

**Minutes of Shire Audit Committee Meeting Held on 22 June 2022
at 6.30 pm via Microsoft Teams Application**

PRESENT: H Carr, L Gallacher, R Morris, A Rae

CONVENOR: H Carr

IN ATTENDANCE: J Munro (Director), C Donnelly (Head of Corporate Services), J Allison (Head of Housing), J Dickson (Finance Officer), J McLelland (Minute Secretary), J Chittleburgh (Partner, Chiene + Tait), S Pringle (Senior Manager, Wylie & Bisset)

The meeting commenced at 6.30 pm.

The Convenor welcomed members, J Chittleburgh, of Chiene + Tait, and S Pringle, of Wylie Bisset, to the meeting. The Convenor advised members that a confidential session with the auditors will be held at the end of the meeting. Staff members will absent themselves from the meeting at this point.

Item		Action
1.0	Formal Business	
1.1	<u>Apologies</u> S Roberts.	
1.2	<u>Declaration of Interest</u> None.	
1.3	<u>Minutes of the Meeting Held on 22 March 2022</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 22 March 2022.	
1.4	<u>Action Plan</u> The Audit Committee noted the contents of the Action Plan.	
1.5	<u>Matters Arising</u> ➤ Gas Safety Audit The Director (DIR) confirmed that fieldwork for the peer review of the gas safety process has been completed by Barrhead Housing Association and a full report is expected within the next month. The DIR advised that feedback thus far suggests that recommendations are likely to revolve around automation and removing manual processes as far as practicable.	

Item		Action
1.6	<u>Notifiable Event</u> None.	
2.0	Items Requiring a Board Decision	
2.1	<u>Internal Audit – Annual Report 2021/22</u> S Pringle presented the Annual Report to the Audit Committee for consideration. The report highlighted that Wylie & Bisset have concluded that the Association has adequate and effective risk management, controls and governance processes to manage its achievement of the Association’s objectives. Furthermore, the report concluded that the Association has proper arrangements to promote and secure value for money. The Audit Committee welcomed the report and the reassurance provided, given that the Association achieved a lower number of recommendations in comparison with the associations it has been benchmarked against. S Pringle confirmed that the Association was benchmarked against roughly 20 associations for each audit area. S Pringle confirmed that the Procurement audit resulted in a total of 6 recommendations, 5 low grade and 1 high grade. S Pringle highlighted the reassurance this provides given that the benchmarking shows 2 high, 2 medium and 2 low level recommendations being made for audits of a similar nature. The Convenor thanked S Pringle for his report. The Convenor of the Audit Committee confirmed to members that a confidential session with S Pringle will be held at the end of the meeting. The Audit Committee noted the content of the report.	
2.2	& <u>External Auditor’s Report and Draft Financial Statements</u>	
2.3	J Chittleburgh, External Audit Partner from Chiene + Tait, presented the findings of the External Auditor’s Report and advised that no points of concern were identified. J Chittleburgh took the opportunity to thank the Head of Corporate Services and the Finance Officer for their support and assistance during the audit process. J Chittleburgh highlighted a recommendation that an annual GDPR update is provided to the Management Board. It was also suggested that the Association includes further narrative around sustainability in future reports.	
	The Head of Corporate Services (HCOR) will circulate the Technical Note to members.	HCOR

Item		Action
3.0	<p>The Audit Committee noted that no control weaknesses were identified.</p> <p>J Chittleburgh presented the Letter of Representation, confirming that it is fully standard, with no specific additional representation required from the Board.</p> <p>The Audit Committee noted that all fieldwork was carried out remotely, with J Chittleburgh confirming that some element of face-to-face visits would resume going forward.</p> <p>J Chittleburgh confirmed that the legal advice obtained regarding Barbieston Road is sufficient to support the accounting treatment adopted.</p> <p>The Convenor thanked J Chittleburgh for his report.</p> <p>The Convenor confirmed to members that a confidential session with J Chittleburgh will be held at the end of the meeting.</p> <p>The HCOR introduced the report to the Audit Committee, advising that the draft Financial Statements are similar to the March 2022 Management Accounts already approved by the Board in April 2022, with the main differences being the incorporation of the adjustments relating to the Defined Benefit Pension valuation, and some late accruals identified by staff as more information became available.</p> <p>The HCOR confirmed that Association staff continue to promote membership of the Association.</p> <p>The Audit Committee requested that the following minor amendments are made to the Financial Statements:</p> <ul style="list-style-type: none"> ➤ Page 2 – ‘Governance’ – 2nd paragraph: paragraph to be removed. ➤ Page 23 – Lender: amend ‘Royal Bank of Scotland place’ to Royal Bank of Scotland PLC. <p>The Audit Committee noted the Draft Financial Statements and the findings of the audit from Chiene + Tait. Subject to the noted amendments, the Audit Committee recommended the accounts for approval, together with the approval of the Representation Letter for signing by the Management Board at its meeting on 29 June 2022. It is planned that electronic signing will take place on Thursday 30 June. The Committee also recorded its thanks to the staff team and auditors for the quality of the work presented in the accounts.</p>	
	Items for Discussion	

Item		Action
	None.	
4.0 4.1	<p>Reports for Information Only</p> <p><u>Information Requests</u> The Head of Corporate Services (HCOR) presented the report to the Audit Committee, confirming that there have been no Subject Access Requests and one Freedom of Information Request received since the last report in March 2022.</p> <p>The Audit Committee noted the content of the report.</p>	
4.2	<p><u>Verbal Update on Barbieston Road</u> The Director (DIR) provided the Audit Committee with a verbal update [FOISA Status – Exempt under Section 33 (Commercial Interests and the Economy)]</p> <p>The Audit Committee noted the verbal update.</p>	
4.3	<p><u>Verbal Updates on Reactive Maintenance Contract, and Gas Service Contract</u></p> <ul style="list-style-type: none"> ➤ Reactive Maintenance Contract The Head of Housing (HH) confirmed that the Association has proceeded with a Negotiated Procurement without Prior Notice (NPWPN) route, in favour of a direct award to Everwarm Ltd. The proposed transfer date is 6 July 2022. The HH confirmed that while it understood that TUPE requirements are included, the Association have not taken any part in these negotiations. ➤ Gas Contract The HH provided a verbal update [FOISA Status – Exempt under Section 33 (Commercial Interests and the Economy) The HH confirmed that a full update will be provided at next week’s Board meeting. <p>The Audit Committee noted the verbal update.</p>	
5.0 5.1	<p>AOCB</p> <p><u>Private Session with Auditors – (this section of the minute was provided by the Convenor)</u> JM, CD, JA, JD and JM left at 19.20, and the Committee members met with C&T and W&B for a confidential session. The Convenor asked both firms for any comments and feedback on the external and internal audit processes. Both gave positive feedback to the committee, and raised no issues that they believed needed the committee’s attention. They complimented the openness and cooperation received from all Shire staff, and reaffirmed the positive report provided earlier in the meeting.</p>	
6.0	<p>Date of Next Meeting: August – final date TBD</p> <p>Venue: remotely</p>	

Item		Action
	<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>	