

External Audit Clarification 1.

Date: 1st June 2017.

As in line with our Tender Document we are posting this clarification to give all relevant information to all potential bidders.

1. A copy of your latest risk register.
We have provided below details of the top 5 risk groups rather than a risk register.
2. Your latest strategic plan
We have recently recalibrated our strategy and priorities. We have decided to keep things very simple, our purpose is:
To focus our activities on the needs of our existing customers and to reach more customers in housing needs.

Our current Strategy Model is attached.

What the management consider to be the top five risks for the group:

1. Tenants not paying rent due to changes in welfare and reforms.
2. Further rent reduction reforms
3. Gaps in leadership, business knowledge and skills due to a lack of succession planning within the organisation.
4. Uncertainties post Parliamentary elections and Brexit negotiations.
5. HCA further downgrade, should we fail to successfully deliver a Governance Action Plan.

What the management are ideally looking for from External Auditors:

- a) A service that provides added value (and examples of how this would be achieved).
- b) Competent and up to date method of auditing.
- c) Being proactive so as to ensure that advantage is taken of changes in legislation and accounting standards.
- d) Being a critical partner.
- e) Establishing and maintaining a positive relationship with the Executive and Audit Committee/Board of Saffron