

**Minutes of Shire Audit Committee Meeting  
Held on 16<sup>th</sup> November 2022  
at 18:00pm via Microsoft Teams Application**

**PRESENT:** H Carr, L Gallacher, A Rae, R Morris, S Roberts (Vice Chair)

**CONVENOR:** H Carr

**IN ATTENDANCE:** J Munro (Director), C Donnelly (Head of Corporate Services), J Allison (Head of Housing), V Gregory (ICT), L McCurdy (Minute Secretary)

The meeting commenced at 18:00 pm.

**Election of Audit Committee Convenor**

In line with the Association's Rules, the Audit Committee is required to elect its Convenor.

H Carr was nominated by L Gallacher. As there were no other nominations or objections the Audit Committee duly elected H Carr as Convenor.

The Convenor welcomed members and guests from Wylie + Bissett (W+B), Kevin McDermott (Senior IT Auditor) and S Archibald (Senior Internal Auditor) to the meeting.

Item		Action
<b>1.0</b>	<b>Formal Business</b>	
1.1	<u>Apologies</u> None.	
1.2	<u>Declaration of Interest</u> None.	
1.3	<u>Minutes of the Meeting Held on 23<sup>rd</sup> August 2022</u> The Convener presented the minutes of the meeting and invited comment or corrections.  <b>The Audit Committee agreed the minute as a true and accurate record of the meeting held on 23<sup>rd</sup> August 2022.</b>	
1.4	<u>Action Plan</u> <b>The Audit Committee noted the contents of the Action Plan.</b>	
1.5	<u>Matters Arising</u> None.	
1.6	<u>Notifiable Event</u> None.	

Item		Action												
<p data-bbox="204 311 256 344"><b>2.0</b></p> <p data-bbox="204 347 256 380">2.1</p>	<p data-bbox="336 237 807 271"><b>L McCurdy joined the meeting.</b></p> <p data-bbox="336 311 927 344"><b>Items Requiring a Committee Decision</b></p> <p data-bbox="336 347 1114 380"><u>Internal Audit – IT Systems and Vulnerability Scanning</u></p> <p data-bbox="336 383 1358 495">K McDermott from W+B presented the report for the IT Systems and Vulnerability Scanning internal audit to the Audit Committee. The purpose of the report was to present the results of the review:</p> <table border="1" data-bbox="555 528 1137 703"> <tr> <td>Assurance Level</td> <td>Weak</td> </tr> <tr> <td>High Recommendation</td> <td>1</td> </tr> <tr> <td>Medium Recommendation</td> <td>2</td> </tr> <tr> <td>Low Recommendation</td> <td>0</td> </tr> <tr> <td>Areas of Good Practice</td> <td>9</td> </tr> </table> <p data-bbox="336 745 1358 958">The Committee noted that the report provided Weak Assurance, but that was primarily based on the vulnerability of an old “unsupported” server which was known about, but that plans were in place to address this as part of the new IT Service Provider contract. K McDermott noted that out with this issue, the association had very good processes and controls in place.</p> <p data-bbox="336 1001 727 1034">There was a discussion on:</p> <ul data-bbox="384 1037 1358 1256" style="list-style-type: none"> <li data-bbox="384 1037 1358 1149">• A follow-up vulnerability scan once the server transition has been complete – to be added to Action Plan to discuss relevance in future.</li> <li data-bbox="384 1151 1358 1256">• Provide a performance update on recently appointed IT provider, Innovec – to be added to Action Plan for an update at Summer 2023</li> </ul> <p data-bbox="336 1299 1241 1368"><b>The Audit Committee noted the contents of the report, the findings and the plans to implement the recommendations.</b></p> <p data-bbox="336 1411 746 1444"><b>V Gregory left the meeting.</b></p>	Assurance Level	Weak	High Recommendation	1	Medium Recommendation	2	Low Recommendation	0	Areas of Good Practice	9	<p data-bbox="1385 1046 1541 1079"><b>HCOR/ICT</b></p> <p data-bbox="1385 1155 1541 1189"><b>HCOR/ICT</b></p>		
Assurance Level	Weak													
High Recommendation	1													
Medium Recommendation	2													
Low Recommendation	0													
Areas of Good Practice	9													
<p data-bbox="204 1485 256 1518">2.2</p>	<p data-bbox="336 1485 788 1518"><u>Internal Audit – Health &amp; Safety</u></p> <p data-bbox="336 1520 1358 1632">S Archibald from W+B presented the report for the Health &amp; Safety internal audit to the Audit Committee. The purpose of the report was to present the results of the review:</p> <table border="1" data-bbox="555 1666 1137 1872"> <tr> <td>Assurance Level</td> <td>Strong</td> </tr> <tr> <td>High Recommendation</td> <td>0</td> </tr> <tr> <td>Medium Recommendation</td> <td>0</td> </tr> <tr> <td>Low Recommendation</td> <td>0</td> </tr> <tr> <td>Areas of Good Practice</td> <td>9</td> </tr> <tr> <td>Observations</td> <td>1</td> </tr> </table> <p data-bbox="336 1915 1358 2027">In relation to the Observation, HH advised that the Repairs &amp; Maintenance Policy is due to be reviewed following the presentation of the updated Asset Strategy, to be presented at the next Board meeting.</p>	Assurance Level	Strong	High Recommendation	0	Medium Recommendation	0	Low Recommendation	0	Areas of Good Practice	9	Observations	1	<p data-bbox="1385 1924 1433 1957"><b>HH</b></p>
Assurance Level	Strong													
High Recommendation	0													
Medium Recommendation	0													
Low Recommendation	0													
Areas of Good Practice	9													
Observations	1													

Item		Action
2.3	<p>HH proposes to implement a specific policy on Tenant Safety.</p> <p><b>The Audit Committee noted the contents of the report, the findings and the plans to implement the observation.</b></p> <p><b>K McDermott and S Archibald left the meeting.</b></p> <p><u>Consider Wylie + Bisset Contract Extension</u>  The HCOR presented the report to the Audit Committee. The purpose of the report was to consider the extension of the contract award for the Internal Auditor (Wylie + Bisset), in line with tender arrangements.</p> <p>There was a discussion on:</p> <ul style="list-style-type: none"> <li>• Applicable fees for the contract extension, HCOR to discuss with Wylie + Bisset and report back to Members, only if there is a significant uplift fee, otherwise contract to be extended.</li> <li>• Restructure of W+B staff and main contacts for the engagement.</li> <li>• Graham Gillespie (Partner, W+B) to be requested to attend and present at the Annual Report meeting, (June 2023 approx.)</li> </ul> <p><b>The Audit Committee noted the contents of the report and approved the extension to the existing contract for Wylie + Bisset for the years of 2023/24 and 2024/25.</b></p>	<p><b>HCOR</b></p> <p><b>HCOR</b></p>
3.0	<p><b>Items for Discussion</b></p>	
3.1	<p><u>Barbieston Road – Verbal Update</u>  The DIR presented the report to the Audit Committee, with an update on Barbieston Road.</p> <p><b>The Audit Committee noted the contents of the report and the progress in trying to resolve the future of the site. Whilst East Ayrshire Council offer to resolve the future of the site is welcome, further clarification is required before a formal settlement can be reached.</b></p>	
3.2	<p><u>Cost of Living (Tenant Protection) (Scotland) Bill – Verbal Update</u>  The DIR provided a verbal update on the Bill. The DIR advised that he has invited Patrick Harvie, MSP, to visit the Association, and awaits a response.</p> <p>The DIR advised that the average rent increase consultation from the Glasgow and West of Scotland Forum of Housing Associations’ survey is around 5%.</p> <p>The DIR added that the following MSPs are due to visit the Association’s office:</p> <ul style="list-style-type: none"> <li>• Elena Whitham, MSP for Carrick, Cumnock and Doon Valley –</li> </ul>	

Item		Action
<p>4.0</p> <p>4.1</p> <p>5.0</p> <p>6.0</p>	<p>Monday 5<sup>th</sup> December 2022</p> <ul style="list-style-type: none"> <li>• Sharon Dowey, MSP for South Scotland – Monday 16<sup>th</sup> January 2023</li> </ul> <p><b>Reports for Information Only</b></p> <p><u>Information Requests</u></p> <p>The HCOR presented the report to the Audit Committee, confirming that there have been no Subject Access Requests and no Freedom of Information Requests received since the last report in August 2022.</p> <p><b>The Audit Committee noted the content of the report.</b></p> <p><b>AOCB</b></p> <ol style="list-style-type: none"> <li>1. The DIR requested a response in relation to email regarding EVH wage proposal, deadline to respond to EVH is 30<sup>th</sup> November 2022. The Committee requested the Director to ask EVH for a 24 hour extension to allow this issue to be discussed at the next Board Meeting on 14<sup>th</sup> December 2022.</li> </ol> <p><b>Date of Next Meeting:</b></p> <ul style="list-style-type: none"> <li>• Date: TBC March</li> <li>• Venue: remotely</li> </ul> <p>Meeting Concluded at 19.25</p> <p>I confirm this Minute is a true and accurate record of the meeting: -</p> <p>Convenor _____</p>	<p><b>DIR</b></p>