**Compliance with the Governance and Viability Standard**

The Homes and Communities Agency (HCA) have awarded Hexagon a G1 rating for Governance and a V1 rating for Financial Viability. Notwithstanding their own external Regulatory judgement, following the creation of a new Regulatory Standard by the HCA from 1 April 1 2015, Hexagon’s Board approved a process and template for a Board self-assessment which was completed and reported to the Board in July 2016. As a result of that self- assessment. the Board has agreed that Hexagon continues to meets both the Governance and Viability Standard in overall terms, with a few minor caveats. As this self- assessment has been more detailed than the process that the Board and indeed the Regulator has followed in the past, this year the Board has concluded that during the financial year 2015/16, we were only partially compliant with the NHF Code of Governance (as outlined on pages 15-16) and therefore in turn with the requirement of the Governance Standard as outlined in Section 2.1. As a result a new process was put in place during 2015-16 which will ensure full compliance for 2016-17.  In addition, during 2015-16, as part of the new self- assessment process, the Board took reasonable measures to assure themselves that the Association had adhered to all “relevant law”.  This process identified a small number of areas where there had been relatively minor/technical breaches. These included a technical breach of a planning condition (Town and Country Planning Act 1990), some work plan delays (from 15-16 to 16-17) to completing a testing programme of temperature testing of water in all our shared housing (Legionella L8 Code of Practice), a failure to destroy some old archived documents (Data Protection Act 1998), and lastly, a technical breach of Copyright Law caused by photocopying a trade journal news article for Board members information. However, none of these minor/technical were deemed by the Board to be incompatible with meeting the Regulatory Governance standard.