

## Strategic report of the Board for the year ended 31 March 2024

The Board present their strategic report together with the audited financial statements for the year ended 31 March 2024 of Apex Housing Association Limited (the “Association”) and its subsidiaries (the “Group”). This report includes required disclosures of the Trustees Report for charity law purposes.

### Principal activity

Apex Housing Association Limited (“Apex”) is a major housing association managing a stock of some 6,975 homes, which will grow to over 8,500 when our current planned programmes are completed. Our business is housing and associated care and support services; and from tiny beginnings in 1965 in Derry~Londonderry, we have grown into a substantial not-for-profit housing association, led by volunteers working to social enterprise principles. We employ some 648 staff throughout the organisation and provide:

- General needs housing for families and single people
- Purpose-built accommodation for older people and families with complex needs
- Supported housing for people with mental health difficulties, learning disabilities, alcohol/drug addictions, those who are physically disabled and young people in need of support
- Housing support for vulnerable groups under the Supporting People programme
- Support services for tenants and the wider community through our community investment programme
- Community buildings under the management of local communities

Apex works across Northern Ireland in delivering social and affordable housing through the Apex Voluntary Housing Group structure. Our not-for-profit subsidiary company, Fairbuild Homes (NI) Ltd, provides affordable housing for sale but remains dormant at this time.

Newington Housing Association (1975) Limited (“Newington”) is also a member of the Apex Group. Newington has its own board of management and manages a housing stock of around 720 units in North Belfast. Support and cooperation is fostered through the Group structure, allowing Apex and Newington to use their resources efficiently for mutual benefit.

### What Guides us?

Our Corporate Strategy 2023 – 2026 provides us with strategic themes and objectives which set the direction of travel for everything we will do over the 3-year period. We need this to give us a focus and to make sure we are working towards common goals. To ensure we achieve these goals, the Business Plan section sets specific tasks annually for each of the 3 years. These are measurable and the outcomes are reported to the Board of Management and to shareholders at the Annual General Meeting.

The Strategy has been shaped by feedback from employees, tenants, and board members. It sets out our priorities to build on the success of the previous plan and introduces new initiatives to help deliver our aims. The themes of the Corporate Strategy feed into staff appraisals, training and development initiatives, team action plans and key performance indicators.

Apex does not operate in isolation, but instead is influenced by and must react effectively to changing contexts, not only within the housing and care sectors but also within the societal and community fabric. In the same way we must learn from our own recent past, using our experiences both good and bad, to help us plan ahead.

Due to the hard work and commitment of our staff over the lifetime of the previous Corporate Strategy 2020-2023, Apex has performed well and remains in a strong position despite challenging times.

By pulling together in the same direction we can continue our success and make a real difference to people’s lives.

## Strategic report of the Board for the year ended 31 March 2024 (continued)

### What we value

Our Corporate Strategy gives us direction for the current 3-year period from 2023 – 2026, however our vision, mission and values will run beyond that period and underpin everything we do as an organisation, both collectively and individually.

### Our Vision

For every person to enjoy great quality homes and support, in vibrant and caring communities.

### Our Mission

To lead the way in building sustainable communities through the delivery of quality, affordable homes including tailored support and care services.

### Our Values

#### *We care*

We want to make a positive difference to people's lives.

#### *We take ownership*

We are all responsible for ensuring we deliver our mission.

#### *We do things well*

We lead the way; we aim to get it right and to continuously improve.

#### *We work together*

We collaborate to get the best result.

#### *We show respect*

We are respectful and courteous to everyone we come in contact with.

### Factors influencing our plan

Apex recognises that as we continue on our journey there are factors that will influence implementation of our plan.

We will continue to identify, assess and manage the risks, challenges and opportunities arising, in pursuit of delivering our vision.

These include:

- Ensuring effective governance
- Ensuring compliance
- Ensuring tenancy sustainment
- Implementing Welfare Reform
- Managing our finances
- Responding to the increase in housing stress
- Reducing our carbon footprint

## Strategic report of the Board for the year ended 31 March 2024 (continued)

### Future plans

We have consistently invested significant time and effort in governance and our robustness here is demonstrated by many positive audits and inspections and strong performance against core DfC standards. We have committed and effective staff in place, continually working to improve our systems, processes, and procedures. We have top quality office accommodation and have been successful in attracting high calibre voluntary board members.

When we are at our best we are up there with other top performing organisations. Our customers are looking for something straightforward: a responsive, reliable, and timely service offering value for money. While the majority get that service, we must strive to identify any weaknesses that adversely impact upon our performance. Using our strong work ethic, we will continue to direct our energies to improving our weaker areas and tackling issues before they become problems. Implementation of the 'Tenant and Resident Engagement Strategy 2023-2026' will help us ensure a strong customer focus and better service delivery which underpin our overall direction of travel.

### Strategic priorities

Our analysis of the issues has determined that our objectives and tasks fall under five strategic priorities. By firmly committing to priority 1.0 – Sustainable communities; we will maximise our hopes of achieving all our objectives across priorities 2.0 to 5.0.

- 1.0 Sustainable communities
- 2.0 High quality, energy efficient homes
- 3.0 Quality Supported Living
- 4.0 An effective and efficient organisation
- 5.0 Skilled people and teams

The board has refreshed our medium-term corporate strategy for 2023-2026, in response to the current and expected operating environment and building on what we have achieved to date. This sets out a number of initiatives and activities to be undertaken or commenced in the current 3 years.

### What we achieved 2020-23

- Delivered over 700 brand new homes for new tenants.
- Engaged with over 11,000 people through events and activities.
- Completed 450 disabled adaptations for tenants.
- Completed 80,000 repairs and spent over £10m on planned and cyclical upgrades.
- Accessed £0.85m of additional benefits for tenants through our welfare advice service.
- Awarded the highest DfC regulatory rating.
- Retained our investment grade credit rating.
- Secured £100m in bond finance.
- Received a CIH award for greener environment and stronger community initiative.

### What we plan to do 2023-26

#### *Priority 1 – Sustainable communities*

- Deliver reliable, high quality, effective and efficient services to tenants and service users.
- Promote tenancy sustainment and respond appropriately to the changing needs of tenants.
- Work in partnership with others to provide wider community support.
- Promote tenant engagement and community investment.

#### *Priority 2 – High quality, energy efficient homes*

- Deliver an ambitious growth programme.
- Consider new housing models.
- Provide well maintained homes.
- Deliver energy efficient homes.

## Strategic report of the Board for the year ended 31 March 2024 (continued)

### ***Priority 3 – Quality supported living***

- Deliver high-quality, cost-effective support and care services.
- Review service delivery, ensuring it remains strategically relevant and meets service user needs.

### ***Priority 4 – An efficient and effective organisation***

- Ensure effective governance and compliance.
- Grow the balance sheet, while meeting key financial targets.
- Work to meet government's social and affordable housing agenda.
- Deliver cost effective services.
- Ensure sustainability.
- Implement effective and efficient ICT solutions.
- Communicate effectively to drive service improvement.

### ***Priority 5 – Skilled people and teams***

- Improve workforce stability.
- Implement an effective and efficient organisational structure.
- Equip staff with the appropriate skills and knowledge to deliver high quality services.

## **Community Investment**

Apex works across a range of vibrant and diverse communities throughout Northern Ireland and increasingly sees the need to target this work beyond our core business activities. This is necessitated by the considerable pressures society in general continues to face in a challenging economic climate. As a social landlord, we see every day the impact of a range of factors on our communities.

Apex therefore seeks to deliver a range of programmes and services that instigate positive change and make a fundamental difference to people's lives, thereby making our communities better places to live.

Through investing in people, property, and the environment, we aim to make a positive difference.

To help achieve our aim, we work with several community partners to enable tenants and residents to access a range of initiatives including self-development programmes, advice on health and well-being, budgeting and employment opportunities.

By enhancing our engagement in community investment activities, we have established Apex as one of the leading socially responsible organisations in Northern Ireland. We want to continue with this important work to ensure that we continue to build thriving communities where people want to live and work.

### **Key Areas**

The "Community Investment Strategy 2023-2026" has been developed with the aim of supporting our communities beyond our core landlord purpose and provides a focus to ensure we are working towards our common goals which in turn have been shaped by feedback from stakeholders including tenants, community groups and employees. They target the following five pillars of activity:

- Community Empowerment & Engagement
- Health & Well-Being
- Financial Well-Being
- Work & Learning
- Volunteering

We will continue to use our influence and knowledge, work in partnership and source additional funding to deliver a range of collaborative services. These services will aim to instigate positive change and make a fundamental difference to people's lives; also contributing to wider community benefits.

## Strategic report of the Board for the year ended 31 March 2024 (continued)

### What we achieved 2020-23

- Supported more than 100 allotment users with an on-site horticulturalist.
- Helped more than 1,200 tenants through our Welfare Advice Service.
- Delivered more than 200 community events through the Housing for All initiative.
- Provided more than 70 meals per week through our Luncheon Club service.
- Delivered almost 65,000kg of food to local communities.
- Supported almost 200 households through our Community Supermarket.
- Raised more than £60k to support community projects in Tanzania.

### What guides us 2023-2026

The 'Community Investment Strategy 2023-2026' has a range of programmes aimed at the individual, the wider community and the environment. Within the strategy we have considered the following themes:

#### Themes

##### *Theme 1 – Enable people to fulfil their aspirations*

- Support people to make informed decisions about their lives and increase their independence.
- Support people to recognise their potential by increasing their motivation, confidence, skills, and knowledge.

##### *Theme 2 – Enable successful communities*

- Provide opportunities for people to participate in making decisions about their communities.
- Support people to fulfil their vision and aspirations for their community and between communities.
- Promote and encourage diversity and good relations in all housing developments and particularly within areas where there is 'shared housing'.
- Develop biodiversity and sustainability initiatives within our communities.

##### *Theme 3 – Promote positive partnerships within communities*

- Support charities, social enterprises, and SMEs within our communities.
- Support the development of economic activity within the areas that we work.
- Maximise the social value impact for our communities within Apex development contracts.

## Sustainability

Housing associations play an integral role in the provision of affordable and safe homes, as well as responding to wider issues of social inequality and climate change. Therefore, Apex have developed our 'Sustainability Strategy 2023-2026'. The strategy sets out our plans for the next three-year period; focusing on key actions to make a real, measurable impact within our association and communities, as well as contributing to the achievement of government sustainability targets.

Our vision for this sustainability strategy has been developed to help us integrate sustainability into all aspects of our work; from the homes we build, to the way we run our association and how we support our communities.

### Strategy

In order to achieve our vision, we have developed six drivers of our strategy, with the overarching aim of contributing to the UN Sustainable Development Goals (UN SDGs).

1. Supporting residents and communities
2. Climate action
3. Environmental protection
4. Affordability
5. Supporting our people
6. Strong governance

## Strategic report of the Board for the year ended 31 March 2024 (continued)

In turn, these six drivers will inform three key areas for target and action.

### Target 1 – Sustainable homes

- Reduced fuel poverty
- Reduced carbon emissions
- Good quality, affordable homes
- Improved biodiversity
- Reduced resource use

### Target 2 – Sustainable association

- Reduced carbon emissions from association
- Reduced resource use
- Supported and motivated staff
- Increased transparency and accountability

### Target 3 – Sustainable communities

- Community pride and ownership
- Increased community support
- Improved health and wellbeing
- Net biodiversity gain in local areas
- Reduced carbon emissions across communities

Throughout 2023-2026 we will continuously monitor and periodically evaluate the success of the Sustainability Strategy.

## Operating Performance

Apex measures performance through a range of key indicators which are reviewed quarterly.

Indicator	23/24 result	22/23 result
Average no. of staff employed during the year	636	645
Working time lost	8.72%	7.57%
Staff turnover	14.32%	20.54%
Units started	27	553
% of total NI starts	1.79%	28.27%
Voids % of total stock	0.64%	0.93%
Total arrears %	7.29%	7.39%
Repairs completed within response time	88.64%	88.98%
Operating margin (Group)	14.8%	14.4%
Retained surplus/(deficit) for the year (after pension changes) (Group)	(£10.28m)	£11.6m

## Our People

Our staff are one of our most valuable assets. Apex provides a comprehensive employment package including access to pension schemes, on-going training and development, and access to a range of employee well-being initiatives.

## Board of Management

The Board is a voluntary committee who have responsibility for the strategic direction, general policy and management of the Group. The day-to-day management of operations is delegated to the Chief Executive and Senior Management Teams of each group company.

## Gender analysis

7 members of the Board are male and 5 are female. The Senior Management Team is comprised of 3 males and 4 females. The association has 648 employees of which 21% are male and 79% are female.

## Strategic report of the Board for the year ended 31 March 2024 (continued)

### Events after the balance sheet date

There are no significant events that have occurred after the balance sheet date that would affect the financial statements.

### Value for Money (VFM)

Apex is fully committed to achieving value for money (VFM). We recognise that we need to continue to push our performance and capacity up to higher levels if we are to meet the goals and targets set by our board. During 2024/25 we will continue to publish a VFM statement and continually monitor and report performance against that statement.

### Return on social investment

Apex continues to deliver its community investment programme as set out in the note above. During the course of 2024/25, Apex will work towards the delivery of this programme and measure its outcomes for reporting to the board and stakeholders during the year.

### Status

Apex Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP125) and is a Registered Housing Association with the Department for Communities (NI) – No. R23. The Association is a registered charity (Registration no. NIC106107).

Newington Housing Association (1975) Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (IP000158) and is a Registered Housing Association with the Department for Communities (NI) – No. R13. The Association is a registered charity (Registration No. NIC102477).

### Risk Management

Internal and external risk evaluation remains integral to the formulation of our business strategy. Our Board and Senior Management Team has maintained its ongoing programme of risk review throughout the year, and our most significant risks currently facing the organisation are shown below. These, along with the other main business risks captured on the strategic and key risk register, are reviewed by the Board on at least a quarterly basis.

- Failure to deliver on the Social Housing Development Plan.
- Failure to secure adequate revenue funding for the proper management of Supported Living accommodation resulting in increasing revenue deficits.
- NI Water – network capacity which could impact on development plans.
- Financial impact of increased nursing care costs resulting in growing deficits in nursing schemes.
- Financial impact of the NILGOSC defined benefit pension scheme affecting annual accounts.
- Requirement under PPN 02/22 on the use of NEC4 engineering and construction contracts which must use X clauses for inflation and changes in the law resulting in cost increases.
- Failure to have a robust and transparent procurement process in place resulting in challenges from unsuccessful contractors and wider public criticism.
- Failure to recruit and retain skilled and experienced staff.
- Financial impact of potential future delivery of affordable homes and mixed tenure developments.
- Failure of subsidiary and associated companies to meet their performance targets leading to increasing intercompany financial support.
- Failure to ensure effective adult safeguarding leading to breach of regulatory requirements and poor levels of care.
- Failure to manage the risk of fraud resulting in considerable financial losses and serious reputational damage.
- Levels of voids in supported living accommodation leading to increasing deficits.
- Failure to implement good governance resulting in breach of regulatory requirements, reputational damage and impacting on future viability.
- Failure to comply with General Data Protection Regulations.
- Health and Safety risks relating to fire safety in apartments.
- Risk of cyber-attack resulting in theft or loss of data and access to IT systems.

## Strategic report of the Board for the year ended 31 March 2024 (continued)

### Performance in the year ended 31 March 2024

During the year the number of homes in management in Apex Housing Association increased by 250 units (3.71%) to 6,975. There were 280 completions, 24 house sales to tenants, and 6 shared ownership buy-outs. There were 1,373 units under development at 31 March 2024. Homes under management within the Apex Housing Group increased by 254 units (3.41%) to 7,695 (net of sales and shared ownership completions).

£57.8m was spent on developing housing properties during the year, partly funded by £8.4m of Housing Association Grant.

Association turnover increased to £63.8m (11.68%) from £57.1m in 2023. Turnover from shared ownership sales (first tranche) was £Nil in 2024, whereas this was £0.6m 2023. Operating costs increased from £53.1m in 2023 to £55.2m in 2024. Net financing costs increased by £0.2m to £7.5m. Deficit for the year was £10.6m (including actuarial loss of £12.2m on the NILGOSC defined benefit scheme) compared with a surplus of £9.5m in 2023 (including actuarial gain of £12.4m).

Following discussions with external third-party advisors, Apex has not recognised any surplus on the NILGOSC defined pension scheme this year. Last year there was a recognised asset of £10.5m however there has been a recommendation to change the default position going forward, as it is uncertain as to whether this surplus (calculated for Financial Reporting purposes) will be recoverable via reduced future contributions (calculated for pension funding purposes). The impact of this change created a large loss of £12.2m on the accounting treatment of the NILGOSC defined benefit scheme during the year. Excluding this, the association incurred a surplus of £1.58m on ordinary activities. This was a considerable improvement on the corresponding loss of £2.87m reported in 2023 and is attributable to the Association increasing rents by 9% for general needs properties to mitigate against the impact of inflation as well as an increase of £2.3m in supported living rents arising from a review of costs and charges. The association also leased a loss-making nursing home to another operator in February 2023 with the full year impact of this benefitting performance in 2023/24. Work is continuing to secure further increases in income for supported living schemes via discussions with the local health trusts and NIHE Supporting People team.

Group turnover increased to £69m (11.47%) from £61.9m in 2023. Group operating costs increased from £56.8m in 2023 to £59.3m in 2024. Group operating surplus for 2023 of £8.9m increased to a group surplus of £11.2m in 2024 as a result of the impact on the parent set out above. There was a total retained deficit for the year of £10.3m compared to a surplus of £11.6m for 2023, however this was due to an decrease in the accounting value of the defined benefit pension scheme accounting for a recognised loss of £12.2m in 2024 compared to a gain of £13.9m in 2023.

### Expected performance in the year ended 31 March 2025

It is planned that 361 additional units will be completed during the year increasing stock owned or managed by the group to over 8,050.

By Order of the Board



Ms S McCallion  
Honorary Secretary  
18 September 2024



## Report of the Board for the year ended 31 March 2024

The Board present their report and the audited financial statements for the year ended 31 March 2024 of Apex Housing Association Limited (the "Association") and its subsidiaries (the "Group"). This report includes required disclosures of the Trustees Report for charity law purposes.

### Board of Management

The Board is a voluntary committee who have responsibility for the strategic direction, general policy and management of the group. The day to day management of operations is delegated to the Chief Executive and the Senior Management Team.

### Performance in the year ended 31 March 2024 and expected performance in the year ended 31 March 2025

The sections on performance in the year ended 31 March 2024 and expected performance in the year ended 31 March 2025, which are in the strategic report, are included in this report by cross reference.

Average staff numbers decreased from 645 in 2023 to 636 in 2024. There are limited plans for additional outreach schemes due to funding constraints and therefore staff numbers are not anticipated to increase significantly in the coming financial year. Staff turnover was 14.32% (2023: 20.54%) and the average absence percentage was 8.72%, up from 7.57%, in the previous financial year.

### Principal risks and uncertainties

Performance in the voluntary housing sector is affected greatly by central government decisions on matters of social and care provision in the community, housing policy, planning issues, land and construction costs, shortage of qualified nursing staff, demographic trends, energy prices, pension costs and budgetary constraints in the Northern Ireland budget. The board and senior management carry out quarterly reviews of risks and identify control measures to manage them. Some of the top key risks identified by the Association during 2024 were; funding levels in supported living schemes; voids in supported living accommodation; difficulties in recruiting nursing and other staff; financial impact of the NILGOSC defined benefit pension scheme on the accounts; cyber security; failure of subsidiaries to meet performance targets; financial impact of potential future delivery of affordable homes and mixed tenure developments; failure to ensure effective adult safeguarding; NI Water insufficient network capacity impacting on development plans; fraud; failure to ensure good governance and compliance; failure to comply with General Data Protection Regulations; fire safety in apartments; and potential challenges from unsuccessful contractors if proper procurement processes are not robust.

### Key performance indicators

#### Development

New sites starts achieved: 27 (1.79% of DfC programme)

#### Housing Management

	2024	2023
Allocations	945	798
Rent Collection	99.92%	99.66%
Total Arrears	7.29%	7.39%
Non-technical Arrears as % of NT turnover	14.04%	14.35%
Voids as % of rent receivable	0.98%	1.0%
Voids as % of housing stock	0.64%	0.93%
Response maintenance within time	88.64%	88.98%

## Report of the Board for the year ended 31 March 2024 (continued)

### Environment

The Association recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

### Health and safety

The Association has a dedicated health and safety officer who is dedicated to achieving the highest practical standards in health and safety management. The development and property services teams also ensure all sites and offices are safe environments for employees and tenants alike.

### Human resources

The Association's most important resource is its people; their knowledge and experience are crucial in meeting tenants' requirements. Retention of key staff is critical and the association has various strategies and plans in place to develop capacity in our teams.

### Financial risk management

The Association's operations expose it to a variety of financial risks that include the effects of changes in interest rate risk, liquidity risk and currency risk. Responsibility for the management of risk is delegated to the Finance Committee.

#### Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

#### Liquidity risk

The Association maintains a mixture of long term and short term loan finance that is designed to ensure there is sufficient funds to achieve business objectives and to facilitate planned growth.

#### Currency risk

The Association does not engage in foreign currency transactions and so is not exposed to foreign exchange risk.

### Donations

The Association made charitable donations amounting to £12,000 during the financial year (2023: £5,790). No donations for political purposes were made during the financial year (2023: £Nil).

### Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company.

## Report of the Board for the year ended 31 March 2024 (continued)

### Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board considered the new financial plan for 2024/25 and beyond at their meeting held on 29th May 2024. This plan included various assumptions and stress-testing around a range of scenarios and considered any mitigations that may need to be put in place depending on the outputs of each scenario. For this reason, they continue to adopt the going concern basis in preparing the financial statements and are confident that the Group will be a going concern for at least 12 months from the date of this report.

### Status

The Association is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (Registered number IP125) and is a Registered Housing Association (R23). The Association is a recognised charity for Inland Revenue purposes (Charity number: XN48080). The Association is also registered with NI Charities Commission (Charity number: NIC106107).

### Board of Management

The members of the Board of the Association are listed on page 1.

Each member of the Board holds one fully paid share of £1 in the Association.

In accordance with the Rules of the Association, Mr Philip O'Flaherty, Ms Linda Watson and Ms Alison Wallace are due to retire by rotation and being eligible, offer themselves for re-election. Mr John Meehan, Mr Sean McKenna and Ms Rachel Naylor are also due to retire, however are not seeking re-election.

### Statement of the responsibilities of the Board

The Board is responsible for preparing the financial statements in accordance with applicable laws and regulations.

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Group and Association's affairs and of its surplus or deficit for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Members of the Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and detect fraud and other irregularities. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure of information to auditors

So far as each of the members of the Board at the date of approval of these financial statements is aware:

- There is no relevant audit information of which the Group and Association's auditors are unaware; and
- They have taken all the steps that they ought to have taken as members of the Board in order to make themselves aware of any relevant audit information and to establish that the Group and Association's auditors are aware of that information.

## Report of the Board for the year ended 31 March 2024 (continued)

### Statement on internal control

The Board acknowledges its ultimate responsibility for ensuring that Apex Housing Association Limited has in place a robust system of internal controls which is appropriate for the various business environments in which it operates and supports the achievement of the Group and Association's policies, aims and objectives whilst safeguarding its funds and assets.

Apex Housing Association Limited was established in October 1965 and has in place a range of internal controls which are and will continue to be reviewed on an annual basis.

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achieving the Associations' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place throughout the financial year ended 31 March 2024 and up to the date of approval of the annual report and financial statements and this accords with recommended Treasury guidance.

The setting of risk appetite by the Board, and identification and assessment of the impact of risk, is incorporated into the corporate planning and decision-making processes of the Association. Consequently, the Association ensures that there are procedures in place for verifying that internal controls and aspects of risk management are regularly reviewed and reported on.

During 2023/24 a number of measures were implemented to enhance the systems of internal control in place. These included:

1. Implementation of the Risk Management Framework.
2. Regular reporting to the Audit and Risk Committee and other Committees and the Board.
3. Annual review of the Risk Management Framework and setting of the risk appetite for 2024-25.
4. Implementation of the Decision Time Goals IT module to manage and report on key performance.
5. Delivery of training.
6. Further development of the risk and governance arrangements through review and implementation of a revised system of KPI monitoring and reporting, effective from 1st April 2024.
7. Commenced development of an overarching policy for 'notifiable events' reporting to ensure compliance with external reporting requirements.
8. Reviewed the current policy management and review procedures and agreed a new IT system for policy management, to be introduced during 2024-2025.

In addition to the actions outlined above, in the coming financial year the Association plans to:

1. Continue to operate the Risk Management Framework.
2. Ensure that the Association's Audit and Risk Assurance Committee continues to review the risk framework at its meetings.
3. Implement the systems for managing and reporting on key performance through the Decision Time IT software and embed the revised KPI reporting system.
4. Continue to deliver appropriate training for staff, Audit and Risk Committee members and Board members.
5. Strengthen the systems for ensuring compliance with external reporting requirements through implementation of an overarching policy for 'notifiable events' reporting.
6. Implement the revised system for policy management and review

As an integral part of its corporate planning process, the Board sets the risk appetite and the inherent risks for each corporate objective are identified and assessed for impact and likelihood using a risk matrix. The Association updates its risk registers, identifying the controls necessary to mitigate against each risk, assessing the residual risk, identifying further actions to be taken and assigning risk ownership to relevant staff.

These risks are reported to and managed by the relevant Committee of the Board and by the Audit and Risk Assurance Committee, who review and report to the Board on risk management issues. Risk is reviewed on a quarterly basis and the Board is informed of any emerging issues. The Committee receives regular reports on the implementation of internal and external audit reports and meets with the auditors on a regular basis. The Committee will commission further reports on specific issues where they feel this is necessary.

The Board has responsibility for reviewing the effectiveness of the system of internal control. Its review of the effectiveness of the system of internal control is informed by the work of the internal auditors and those within the company who have responsibility for the development and maintenance of the Association's internal control framework and comments made by the external auditors in their reporting.

A plan to address weaknesses and ensure continuous improvement of the system is ongoing. The Board has been informed by internal and external audit on the adequacy and effectiveness of internal controls operating within the Association. In the internal auditors report they have stated that in their opinion the Association's internal control systems were adequate and operated effectively thereby providing satisfactory assurance regarding the effective and efficient achievement of the Association's objectives; however a number of recommendations were made and an implementation plan is in place to address these.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Assurance Committee.

Taking all of these matters into account the Board is suitably content that the internal control framework in operation within the Association.

## **Statutory auditors**

The auditors, Sumer AuditCo NI Ltd, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



Ms S McCallion  
**Honorary Secretary**  
18 September 2024