

**Minutes of Shire Audit Committee Meeting Held on 2 September 2021
at 6.00 pm via Microsoft Teams Application (Covid-19)**

PRESENT: N Allan, H Carr, L Gallacher, A Rae, S Roberts

CONVENOR: N Allan

IN ATTENDANCE: J Munro (Director), C Donnelly (Head of Corporate Services), J Allison (Head of Housing), J McLelland (Minute Secretary), S Pringle (Partner, Wylie Bisset)

The meeting commenced at 6.00 pm.

The Convenor welcomed members and S Pringle, of Wylie Bisset, to the meeting.

Item		Action
1.0	Formal Business	
1.1	<u>Apologies</u> None.	
1.2	<u>Declaration of Interest</u> None.	
1.3	<u>Minutes of the Meeting Held on 24 June 2021</u> The Convenor presented the minutes of the meeting and invited comment or corrections.	
	The Audit Committee agreed the minute as a true and accurate record of the meeting held on 24 June 2021.	
1.4	<u>Action Plan</u> The Audit Committee noted the contents of the Action Plan.	
1.5	<u>Matters Arising</u> None.	
1.6	<u>Notifiable Event</u> None.	
2.0	Items Requiring a Board Decision	
2.1	<u>Internal Audit Review of Procurement</u> The Head of Corporate Services (HCOR) confirmed that the review of procurement was in line with the Association’s Audit plan. The HCOR introduced S Pringle to present the report.	
	S Pringle presented the findings of the Internal Audit report and	

Item		Action
2.2	<p>confirmed that the Association received a “Substantial” assurance grading. One medium risk recommendation and five low level recommendations were made. There were eight areas of good practice highlighted. The Audit Committee noted that comparative benchmarking data shows that the average number of recommendations in similar audits comprised of two high grade, two medium grade and two low grade recommendations.</p> <p>The Audit Committee fully discussed the content of the report. The Audit Committee highlighted historic lack of transparency and the prompt action taken by the Association when concerns came to light.</p> <p>The Director (DIR) highlighted that as part of recent procurement activity, the Board were supplied with a ‘Procurement Journey’ document which supported and evidenced that necessary procurement processes were undertaken by the Association. This process will continue to be used going forward.</p> <p>The Audit Committee highlighted the importance of having robust internal policies and procedures in place which staff can easily access to ensure compliant procurement.</p> <p>The DIR confirmed that the Association will look at internal systems to avoid cumulative spend issues.</p> <p>The Head of Housing (HH) advised that monthly budgeting meetings are now taking place between the Asset Team and Finance Team.</p> <p>The Audit Committee requested that the Contracts Register is in place before the next meeting of the Audit Committee in November 2021.</p> <p>The Audit Committee noted the content of the report and its recommendations.</p> <p><i>S Pringle left the meeting at this point.</i></p> <p><u>Review of Assurance Map to support October 2021 Assurance Statement</u></p> <p>The Director (DIR) presented the report to the Audit Committee.</p> <p>The Head of Corporate Services (HCOR) advised the Audit Committee that SFHA guidance was utilised when updating the Assurance Map, with various new pieces of evidence being added and narrative updated. Existing evidence has been updated to reflect the current year where required.</p> <p>The Audit Committee requested that:</p> <ul style="list-style-type: none"> • an additional section is added to the Assurance Map which 	<p>SMT</p> <p>HCOR</p>

Item		Action
2.3	<p>highlights any new evidence.</p> <ul style="list-style-type: none"> • the font discrepancy on page 3 is rectified. • reference is made to the high-level timetable within the ICT Strategy – under the ‘ICT Strategy’ narrative. • additional narrative is added to reflect the extensive work undertaken in relation to the Barbieston Road site. • additional narrative is added to the ‘Board Member Profiles’ section to reflect the ambitions of the Board in delivering strategic objectives and the wider Business Plan. <p>The HCOR confirmed that the date on page 2 has been updated to 2021.</p> <p>The Audit Committee thanked the staff involved for their hard work in producing a very robust and informative piece of work.</p> <p>The Audit Committee reviewed the draft Assurance Map, which supports the Assurance Statement, and agreed that it be presented to the Board for approval at the September 2021 meeting, subject to the above amendments.</p> <p><u>Review of Risk Map</u> The Head of Corporate Services (HCOR) presented the Risk Map to the Audit Committee.</p> <p>The Audit Committee expressed that they find the tracked changes on the Risk Map helpful.</p> <p>The HCOR confirmed that item 1.7 will be changed to red to reflect the scoring.</p> <p>The HCOR advised the Audit Committee that Castlevue Avenue has an external paintwork programme underway. As such, the risk has not yet been archived [FOISA Status- Exempt under Section 36 (Confidentiality)]. It is probable that this risk will be proposed for archiving at the next review.</p> <p>The Director (DIR) advised the Audit Committee that since the papers were issued on Friday, a response to the Association’s email (dated 19 August 2021) has now been received from East Ayrshire Council in relation to Barbieston Road. [FOISA Status – Exempt under Section 33 (Commercial Interests and the Economy)].</p> <p>The Audit Committee fully discussed the evolving situation with Barbieston Road and East Ayrshire Council [FOISA Status – Exempt under Section 33 (Commercial Interests and the Economy)].</p> <p>The DIR confirmed that the Board will be given an update at the September Board meeting [FOISA Status – Exempt under Section 33 (Commercial Interests and the Economy)]</p>	<p>HCOR</p> <p>DIR</p>

Item		Action
	<p>The Audit Committee approved the Risk Plan as reflecting the Association’s current risk status.</p>	
2.4	<p><u>External Audit Tender</u> The Head of Corporate Services (HCOR) presented the report to the Audit Committee.</p> <p>L Gallacher and H Carr agreed to be part of the tender process.</p>	
	<p>The Audit Committee approved the methodology and timeline for undertaking the tender.</p>	
3.0	<p>Items for Discussion None</p>	
4.0	<p>Reports for Information Only</p>	
4.1	<p><u>Information Requests</u> The Head of Corporate Services (HCOR) presented the report to the Audit Committee and confirmed that no new information requests have been received since the last report in June 2021.</p> <p>The Audit Committee noted the content of the report.</p>	
5.0	<p>AOCB</p>	
5.1	<p><u>Strategic Housing Investment Plan (SHIP) Meeting</u> The Director (DIR) confirmed that the Association met with East Ayrshire Council and the Scottish Government on Monday 30 August 2021 to discuss the SHIP and various potential development sites. The DIR advised that the discussions around sites were varied, with more positive dialogue around the [FOISA Status – Exempt under Section 33 (Commercial Interests and the Economy)]. site. The DIR advised that further discussions with potential developers and feasibility work is required. The Audit Committee noted that the Board will be consulted should the process start to accrue any significant costs. The DIR confirmed that the Association will continue to explore development sites, potentially out with East Ayrshire should opportunities be constrained.</p>	
5.2	<p><u>Temporary Maintenance Officer Retirement</u> The Director (DIR) advised that Norman Burns, the Association’s temporary Maintenance Officer, has now retired. The Audit Committee and Senior Management Team expressed their gratitude for Norman’s commitment to the Association and his work ethic during his time with the Association.</p>	
5.3	<p><u>Audit Convenor</u> The Convenor of the Audit Committee advised members that this would be his last meeting as Convenor. He thanked members and staff for their</p>	

Item		Action
6.0	<p>support during his time as Convenor and wished his successor well.</p> <p>Audit Committee members and the Senior Management Team thanked the Convenor for his commitment and the support and guidance he has given during his time as Convenor.</p> <p>Date of Next Meeting: November 2021 – TBC Venue: remotely</p> <p>Meeting Concluded at 19.30</p> <p>I confirm this Minute is a true and accurate record of the meeting:-</p> <p>Convenor _____</p>	