



Regulator of Social Housing

PUBLIC MINUTES **of the Audit and Risk Assurance Committee (ARAC) meeting** **on Wednesday 23 July 2025 at 1400** **Hybrid meeting**

8 Remote and virtual participation

- 8.1 Any member may validly participate in a meeting through the medium of conference telephone, video conferencing or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting, or relevant part thereof. A member so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and entitled to vote.
- 8.2 A meeting shall be deemed to take place where the largest group of those members participating is assembled or, if there is no group which is larger than any other group, where the Chair of the meeting is.

Members

John Liver (JL) Chair
Kalpesh Brahmhatt (KB)
David Cassidy (DC)

In attendance

Peter Fenn (PF)	Head of Social Housing Regulation, MHCLG (joined from Agenda item 7)
Lisa Harvey (LH)	Audit Manager, Government Internal Audit Agency (GIAA)
Fiona MacGregor (FM)	Chief Executive and Accounting Officer
Mike Newbury (MN)	NAO, Audit Director
Jenny Obee (JO)	Engagement Lead, Government Internal Audit Agency (GIAA)
Richard Peden (RP)	Director, Finance and Corporate Services
Richard Smith (RS)	NAO, Engagement Manager
Ellie Stamp (ES)	Senior Finance Business Partner, MHCLG
Emma Tarran (ERT)	Senior Assistant Director Head of Legal and Company Secretary
Jonathan Walters (JW)	Deputy Chief Executive

Minutes Simon Turner

1 Welcome and apologies

01/07/25 The Chair welcomed everyone to the meeting and introduced DC for his first ARAC meeting. There were apologies from Kate Dodsworth.

2 Declarations of Interest

02/07/25 There were no new declarations of interest.

3 Minutes of the last meeting

03/07/25 The minutes from 14 April 2025 were APPROVED, subject to minor amendments.

4 Matters Arising

04/07/25 *04/04/25 NAO lessons learned.*

RP explained that this item was historical and could be closed. RS said there was an additional paper at the last ARAC meeting that drew out the key points. Members APPROVED the closure of this item.

11/04/25 NAO planning report actions.

- RS would cover the audit areas to be included at section 6 of this agenda and the first two bullet points could be closed.
- The matter on smarter ways of working would be considered by ARAC in October/November. The Chair said that the members of ARAC would remain interested in cross-government efforts to make the actuarial process more efficient. The third bullet point should stay on the matters arising list.

Members APPROVED this approach.

25/04/25 ARAC self-assessment issues.

- RP confirmed that the consideration of overlap between ARAC and N&RC will be picked up at a future meeting with the Chairs of both committees. It was agreed that this first bullet point could be closed. **RP**
- The second bullet point had been closed.
- Continued training/development – LH confirmed training sessions for November and said she would share any additional training opportunities arising. COMPLETED post meeting. This item would be closed. **GIAA**
- Horizon scanning – RP confirmed this was scheduled for the October ARAC meeting. It was agreed that this item could be closed, but the principle should be linked to the item coming back at the September Board meeting and the October ARAC meeting (matters arising 23/02/25). **RP**
- Relationship with NAO – members NOTED this was completed.

26/04/25 digital transition

A brief update was provided – it was agreed a further update would be added to the October ARAC post agenda, post-transition.

5 GIAA progress report and annual opinion

05/07/25 LH introduced the GIAA progress report. LH confirmed that all audits in the 24-25 plan have been delivered.

06/07/25 JO introduced the recommendations section of the GIAA progress report. JO confirmed that the Executive had agreed that two medium actions from the Registrations audit that were due to be completed by 30 June 2025 be extended, one to 31 March 2026 and one to 31 July 2026, to align these actions with other regulatory reviews that are in progress. KB asked if any residual risks would remain if this recommendation was accepted. JO confirmed that the existing arrangements provide sufficient assurance, but that GIAA was recommending a wider piece of work on registrations. KB asked if the realignment of this item to align with other regulatory reviews was necessary. FM said that the realignment would save duplication of work and there are good strategic reasons for aligning the specified timescales.

07/07/25 JO noted that an extension to the three actions arising from the 23-24 Capacity and Capability audit (two medium, one low) to 30 September 2025 had been

proposed, so that they could align with the new People Strategy which is due to be delivered in summer 2025.

08/07/25 JO noted that an extension for the due date for one low recommendation in relation to the 23-24 IT Controls audit to December 2025 had been proposed, due to the transfer of IT/Digital to MHCLG in August 2025.

09/07/25 FM and JW confirmed they agreed with the above proposed changes to the plan. FM and JW welcomed the forthcoming independent audit of the digital transfer.

10/07/25 Members NOTED the delivery progress against the 2024-25 plan, the 2025-26 plan and the implementation of audit recommendations. Members noted the proposed changes to the plan and that the extensions to deadlines had been considered by the Executive team and APPROVED by FM.

11/07/25 Resourcing and Resilience: Final Engagement Report.
LH introduced the report, which gave a substantial assurance rating. The Chair commended a very positive audit and thanked the GIAA team and RET. FM noted it as being a very useful audit report that highlighted key issues.

12/07/25 Members NOTED the results of the GIAA Final Engagement Report.

13/07/25 GIAA - Annual opinion for the year ended 31 March 2025. **GIAA**
LH introduced the report. The opinion gave a substantial assurance rating for the framework of governance, risk management and control. The Chair thanked the GIAA team for their work, and commended Exec for obtaining a substantial assurance outcome. KB asked about the direction of travel – towards moderate. LH said this was due to there being one more moderate audit outcome than last year, but no concern over this, as it is still a very good position to be in. DC commended a fantastic result after a year of seismic change for the regulator, with increase in its work remit and size. FM said there would be a benefit in carrying out checks via a gap analysis regarding the new audit requirements that apply from April 2026, and to report back to ARAC on this. **RP**

14/07/25 Members NOTED the results of the GIAA Annual Opinion.

6 NAO update

15/07/25 RS gave a verbal update on behalf of NAO. The next external audit would take into account the regulator's work since the introduction of changes to the regulator's funding. NAO had received the regulator's first draft accounts and were working through scoping procedures. RS anticipated that NAO would send a detailed information request to the Head of Finance the week commencing 28 July. The NAO team has booked a week in September to carry out most of the fieldwork at the regulator. Initial scoping sessions have been completed for an audit of the two defined benefit pension schemes. RSH has raised a number of questions regarding information received from the scheme actuary.

16/07/25 The Chair said that ARAC members would have an update and a further review of these matters in October 2025, with a final approval or sign off from ARAC due in November 2025. **NAO**

17/07/25 Members NOTED the items in the NAO verbal update from RS.

7 Draft 2024-25 Annual Report and Accounts

18/07/25 RP introduced the item. RP asked members to note the placeholder for pensions disclosures. The Hymans report on pension accounting would be followed up with NAO. We are awaiting HCAPS figures from Mercers. KB asked if we could add that the regulator had obtained assurance over the robustness of controls through independent audits, as per the reports to ARAC members in this agenda. RP said he would review to the section covering the work of the Committee with that in mind. RP asked if members would contact him if they had other points regarding the draft annual report and accounts. **RP**

8 Risk reporting going forward

19/07/25 The Chair outlined the background for this item, and said he wants to ensure that ARAC continues to give effective scrutiny. He said that in addition to standard operational and financial scrutiny, he would like ARAC to focus on some more in-depth looks at the regulator's strategic risks. FM thanked the Chair for his welcome offer and looked forward to discussions with Board and ARAC on the best way and place to hold detailed discussions on strategic risks. KB supported the Chair's suggestions and remarked that it would be prudent to focus on one or two key issues. DC agreed with the Chair's suggestions and said there needs to be a good separation between ARAC and the Board. RP noted that some ideas for the programme will come to ARAC in October. JW agreed that the October ARAC would be the time to consider the items of risk reporting that ARAC can focus on. The Chair asked members to think of suitable topics for risk reporting over the summer, and to submit ideas to him in time for the next ARAC meeting. **RP**

9 Forward Planner

20/07/25 Members NOTED the items on the Forward Planner, and that the items on in-depth assurance and the risk register will be combined into one item. It was agreed to look at the running order for the October meeting to place the session either at the start or the end. **CK**

10 Any Other Business

21/07/25 None raised.

22/07/25 Date of next meeting: 20 October 2025