mapping</p> <p>Tenant engagement activities and reporting</p>	<p>How does the GB participate in and contribute to strategic planning?</p> <p>How and at what stage are GBM ideas and opinions gathered (at the start? when a draft is presented?)</p> <p>Where do the ideas come from (staff, GBMs, both)?</p> <p>Are there opportunities for the GB to engage in 'blue sky thinking' or 'kite-flying' – to identify ideas rather than consider whether a proposal should be approved?</p> <p>How involved is the GB in scenario planning; sensitivity analysis; risk analysis; success measures and contingency planning?</p> <p>How are the views of tenants gathered?</p> <p>How are tenants involved in and consulted about the organisation's strategy and plans for the future?</p> <p>How far ahead does the GB look when planning for the future? (Think about whether the period is long enough/too short or too far ahead to support realistic planning)</p> <p>How often does the GB review the strategic objectives?</p> <p>How do you think your organisation appears externally (forward looking/traditional/risk-taking/leader/follower)?</p> <p>How well informed is your organisation's planning? (Think about how you take account of the wider sector picture; financial and economic forecasts; local and national policy; good practice developments; learning from experience)</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>How does strategic planning 'fit' with financial planning? Does one come before the other (finance leading strategy or strategy leading finance)?</p> <p>How does the GB contribute to the longer term financial planning of the organisation (think about the processes for annual budget preparation and the assessment of financial resource requirements over the longer term)?</p> <p>How does the GB participate in identifying 'optional' spend (i.e. the financial requirements associated with strategic ideas)?</p>
1.2	<p>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.</p>	<p>GBM role descriptions and person specifications (or equivalent e.g. committee profile)</p> <p>Role descriptions for office-bearers</p> <p>Role/job descriptions for senior officer and senior staff</p> <p>Scheme of Delegation</p> <p>Internal Audit reports</p> <p>GBM appraisal feedback</p>	<p>Are there up-to-date role descriptions for governing body members and senior staff?</p> <p>How does the GB monitor the appropriateness and effectiveness of these documents?</p> <p>How is performance assessed and reported? (e.g. GBM annual reviews, staff appraisals)</p> <p>Are the Codes of Conduct for GBMs and staff actively promoted and upheld? (Think about how prominent/central the codes and their values/expectations are within the organisation; how any failings are managed and/ or alleged breaches investigated).</p> <p>Is there a comprehensive Scheme of Delegated Authority? How is it monitored?</p> <p>Is there an appropriate division between strategic and operational responsibility for the GB and senior staff?</p> <p>Is the GB focussed on strategy, performance monitoring, compliance, finance etc?</p> <p>Is the reporting structure effective (think about what is reported and when, frequency, style, flexibility, review, action planning, link with budget and financial reporting)?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			Is the governance structure effective and appropriate (think about the role and operation of sub-committees, effectiveness of delegation; risk of duplication between sub-committees and with the GB; where responsibility is focussed (GB or sub-committee)?
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 <sup>8</sup> .	<ul style="list-style-type: none"> <li>Rules</li> <li>Legal and contractual obligations</li> <li>Legal advice</li> <li>Internal and External Audit</li> <li>Standing Orders</li> <li>Scheme of Delegation</li> <li>Training records</li> <li>Report templates</li> </ul>	<p>Is the RSL appropriately constituted (i.e. are the rules/articles consistent with statutory and regulatory requirements – SHR constitutional requirements; OSCR requirements)?</p> <p>How is constitutional compliance ensured (e.g. do reports consider any constitutional implications in respect of specific decisions such as amount or type of borrowing, how new proposals 'fit' with the RSL's constitutional purpose as set out in the rules/articles or with other contractual obligations such as covenants)?</p> <p>How is legal and contractual compliance ensured?</p> <p>Is there confidence that the GB would identify if something was 'wrong'?</p> <p>Do the Standing Orders set out effective decision-making processes (consider where decision making responsibility lies; at what level decisions can be taken; how authority is granted; how much responsibility is delegated to the senior officer/retained by the GB)?</p> <p>Is the exercise of delegated authority reported effectively (when and how; emergency arrangements)?</p> <p>Has the RSL obtained constitutional or specialist advice about any proposed new activities?</p> <p>How do you ensure that you are well-informed about changes that might affect what the organisation can do?</p>

<sup>8</sup> Constitutional Standards are set out in Part 3 of the SHR's Regulatory Framework (2019)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>What training is provided to GBMs and staff about the organisation's permitted activities?            How do GBMs and staff keep their knowledge up-to-date?</p>
1.4	All governing body members accept collective responsibility for their decisions.	<p>GB minutes</p> <p>GBM training records</p> <p>GBM annual review templates</p>	<p>How is collective responsibility demonstrated?</p> <p>Have there been any alleged breaches and, if so, how have these been dealt with?</p> <p>How is the distinction made between being able to disagree with and argue against a proposal, but abiding by the subsequent decision?</p> <p>How do minutes record debates and 'disagreements'? Is this style compatible with publication of minutes?</p> <p>What training is provided to GBMs – and how frequently is this refreshed?</p> <p>Do the annual GBM reviews consider collective responsibility and decision-making?</p>
1.5	All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	<p>GBM role descriptions</p> <p>GB recruitment, selection and induction processes and records</p> <p>GBM annual review process</p> <p>Senior officer appraisal process</p>	<p>How comprehensive/accurate are the role descriptions for GBMs?</p> <p>What information is provided to prospective candidates who are interested in joining the GBM? Is this information available from our website?</p> <p>How is the induction training for new GBMs planned and delivered? Is there an approved policy in place? Are other members of the GBM involved in the recruitment and induction process?</p> <p>How is the effectiveness of induction reviewed and monitored? Is our process in line with good practice?</p> <p>Are GBMs invited to comment on the effectiveness of working relationships between the GB and senior officers as part of their annual review? If so, how is the feedback used?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>How would you describe the relationship between the GB and senior staff? How would any issues be addressed?</p> <p>Is responsibility for leading the GB's relationship with the senior staff identified in the Chair's role description? How is the effectiveness of the Chair in fulfilling this role monitored?</p> <p>How effectively do GBMs challenge senior staff and how do officers respond (consider the range and depth of questioning as well as the tone)?</p> <p>How effective is the process for reviewing, appraising and reporting on the senior officer's performance? Are the outcomes reported to the GB?</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 personal or other interest ahead of their primary duty to the RSL.	<p>Code of Conduct</p> <p>GB recruitment and selection process</p> <p>GBM training programme</p> <p>Register of Interests</p> <p>Policy on declaring and managing interests</p> <p>Report template</p>	<p>Do the GBM induction and training programmes consider the distinction between bringing a perspective and representing an interest (think about how the issues about which 'hats' GBMs wear is addressed and the importance of ensuring that there are a variety of interests but that 'constituencies' are not being represented)?</p> <p>Are scenarios used as part of the induction and ongoing training to explain the principles of the Code of Conduct?</p> <p>Is there a policy on declaring interests and managing conflicts of interest? Is it consistent with the constitution?<sup>9</sup></p> <p>Are the objectives of proposals clearly linked to their purpose/benefit/impact on tenants and service users?</p> <p>Is there an up-to-date Register of Interests? Do GBMs and staff accept responsibility for ensuring that the Register is always up-to-date? How is this monitored?</p>

<sup>9</sup> 'constitution' should be interpreted as either the Rules or the Articles or other governing instrument for the RSL

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>Does the GB always consider whether there are any relevant interests to be declared before considering the business? Are interests openly declared and, if they present a conflict, effectively managed?</p> <p>Are a majority of GBMs elected by the shareholding membership? Are the restrictions on the number and rights of co-opted members understood and observed?</p> <p>Are GBM candidates invited to describe why they are interested in joining the GB and is background information about candidates provided as part of the AGM documentation?</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>Code of Conduct</p> <p>Recruitment policy</p> <p>Induction policy</p> <p>GBM annual review</p> <p>Independence / intra-group agreement</p>	<p>Do the GBM Induction and training programmes consider the distinction between bringing a perspective and representing an interest (think about how the issues about which 'hats' GBMs wear is addressed and the importance of ensuring that there are a variety of interests but that 'constituencies' are not being represented)?</p> <p>Does the GB always consider whether there are any relevant interests to be declared before considering the business? Are interests openly declared and, if they present a conflict, effectively managed?</p> <p>Are GBM candidates invited to describe why they are interested in joining the GB and is background information about candidates provided as part of the AGM documentation?</p>

**Regulatory Standard 2:**

*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.*

**Other Regulatory Requirements/Standards to Consider:**

Regulatory Standards 1, 4 & 5

**Other Relevant Documents and Guidance**

- [SFHA/GWSF Open All Hours - A Model Publication Framework for Housing Associations and Co-operatives](#)
- [SHR Notifiable Events Guidance](#)
- [Openness and Accessibility in Scottish Social Housing: A Thematic Inquiry \(Scottish Housing Regulator\)](#)
- [How Social Landlords Consult Tenants About Rent Increases - A Thematic Inquiry \(Scottish Housing Regulator\)](#)
- Charter Outcomes 2 (Communication) and 3 (Participation) [Scottish Social Housing Charter](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-Assurance Factors
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	Tenant engagement strategy  PR/communications strategy  Customer satisfaction survey reports  Consultation reports  Newsletters  Annual performance report to tenants  GB report template	Do you use a range of methods to communicate with tenants and service users? Do these methods accommodate different needs and preferences and ensure accessibility?  Do you ask tenants and service users about their preferred communication method(s)?  How well informed is the GB about the range of methods used and their success / effectiveness?  How do you monitor what tenants and service users think about your communication? How frequently do you review your communication methods?  How accessible/useful is your website?  Do you produce information for specific audiences or are your communications 'multi-purpose'?  How do you ensure that tenant and customer interests are 'championed' within your organisation?
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 accountabilities	Implementation of Model Publication Framework (or action plan for that)          Complaints reporting	How informative is your website?  Are tenants involved in deciding how your performance against the Charter is reported?  Do you adopt a 'you said: we did' reporting format?  Do you publish information about how the RSL spends its money?

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-Assurance Factors
			<p>How are complaints reported to the GB? (Think about what is reported and when; is information provided about any changes which have been made to practices or processes).</p> <p>Do you publish feedback from complaints? Do you explain to customers how complaints influence future service delivery?</p>
2.3	<p>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>Action plan to deliver compliance with FOI from 11 November 2019</p> <p>Annual performance report to tenants</p>	<p>Does your website include a Guide to Information that reflects the Model Publication Scheme published by the Scottish Information Commissioner (SIC)?</p> <p>Does your website contain the information required by the SIC Model Publication Scheme and recommended by SFHA/GWSF's updated Open All Hours Guidance?</p> <p>Does your website provide information about the membership of the governing body including when members and office bearers were elected?</p> <p>Does your website include information about how to join the GB?</p> <p>Are the minutes of GB meetings published on your website?</p>
2.4	<p>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>Tenant engagement strategy</p> <p>Tenant satisfaction survey results</p> <p>Tenant and stakeholder consultations and reporting</p>	<p>Have you carried out a Tenant Satisfaction Survey (TSS) in the last 3 years in accordance with the requirements of the Scottish Social Housing Charter?</p> <p>Do you carry out more frequent customer feedback exercises (e.g. repairs monitoring)?</p> <p>How have the findings from the TSS and other customer feedback influenced service delivery and performance?</p> <p>Do you have a Registered Tenant Organisation (RTO) (or equivalent); tenant scrutiny panel; focus group(s); armchair critics; tenants' conference?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-Assurance Factors
		<p>Strategic Plan</p> <p>GB report template</p> <p>Rent consultation</p>	<p>Are there opportunities for GBMs to engage directly with tenants and service users?</p> <p>Do you offer a variety of opportunities for tenants and service users to comment on service delivery (electronic; face-to-face; written; immediate e.g. following a repair; periodic e.g. satisfaction surveys; general e.g. about everything; specific e.g. rents or repairs or a specific proposal)?</p> <p>Do you provide options, or assess the merits of providing options, for tenants to consider as part of the annual rent consultation?</p> <p>What information is provided to tenants about the association's activities, plans and proposals and how is it provided?</p> <p>How do you ensure that you know what tenants and service users think of what the organisation is planning to do? How can/do tenants and service users contribute to/influence strategic planning? How is this reported?</p> <p>How are tenant and service user views reported to the GB and how does the GB take account of their views? (Consider 'auditing' recent decisions to assess how effectively the views of tenants and service users were incorporated)</p> <p>How do you review the effectiveness of your engagement activities?</p> <p>Who, apart from tenants and service users, are your organisation's key stakeholders? How do you engage with them? How do you know if you are effective?</p>
2.5	The RSL is open, cooperative, and engages effectively with all its regulators and funders, notifying them of anything	<p>Notifiable events policy / procedure</p> <p>Internal Audit reports</p>	How do you ensure that the GB and senior staff have an up-to-date knowledge of the organisation's obligations?

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence/Sources of Assurance	Self-Assurance Factors
	<p>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>GB agendas, minutes and reports</p> <p>Scheme of Delegation</p> <p>GBM and senior staff training records</p> <p>Schedule(s)/Register of Returns/Notifications made</p> <p>Internal Audit reports/ programme</p>	<p>Are you confident there are robust processes in place that ensure issues are identified at an early stage? (Consider carrying out periodic reviews against the relevant guidance to ensure that nothing has been missed)</p> <p>Is there a process for identifying, recording and reporting Notifiable Events? Is there clarity about who is responsible for reporting (especially whether Chair or senior officer)?</p> <p>Do relevant policies contain references to Notifiable Events (e.g. risk management, confidentiality, procurement, financial regulations, data protection, health and safety, whistleblowing etc.)?</p> <p>Are GBMs and senior staff familiar with the notifiable events requirements of SHR and OSCR? How do they keep up-to-date?</p> <p>Is there a standing item on GB agendas for Notifiable Events?</p> <p>Does the internal audit programme include consideration of how effectively you meet your regulatory and funding obligations?</p> <p>Does the GB receive regular information about covenant compliance? Does the GB have an opportunity to meet with lender representatives to discuss the association's financial position and potential alternative arrangements if required?</p> <p>Are you pro-active in your communication with regulators, funders and partners?</p> <p>How does the GB monitor compliance with statutory and regulatory obligations (e.g. is there a calendar of returns that is presented periodically to provide assurance?)</p>

**Regulatory Standard 3:**

*The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.*

**Other Regulatory Requirements/Standards to Consider**

This standard is central to compliance with every Regulatory Standard.

**Links to Relevant SFHA Guidance**

- [SFHA Internal Audit Guidance](#)
- [SFHA Model Entitlements Payments and Benefits Policy](#)
- [SFHA and Housemark Rent Setting Tool](#)

**Links to Relevant SHR Guidance**

- [SHR Guidance on Business Planning Dec 2016](#)
- [SHR Thematic Enquiry - How Social Landlords consult tenants about rent increases](#)
- [SHR Recommended Practice: Senior Officer Remuneration](#)
- [Financial Viability of RSLs - Information Requirements](#)
- [Determination of Accounting Requirements](#)
- [Accounts - Preparation of Financial Statements](#)
- [Internal Financial Controls and Regulatory Standards](#)
- [Recommended Practice - Asset Management](#)

**Scottish Social Housing Charter Outcomes on Rents & Service Charges (14) and Value For Money (13) [Scottish Social Housing Charter](#)**

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
3.1	<p>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 plans and projections</p> <p>Treasury management policy</p> <p>GB reports</p> <p>Feedback from tenant consultations</p> <p>Tenant newsletters and publications</p> <p>Annual Reports</p> <p>Statements on value for money and affordability</p> <p>Internal Audit reports and action plans</p> <p>External Audit Annual Report</p> <p>External Audit management letter</p>	<p>What principles underpin financial planning?</p> <p>How are budgets prepared and monitored? Is there an annual budget preparation process and plan? Is the budgeting process inclusive across the organisation? Is there a formal mid-year review which allows for material changes to be accommodated?</p> <p>How are the views and preferences of tenants and service users taken account of? How influential are customer views in financial planning?</p> <p>How is the annual consultation on rents carried out? Are tenants presented with options to consider where costs and services are explained? If we did not offer options to tenants – how was the decision not to informed?</p> <p>How is affordability assessed? Does the organisation have a definition/understanding of affordability based on realistic tenant profiles?</p> <p>Does the annual report explain/describe how rents are spent and what the organisation’s key costs are?</p> <p>Does the organisation have an agreed statement or description of how value for money is assessed, or has it considered the merits of developing one? What input did tenants and service users have in agreeing the definition or statement? What factors informed the preparation of the statement and how was the level of detail determined? What is the review process and how regularly is it carried out?</p> <p>How regularly are financial processes audited? How is the audit plan prepared and who is involved? How are the audit results/outcomes taken forward?</p> <p>Are financial plans subject to external scrutiny? If so, by whom and how often? How does the GB gain assurance that projections and assumptions are reasonable/realistic?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		Scheme of Delegation	<p>Do GB reports make explicit links to impact / effect on e.g. affordability, value for money, tenant consultation?</p> <p>How does the association decide what its liquidity requirements are? How are these requirements reported to/considered by the GB?</p> <p>Is there adequate delegated authority to support efficient financial management (i.e. in terms of authorisation)?</p> <p>Does the association have an ethical investment policy? Is this communicated to tenants and service users?</p>
3.2	The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.	<p>Treasury management policy</p> <p>Risk Strategy</p> <p>Records of/reports about external/ specialist advice</p> <p>GB training records</p> <p>GB reports</p> <p>Scheme of Delegation</p>	<p>What is the GB's role in agreeing the treasury management policy and monitoring its implementation? How are the risks associated with the policy assessed, managed and monitored? Does the policy take account of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code on treasury management?</p> <p>How is the GB assured that its treasury management policy and practice complies with constitutional, regulatory and ethical requirements?</p> <p>How is the treasury management function undertaken?</p> <p>When is specialist investment/treasury management advice obtained and how are suitable advisers identified? How is that advice presented/reported to the governing body?</p> <p>How does the organisation know that investments are performing well? How are decisions taken about the level of funds to be invested? What arrangements are in place to ensure that funds are invested in accordance with the association's constitution? How is investment performance reported to the GB?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>Is there an appropriate level of delegated authority to ensure that the treasury management policy is operated effectively?</p> <p>What training is provided to the GB on investments and associated risks?</p>
3.3	<p>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>Records of planning events and/or away days</p> <p>Risk Strategy and Risk Register</p> <p>Benchmarking (or equivalent) reports</p> <p>Key Performance Indicators (KPIs)</p> <p>Governing body reports</p> <p>Performance reports</p> <p>Risk reports</p> <p>Internal Audit reports</p> <p>Notifiable Events</p>	<p>How is the business plan developed? Who is involved? Does the current business plan reflect the SHR's recommended practice advice?</p> <p>Is the business planning process well-enough informed about the costs of service delivery models?</p> <p>What is the GB's role in setting and monitoring performance targets and outcomes? How often is progress reported to the GB?</p> <p>How are performance targets set? Are external comparisons made (e.g. benchmarking, peer comparison, national averages)? Are you confident the KPIs are (and remain) appropriate? Is monitoring focussed on the right areas?</p> <p>How is financial risk assessed, monitored and reported? What level of sensitivity analysis is carried out and how is its scope determined? Is there clarity about the GB's appetite for/ tolerance of risk?</p> <p>How does the GB gain assurance that financial risks are being minimised and managed effectively?</p> <p>Do performance reports identify links between financial indicators and service quality/ performance (e.g. connecting maintenance spend to voids; arrears to re-let times etc)? How does performance monitoring drive operational activities? Are trends and projections included in periodic reports?</p> <p>Has the GB been consulted about the format, style and frequency of reporting?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>What is the GB's role in financial monitoring? Are reports presented in the right format and at the right time?</p> <p>How are budgets monitored and reviewed? Are the commentaries and narrative helpful?</p> <p>How does the GB consider the risks to the association's financial health of poor investment performance?</p>
3.4	<p>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>Governing body reports</p> <p>File notes</p>	<p>How are the assumptions used by the organisation agreed?</p> <p>What sources are used? What specialist advice is sought? How often are assumptions reviewed?</p> <p>How does the GB form a view about the reasonableness of the assumptions being used?</p> <p>Are the five-year financial projections submitted to the SHR in accordance with statutory guidance?</p>
3.5	<p>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</p>	<p>GB reports</p> <p>Risk assessments</p> <p>GB training records</p> <p>Notifiable events</p>	<p>How are the terms of proposed covenants and their implications reported and explained to the GB?</p> <p>How are proposed covenants assessed in terms of risk?</p> <p>What arrangements are established to mitigate identified risks?</p> <p>How are these reported to the GB?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	takes appropriate action to mitigate and manage them.	Register of Returns	<p>What role does the GB have in assessing and agreeing the acceptable level of risk and mitigations?</p> <p>How is compliance monitored and reported operationally?</p> <p>How regularly is covenant compliance reported to the GB and to lenders?</p> <p>What training is provided to the GB on covenants and their implications?</p>
3.6	The governing body ensures that employee salaries, benefits and its pension offerings are at 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.	<p>Terms and Conditions</p> <p>Sector comparisons / benchmarking</p> <p>Specialist advice</p> <p>Code of Conduct</p> <p>Policy on declaring interests and managing conflicts of interest</p> <p>Declarations of interest</p>	<p>How are staff terms and conditions of employment determined and reviewed?</p> <p>How are remuneration levels and reward packages agreed? What comparisons are made with similar organisations within the sector and in related sectors?</p> <p>How are proposals to amend terms and conditions developed?</p> <p>How does the GB ensure that the advice it receives is objective and well-informed? How are personal interests and conflicts managed?</p> <p>How does the GB monitor and take account of sector developments (e.g. in respect of pensions or relevant experience)?</p> <p>In what circumstances is external/specialist advice obtained? How is such advice procured?</p>
3.7	The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish	<p>Submissions calendar</p> <p>GB reports</p> <p>Internal Audit</p>	<p>Does the organisation maintain and implement a submissions calendar or equivalent?</p> <p>How does the GB gain assurance that all statutory and regulatory returns have been completed accurately and submitted on time?</p> <p>Where does responsibility lie for submission of returns? Are responsibilities co-ordinated?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	<p>Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.</p>		<p>How are returns approved? What is the role of the GB?</p>

**Regulatory Standard 4:**

*The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.*

**Other Regulatory Requirements/Standards to Consider**

This standard is central to compliance with every regulatory standard

**Links to Relevant SFHA Guidance**

- [SFHA Internal Audit Guidance](#)

**Links to Relevant SHR Guidance**

- [SHR Statutory Guidance: Notifiable Events](#)
- [SHR Statutory Guidance: Group Structures](#)
- [Development of Affordable Housing in Scotland - A Thematic Inquiry](#)

**Other Guidance**

- [Financial Reporting Council Guidance on Board Effectiveness](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
4.1	<p>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.</p>	<p>Governing body and sub-committee minutes</p> <p>Governing body papers / reports</p> <p>Remits for GB and sub-committees</p> <p>Scheme of Delegation</p> <p>Notes/records of away days</p> <p>Training records</p> <p>Examples of external advice/consideration of the need for it/records of</p>	<p>Reports: Format, preparation and consideration</p> <ul style="list-style-type: none"> <li>• Is the report format easy to use (by GBMs and staff)?</li> <li>• Do the reports give the GB the information they need?</li> <li>• Is the volume of information manageable (both for officers in terms of preparation and for GBMs in terms of reading)?</li> <li>• Are papers issued in sufficient time for GBMs to consider the issues adequately?</li> <li>• Are decisions, recommendations, risks, tenant and financial impact highlighted?</li> </ul> <p>Are GB agendas manageable – is there enough time to discuss the issues? Are agendas structured to ensure that the GB has sufficient time to consider matters requiring decision?</p> <p>Does delegated authority function effectively? Is the GB dealing with/considering the right issues?</p> <p>Do staff have sufficient delegated authority and do they exercise it effectively?</p> <p>Are there opportunities for the GB to consider 'big' issues out with formal meetings and before decisions are required (e.g. at briefings or as part of away days)?</p> <p>Does the organisation have an 'external profile' – are staff and GBMs out and about (e.g. attending meetings, training and events)?</p> <p>Is external advice procured? How is the need for such advice identified (e.g. by the GB, by officers)? When was such advice last obtained?</p> <p>How is such advice reported to the GB? (e.g. copy of advice provided; advice 'relayed' by senior staff)</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		<p>how advice was used</p>	<p>Are there opportunities for the GB to engage directly with external advisers (e.g. by their attendance at meetings and contribution to discussions; direct contact without staff)?</p> <p>Are minutes clear (are they 'stand alone' and/or would they only make sense if read by someone who was there or had reference to the papers)?</p> <p>If a decision was to be reviewed by a third party in the future, would they be able to understand why a decision was reached and how it had been informed?</p>
4.2	<p>The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.</p>	<p>Governing body reports and minutes</p> <p>Corporate Plan</p> <p>Performance reports</p> <p>Use of benchmarking</p> <p>Appraisal records for senior officer (not scrutinised – just assurance that they exist and are appropriately</p>	<p>How would you describe the relationship between the GB and senior staff? (constructive/ positive/adversarial/partnership/professional/confrontational/trusting etc. – think about why you describe the relationship in the way that you do).</p> <p>How is the effectiveness of the relationship reviewed? (Standard 1.5 is also relevant to this standard).</p> <p>How is performance monitored by the GB? (Think about frequency of reporting: frequent reporting risks a 'routine' approach but infrequent isn't good enough; are trends considered or is performance viewed in isolation; is your organisation's performance compared with peers or recognised benchmarks?).</p> <p>Is the RSL's performance clearly linked to strategy and objectives?</p> <p>How are decisions about targets made?</p> <p>How does the GB ensure the director/CEO and senior staff are supported in achieving their objectives?</p> <p>Is the GB confident that work planning throughout the RSL is linked to the corporate plan?          How does the GB gain assurance without 'meddling'?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		<p>reported to the governing body)</p> <p>Scheme of Delegation</p> <p>Internal Audit</p>	<p>What are the arrangements for the senior officer's appraisal and how are these overseen by the GB? Has the senior officer's performance been formally appraised by members of the GB during the last year? Have the outcomes of the appraisal been reported to the GB?</p> <p>Is the Scheme of Delegation between GB and officers clear?</p> <p>Is delegation implemented effectively/reported appropriately? How is this monitored?</p>
4.3	<p>The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.</p>	<p>Risk strategy and policy</p> <p>Risk map (may be integral to the strategy / policy)</p> <p>Internal Audit programme</p> <p>Business continuity/ Disaster recovery strategy</p> <p>Governing body reports and minutes</p>	<p>What is the process for identifying risk?</p> <p>What account is taken of issues that arise elsewhere when identifying potential risks (e.g. use of SHR thematic studies and intervention reports, experience of other landlords in responding to significant events such as fire, flood, contractor collapse, component failure)? Do you have assurance that "this couldn't happen here or, if it did, we'd know about it immediately and have arrangements to deal with it"?</p> <p>Are risks identified across the organisation (and involve/take account of subsidiaries, where these exist)?</p> <p>Is information on risk shared effectively across the organisation?</p> <p>Is responsibility for management/mitigation identified clearly?</p> <p>How involved is the GB in assessing and monitoring key risks?</p> <p>Is external advice obtained? (this doesn't imply that it necessarily should be)          Does risk assessment form an effective part of the business planning process?          Is the risk map (or equivalent) manageable?</p> <p>What is the method for reporting on risk management? Is it effective? Why?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		<p>Reports from 'tests' (of processes such as business continuity; emergency planning etc)</p> <p>Internal audit/ assurance reports</p> <p>Action plans / implementation reports</p> <p>Notifiable Events policy/ recent reporting</p>	<p>Are there appropriate processes in place to respond to the materialisation of key risks?</p> <p>Are these processes tested at appropriate intervals? Is there a process to 'learn from experience'?</p> <p>Is there a clear framework for the exercise of responsibility/management/leadership in the event of a significant risk materialising? Are there contingency arrangements?</p> <p>How does the GB gain assurance that internal risk processes are robust?</p> <p>How does the GB influence/set the programme for internal audit?</p> <p>How are internal audit recommendations followed up/monitored/reported to the GB?</p> <p>Is there an effective system for flagging up and acting on Notifiable Events and complying with statutory guidance?</p>
4.4	<p>Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to:</p> <p>a) control the activities of,</p>	<p>Independence Agreement</p> <p>Letters of appointment to governing body members</p>	<p>How does the parent exercise 'control' over a subsidiary?</p> <p>How effective are the reporting arrangements between the parent and subsidiary?</p> <p>Are GBMs who represent the parent on the board of the subsidiary clear about their separate responsibilities to the parent and subsidiary? How is clarity provided?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	<p>and manage risks arising from, its subsidiaries;</p> <p>b) ensure appropriate use of funds within the group;</p> <p>c) manage and mitigate risk to the core business; and</p> <p>d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.</p>	<p>nominated to subsidiary</p> <p>Loan documentation</p> <p>System for monitoring use of staff and other resources for subsidiary activities</p> <p>Governing body reports and minutes</p> <p>Adoption of parent Code of Conduct/ policies and practices by subsidiary</p> <p>Training records for subsidiary officers and Board members</p>	<p>What training is provided to ensure roles are fulfilled effectively?</p> <p>Are potential conflicts of interest identified and managed effectively?</p> <p>Is there an 'early warning' system in place to flag up potential issues that present a risk to the parent?</p> <p>Are any financial transactions between the parent and subsidiary (e.g. inter-group loans, recharges) adequately documented and effectively monitored?</p> <p>Are such arrangements compliant with the organisation's rules, charitable status, financial covenants etc?</p> <p>How is compliance monitored? How regularly?</p> <p>How is the use of staff time accounted for and reported?</p> <p>Does the subsidiary operate to the same governance standards as the parent?</p> <p>How familiar are officers and GBMs with the requirements of SHR guidance?</p> <p>What arrangements are in place to ensure the requirements are met?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
4.5	<p>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 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>Internal Audit programme</p> <p>Remit for GB or Audit Committee (or equivalent)</p>	<p>Where is responsibility in the governance structure for overseeing the internal audit function?</p> <p>Does the relevant remit detail the responsibilities for oversight accurately and comprehensively?</p> <p>How is the internal audit function procured, undertaken and managed?</p> <p>Have you taken account of SFHA's guidance on internal audit in specifying your requirements and procuring the internal audit function and managing its effectiveness?</p> <p>How is the annual internal audit programme planned?</p> <p>How are the outcomes of internal audits reported to the GB? Does the GB have the opportunity to engage directly with the internal auditor without staff being present?</p>
4.6	<p>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>Procurement policy</p> <p>Tendering/ procurement records</p> <p>External Audit plan</p>	<p>Are the appointments of the internal and external auditors subject to competitive tender?</p> <p>How are the tender assessment criteria determined?</p> <p>When were these functions last reviewed?</p> <p>How are decisions made about the contracts to be awarded?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		Auditor's management letter  Internal Audit programme  Remit of GB / sub-committee  Records of meetings between GB and auditors  Scheme of Delegation	

**Regulatory Standard 5:**  
*The RSL conducts its affairs with honesty and integrity*

**Other Regulatory Requirements/Standards to Consider:**

Regulatory Standards 2, 4 & 6

**Links to Relevant SFHA Guidance**

- [SFHA Model Code of Conduct for Governing Body Members](#)
- [SFHA/EVH Model Code of Conduct for Staff](#)
- [SFHA Model Entitlements Payments and Benefits Policy](#)
- [SFHA Governing Body Member Annual Review Guidance](#)

**Links to Relevant SHR Guidance**

- [Thematic Study: Equalities in Practice](#)
- [Recommended Practice: Senior Officer Remuneration](#)
- [Whistleblowing Factsheets](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
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.	<p>Codes of Conduct</p> <p>Protocol/process for dealing with alleged breaches</p> <p>Statement of Values</p> <p>GBM/staff appraisal process</p>	<p>Have you adopted a set of values to guide the RSL's activities?</p> <p>Did the GB and senior staff work together to identify and agree the values?</p> <p>How prominently do the values feature in your communications (displayed throughout offices and meeting rooms; incorporated into publications and communications; promoted via the website)?</p> <p>Are the values well understood and embedded throughout the organisation?</p> <p>How significant are the Codes of Conduct in setting standards of behaviour in the organisation?</p> <p>How often is training provided?</p> <p>Are GBMs and senior staff effective leaders within the organisation?</p> <p>Are GBMs and senior staff positive ambassadors for the organisation and the sector?</p> <p>Is there a culture within the organisation which supports / enables challenge if the agreed values and/or standards aren't being upheld?</p> <p>Is there an understanding of the constraints associated with being an RSL and (where relevant) a Scottish charity?</p> <p>Is there an awareness of the organisation's role and 'standing' within the community/communities that it serves and of the impact that its actions can have on others?</p> <p>Has consideration been given to relevant external accreditation (such as Living Wage, Disability Friendly, Happy to Translate) to demonstrate ethical commitment?</p>
5.2	The RSL upholds and promotes the standards of behaviour and conduct it expects of	Annual signing of Codes of Conduct	Is the Code of Conduct based on the SFHA Model? If not, is it based on an alternative approved by the SHR?

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	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.	<p>Training records for GBMs and staff</p> <p>Annual reviews of GBM contributions</p> <p>Reports to GB on the outcomes of annual reviews; implementation of action points</p> <p>Process for dealing with alleged breaches of the Code of Conduct</p> <p>Scheme of Delegation (responsibility for overseeing investigation)</p>	<p>Is regular training provided for GBMs and staff?</p> <p>Do GBMs sign the Code annually to confirm that their understanding and commitment are up to date?</p> <p>Is there an effective process in place to review the contributions that individual GBMs make to the RSL's governance?</p> <p>Are GBMs and staff effective and positive ambassadors for the RSL?</p> <p>Do the organisation's values and the Code of Conduct feature in the annual GBM reviews/staff appraisals?</p> <p>Is there an effective process in place to deal with alleged breaches of the Code of Conduct?</p> <p>Is there an understanding of the arrangements that need to be made to undertake an investigation into an alleged breach and who is responsible for putting them into practice?</p>
5.3	The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of	<p>Equalities and Diversity Policy and procedures</p> <p>External accreditations such</p>	<p>Is the RSL's commitment to equality and human rights reflected in its values?</p> <p>Are all policies assessed to ensure that there is no risk of unintended discrimination?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	protected characteristics in all areas of its work, including its governance arrangements.	<p>as 'Happy to Translate'</p> <p>Reasonable adjustments carried out</p> <p>Succession plans</p>	<p>Are there effective arrangements in place to ensure that 'reasonable adjustments' can be made in response to the specific needs of a service user, GBM, member of staff or anyone who wants to engage with the organisation?</p> <p>Are practical arrangements (such as interpreting, translation, child care) easily implemented and are the sources of such assistance regularly updated?</p> <p>Where possible, are there practical measures in place to improve accessibility (e.g. ramped access, induction loop, user-friendly print/visual displays and website, times and venues for consultation events etc.)?</p> <p>Is consideration given to equality issues as part of the organisation's succession planning?</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>Entitlements, Payments and Benefits Policy</p> <p>Policy on declaring interests and managing conflicts</p> <p>Registers of Interest</p> <p>Training records</p> <p>Agendas and minutes</p> <p>File notes</p>	<p>Are the Registers of Interest up-to-date?</p> <p>Are the entries relevant?</p> <p>Are GBMs and staff required to confirm the accuracy of their register entry annually?</p> <p>Does the Chair review the register?</p> <p>Is there a standing item on agendas for interests to be declared?</p> <p>Does induction training for GBMs and staff cover declaring and managing interests? Is periodic refresher training provided? Is specific training provided for line managers and those with responsibility for recording declarations in respect of specific matters?</p> <p>Are GBMs and staff aware of the regulatory and constitutional requirements relating to declaring and managing interests?</p> <p>Where interests are declared that create a potential conflict in respect of an agenda item or business activity, are there agreed processes to be followed? Are the actions taken recorded (e.g. in minutes where a GBM is involved or file notes where staff are involved)?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
			<p>Is there an appropriate policy for GBMs and staff that deals with payments, benefits, gifts and hospitality? If the SFHA Model hasn't been adopted, is there confidence that the policy complies with regulatory requirements and good practice expectations?</p> <p>How do you ensure that sector experience informs your practices (e.g. taking account of SHR publications and reports)?</p>
5.5	<p>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>Appraisal framework for the senior officer</p> <p>Records of external advice obtained</p> <p>Annual GB Report following the senior officer's appraisal</p>	<p>What arrangements are in place to ensure that the senior officer's remuneration is consistent with sector standards?</p> <p>How is the senior officer managed and supported? Are the arrangements effective? How does the GB ensure that it is fulfilling its employer responsibilities effectively?</p> <p>Is there an effective process in place for the senior officer's annual appraisal?</p> <p>Do the most appropriate GBMs lead the senior officer's appraisal? Are they appropriately trained and resourced for their appraisal role? Are there opportunities for GBMs to comment on the senior officer's performance? How does the GB gather feedback on the effectiveness of the senior officer?</p> <p>Is the GB familiar with the process by which the senior officer's performance is appraised and reviewed? Does the GB receive a report following completion of the annual appraisal?</p> <p>How does the GB ensure that the senior officer is not responsible for providing advice on matters in which they have a personal interest?</p>
5.6	<p>There are clear procedures for employees and governing body members to raise concerns or whistleblow</p>	<p>Anti-Fraud Policy</p> <p>Internal Audit reports on controls</p>	<p>Are there appropriate measures in place to prevent and detect attempted fraud, corruption and/or wrongdoing?</p> <p>Is there an up-to-date whistleblowing policy that is consistent with regulatory and good practice advice?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	<p>if they believe there has been fraud, corruption or other wrongdoing within the RSL.</p>	<p>Whistleblowing Policy</p> <p>Fraud Register</p> <p>Access to external organisations offering advice and support (counselling services, Public Concern at Work)</p>	<p>Are GBMs and staff familiar with the terms of the whistleblowing policy?</p> <p>Are there procedures in place to support a whistleblower?</p> <p>Do staff have access to independent sources of advice and support? Are the services of relevant external agencies promoted?</p> <p>Has appropriate training been provided?</p> <p>Are the annual appraisals and reviews used to remind GBMs and staff of the whistleblowing procedures?</p> <p>Is there a culture of learning rather than blame within the organisation?</p> <p>How are instances of attempted fraud, corruption or wrong doing reported to the GB?</p>
5.7	<p>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>Terms and Conditions of Employment</p> <p>Policy on severance payments</p> <p>Redundancy policy reports to GB</p> <p>Records of external specialist advice</p> <p>Records of staff consultation</p> <p>Notifiable Events record</p>	<p>Is there an approved policy framework within which you make decisions about severance, redundancy and redeployment?</p> <p>Where does responsibility lie for decision-making on employment matters relevant to this standard?</p> <p>How does the GB obtain advice about the options available in situations where a severance agreement may be considered?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
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.	Records of specialist legal advice  Reports to the GB	How is the GB made aware of complaints that are or could constitute whistleblowing?  How would the GB deal with a situation where a settlement agreement is being proposed relating to an employee who has raised concerns?  How are the terms of a settlement agreement determined?  What role does the GB have in influencing/contributing to the drafting of the terms?

**Regulatory Standard 6:**

*The governing body and senior officers have the skills and knowledge they need to be effective.*

**Other Regulatory Requirements/Standards to Consider:**

Regulatory Standards 3 & 5

**Links to Relevant SFHA Guidance**

- [SFHA Governing Body Member Annual Review Guidance](#)
- [SFHA Senior Staff Succession Planning Guidance \(Feb 2019\)](#)
- [SFHA Governing Body Member Succession Planning and Recruitment Guidance \(Sept 2018\)](#)
- [SFHA Model Role Descriptions for Governing Body Members and Office Bearers \(May 2018\)](#)
- [SFHA Model Rules 2013 \(as Amended 2015\)](#)
- [SFHA Guide to Making Rule Amendments](#)

**Links to Relevant SHR Guidance**

- [Regulatory Framework](#)
- [SHR Constitutional Requirements \(p17-19\)](#)

**Other Guidance**

- [Financial Reporting Council Guidance on Board Effectiveness](#)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
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>GB profile</p> <p>GBM recruitment policy</p> <p>Nominations pack for candidates</p> <p>GB succession plan</p>	<p>What is the process for recruiting GBMs? Is there an agreed role description? How was that developed and how is it updated?</p> <p>How are recruitment priorities identified?</p> <p>How is recruitment carried out? Does the association make use of co-options to access specific expertise?</p> <p>What kind of information is provided to potential candidates as part of the recruitment process? Are there opportunities to observe meetings before a decision is made?</p> <p>How are selection decisions made? Is there an interview process? Are experienced GBMs involved?</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, deliver good tenant	<p>GB Profile</p> <p>Skills audit/GBM annual reviews</p> <p>Recruitment policy</p> <p>Business plan</p>	<p>Has the GB identified the range of skills, knowledge, experience and diversity it requires to fulfil its responsibilities effectively?</p> <p>Has a recent skills assessment been carried out?</p> <p>Does the business planning process include consideration of any additional skills or knowledge that the GB might require?</p> <p>Does the annual GBM review include consideration of the effectiveness of individual contributions?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	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>Is recruitment informed/influenced by the outcome of the skills assessment/GBM annual reviews?</p> <p>How are recruitment priorities communicated to shareholding members and others?</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 member seeking re-election after nine years' continuous service demonstrates continued effectiveness.	<p>Governing Body Member Annual Review Policy</p> <p>Annual Review feedback to governing body and action plan</p> <p>Governing body member and office bearers' succession plan</p> <p>Governing Body minutes recording nomination endorsements</p>	<p>Is there a formal process to annually review the individual contributions of GBMs? Is feedback from the reviews reported to the GB? Is an action plan produced and implemented?</p> <p>Does the annual GBM review include consideration of the composition and capability of the GB? Does the annual review include consideration of GBM's future intentions to seek re-election?</p> <p>Do the annual reviews include consideration of office-bearing aspirations? Is training and support offered to help GBs develop their skills to take on such roles? Is there a formal/agreed succession plan? Does it include succession for office bearers?</p> <p>Are there appropriate arrangements in place to ensure that the regulatory and constitutional requirements are met (i.e. that the Chair should not serve for more than five consecutive years)?</p> <p>Does the GB base its decision to endorse the nomination of an experienced GBM (i.e. someone who has gained nine or more years' experience) on their contribution and their annual review?</p>
6.4	The RSL	Membership policy	Is there an up-to-date membership policy that is consistent with the constitution?

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	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.	GBM Recruitment policy  AGM notices  Newsletters and website	How is shareholding membership promoted?  How are members encouraged to consider applying to join the GBM?  What training or support are potential GBMs offered before they are elected/appointed/co-opted?
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.	Induction Policy and programme  Evaluation feedback from GBs  Training Policy  Training records  Feedback reports (or equivalent e.g. intranet)  Governing body annual reviews	Is there a formal induction process? Is it implemented effectively? Does it involve contributions from a range of staff and GBMs?  Are new GBMs offered the support of a buddy or mentor?  Is the induction process supplemented by external training?  Is there an annual GBM training programme? How is its implementation and effectiveness monitored?  Do experienced GBMs undertake training? How is training delivered? Is there a balance between internal (i.e. delivered by staff) and external training (i.e. delivered by external specialists, although this would include in-house training provided by specialists)?  Do GBMs attend external events (meetings, training conferences)? Do GBMs share feedback about their attendance with colleagues? How is this done?  Is there a method for capturing experience from training attended by GBMs in different roles (e.g. a GBM attending a relevant event in the course of their work or in their role with another organisation)?

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
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>Policy on Payment for GBMs</p> <p>GBM Recruitment Policy</p> <p>GBM appraisal framework</p> <p>GB reports and minutes</p> <p>Minutes from Remuneration Committee (or equivalent)</p>	<p><b><i>This element of the Standard only applies if the RSL decides to pay GBMs, although it would be appropriate to make reference to any discussions about the subject when carrying out self-assurance</i></b></p> <p>Has consideration been given to whether to pay GBMs? How was a conclusion reached? Were tenants and service users consulted? How was the decision communicated to them?</p> <p>How was the decision reached about the roles to be included and the level of remuneration to be offered? If the RSL is a Scottish Charity, how were OSCR's requirements in respect of payment for Trustees observed?</p> <p>How is the effectiveness/success of the policy to pay GBMs evaluated?</p> <p>Does the same annual process for GBM reviews apply to all GBMs?</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	<p>Senior officer role description and person specification</p> <p>Senior officer annual appraisal report to GB</p> <p>Training records</p>	<p>Is there an effective process for the performance of the senior officer to be annually appraised? Is the appraisal process the same for the senior officer as for other senior staff?</p> <p>Is the senior officer's performance appraised against agreed targets and goals and with reference to the role description? Is the appraisal documented and reported (in summary form) to the GB?</p> <p>Does the appraisal process reflect good practice advice?</p> <p>Does the senior officer undertake regular training and development? Is this reported to the GB?</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	continuous professional development.		

### **Regulatory Standard 7:**

***Where an RSL is considering organisational or constitutional change, or acquisition or disposal of land or assets:***

***The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.***

The provisions of this Standard apply only in specific circumstances. In undertaking a self-assurance exercise and preparing the Annual Assurance Statement, RSLs should consider whether any of the provisions apply based on their activities over the past year and plans for the year ahead. Only those provisions which apply need to be assessed for compliance. If none apply, the evidence bank that supports the Annual Assurance Statement should record that none of these provisions are applicable.

Only evidence for those provisions which do apply should be identified, reviewed and included in the evidence bank.

Standards 7.1 – 7.6 apply to proposed organisational or constitutional change; Standards 7.7 – 7.10 relate to disposals (including the granting of securities).

### **Other Regulatory Requirements/Standards to Consider**

Links to all other standards. Different Regulatory Requirements and Standards link to specific standards (identified in the following table)

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
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>Business Plan</p> <p>Business case</p> <p>Records of planning events/ away day discussions</p> <p>Records of GB/ committee/working group discussions</p> <p>Specialist advice</p>	<p>Is the GB clear about the objectives of the proposal? What are the implications for current and future tenants? How will the proposed changes deliver improvement?</p> <p>Has the GB been involved in developing the proposals? Has there been consultation with tenants?</p> <p>Was the SHR notified in accordance with regulatory requirements?</p> <p><b><u>Links to other Regulatory Requirements/Standards</u></b>            Requirements: SG1            Standards:1,2 and 3</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 Structures guidance.	<p>Proposed Governance structures</p> <p>Specialist advice</p>	<p>Has the GB considered how the proposed organisational change will affect the strength and effectiveness of its governance?</p> <p>Is the GB satisfied that the proposed governance structure will deliver effective governance? Are remits and reporting and delegation arrangements clear?</p> <p>Does the proposed change have implications for shareholding members?</p> <p><b><u>Links to other Regulatory Requirements/Standards</u></b>            Requirements: SG2 and OC3            Standards: 1, 4, 5 and 6</p>
7.3	The RSL ensures adequate consultation with, and	Minutes and reports from GB/	How are/have the requirements of your Engagement Plan being fulfilled and monitored?

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
	<p>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>committee/working group meetings</p> <p>Records of tenant consultation</p> <p>Feedback reports from independent advisers</p> <p>Records of discussions with lenders</p> <p>Approvals from lenders</p> <p>Records of discussions with SHR</p> <p>Minutes of general meetings of shareholders (where required)</p> <p>Approvals from other regulators (e.g. OSCR, FCA) where required</p>	<p>Is there a schedule or implementation plan that identifies key milestones; engagement with stakeholders and provides a framework for monitoring?</p> <p>How has the RSL engaged with funders? Are the conditions proposed by funders consistent with the objectives of the proposal?</p> <p>What is the impact of the lender's conditions on the proposal? Has independent advice been procured to support tenants? Were tenants involved in the selection of the adviser?</p> <p>How will/were all necessary approvals secured? How will/was the approval of members be obtained?</p> <p><b><u>Links to Other Regulatory Requirements/Standards</u></b>            Requirements: SG3            Standards: 2</p>

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
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.	Financial projections  Business Plan  Business case  Budget  Specialist advice  Minutes and reports from GB/ committee/working group discussions  Tenant consultation feedback	How has the GB gained assurance that the new/changed organisation will be financially viable?  Is the GB satisfied that the assumptions used in the financial planning are realistic and robust? How has this assurance been gained?  What will be the benefits for tenants?  <u><b>Links to Other Regulatory Standards</b></u> Standards 1, 2, 3 and 4
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 levels).	Delivery Plan (or equivalent)  Promises to tenants  Newsletters and tenant communication	Is the GB clear about the outcomes the change is intended to deliver? Are there effective systems and processes to monitor implementation?  How is progress reported to the GB? Is information provided to tenants on the achievement of key goals?

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
7.6	Charitable RSLs seek consent/notify OSCR of changes to their constitution and other changes as appropriate.	Records of OSCR discussions/ engagement/ notifications  Application to OSCR  OSCR consent	Is/was the GB effectively informed about the implications of the proposals on its charitable status?  <u><b>Links to other Regulatory Requirements/Standards</b></u> Standard 2
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 account of appropriate professional advice and value for money - whether as part of a broader strategy or on a case by case basis.	Business Plan  Business case  Rules / Articles  Treasury Management Policy  Budget and financial projections  GB reports and minutes  Specialist advice	Has the governing body considered proposed disposals/acquisitions/investments in the context of the business plan and financial projections? Has specialist advice been considered/obtained?  Is the GB satisfied that it has the legal capacity to make the disposal/investment?  <u><b>Links to other Regulatory Requirements/Standards</b></u> Requirements: SG1 Standards: 3
7.8	The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	Consultation/ engagement strategy	How has the GB overseen the process of engaging and consulting with tenants?  Has the GB considered and approved the proposals that are/were made to tenants? How has the GB gained assurance that all regulatory requirements are observed?

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		Records of tenant consultation  Notices to tenants  Correspondence with SHR; SHR approvals  Feedback reports from independent adviser  Ballot  Documentation  Notifiable Events Register	<p><b><u>Links to other Regulatory Requirements/Standards</u></b>            Requirements: SG3</p>
7.9	The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	GB reports  Minutes of GB meetings  Notifications to SHR  Notifiable Events Register	Has the GB been notified that the disposal has been completed?  How has the GB been advised that the organisation is compliant?  <b><u>Links to other Regulatory Requirements/Standards</u></b> Requirements: SG1

Ref	SHR Regulatory Requirement/Standard	Suggested Evidence	Self-Assurance Factors
		Register of Disposals	
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.	Reports to GB  Business Plan  Loan agreements  Loan register  Asset register	How is the GB informed about the terms of loans being negotiated?  Do reports consider regulatory and constitutional implications to support informed decision-making?