

*Minutes of Shire Audit Committee Meeting*  
**Held on 22<sup>nd</sup> March 2023**  
**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), L Urquhart (Minute Secretary), G Gillespie, (Wylie + Bisset)

The meeting commenced at 18:00 pm.

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 16<sup>th</sup> November 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 16<sup>th</sup> November 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> The Audit Convenor asked for an update on the Report on IT and the Weak Assurance of an old 'unsupported' server. HCOR confirmed the server is gone and the software has moved onto a virtual server.	
1.6	<u>Notifiable Event</u> DIR noted that the issue with the Association's Buildings Insurance may be a notifiable event, as it is a main service failure. It was confirmed there is however an insurance proposal from Direct Line and a contingency plan is in place.	
<b>2.0</b>	<b>Items Requiring a Committee Decision</b>	
2.1	<u>Internal Audit – Equalities Review</u> G Gillespie from Wylie+Bisset presented the internal audit report for the Equalities Review to the Audit Committee.  The purpose of the Equalities review was to ensure that the Association	

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	<p>are committed to promoting Equalities and human rights in line with the Regulatory Standards of Governance &amp; Financial Management. The review considered the Association's adherence with the Equality Act 2010, the Housing (Scotland) Act 2010 and the Equalities objectives outlined by the Scottish Housing Regulator. In conclusion, the auditors were able to provide the Association with a strong level of assurance regarding their Equality and Human Rights arrangements, including their compliance with the Equality Act 2010, the Housing (Scotland) Act 2010 and the Equalities objectives outlined by the Scottish Housing Regulator. As such, eleven areas of good practise were raised. One observation was raised for consideration.</p> <p><b>The Audit Committee noted the contents of the report and recommendations. The meeting provided an opportunity for Audit Committee Members to comment on the report findings and to discuss the actions the Association must undertake in implementing the recommendations. The Audit committee noted that it was a good report.</b></p>	
2.2	<p><u>Internal Audit – Follow-Up Review</u> G Gillespie presented the internal audit report for the Follow Up Review to the Audit Committee.</p> <p>The purpose of the Follow-Up review was to provide the Audit Committee with assurance that prior year recommendations were implemented within the expected timescales. In conclusion, the audit provides a strong level of assurance that the Association has endeavoured to implement recommendations as far as possible. In areas where recommendations have not been fully implemented, the Association are still considering these in line with ongoing support and development. The Association has fully implemented 9 of the 12 recommendations brought forward from 2021/22 and 3 are not implemented due to the timetabling of work.</p> <p><b>The Audit Committee noted the contents of the report and recommendations. The meeting provided an opportunity for Audit Committee Members to comment on the report findings and to discuss the actions the Association must undertake in implementing the recommendations. The Audit Committee noted the date for the Procurement Strategy, from August 2021. HOH confirmed target date is June 2023, to have this complete.</b></p>	
2.3	<p><u>Internal Audit Plan for 2023/24</u> Graham Gillespie of Wylie + Bissett presented the report to the Audit Committee. The purpose of the report was to present the proposed Internal Audit Plan for 2023/24.</p>	

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2.4	<p>The Audit Committee enquired if it was appropriate to wait until February 2024 for the review on Mould and Dampness. The DIR confirmed that it was prudent to keep the February 2024 date.</p> <p><b>The Audit Committee reviewed and approved the Draft Internal Audit Plan for 2023/24.</b></p> <p><u>Review of Risk Management Strategy</u> The DIR and HCOR presented the report to the Audit Committee. The purpose of the report was to allow Audit Committee Members to consider the Draft Risk Management Strategy that will be presented to the Management Board in March 2023.</p> <p><b>The Senior Management Team welcomed feedback from the Audit Committee on the proposed new strategy prior to its review by the Management Board in March 2023.</b></p> <p>The Audit Committee asked for clarification on the process regarding 'Risk Appetite' and asked if the document wording could be updated to reflect what duties lie with Board and the Audit Committee. The DIR confirmed these amendments will be made to go to Board next week.</p>	
2.5	<p><u>Review of Risk Map</u> The HCOR presented the report to the Audit Committee. The purpose of the report was to consider and approve the updated March 2023 Risk Map.</p> <p><b>The Audit Committee considered the updated Risk Map, particularly the changes in grade and the new column assessing mitigated score against the proposed appetite for the risk and the action to be taken.</b></p> <p><b>The Committee approved the Map as reflecting the Association's current risk status.</b></p> <p><b>Given the changes, and the new Risk Strategy, it is agreed that the Strategy and this Risk Map are recommended to Board for approval.</b></p>	
2.6	<p><u>Update on Buildings Insurance</u> The HCOR presented the report to the Audit Committee. The purpose of the report was to provide an update on the position with insurance for the Associations buildings.</p> <p><b>Audit Committee Members noted the current situation with a verbal update provided at the meeting.</b></p>	

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	<p><b>The Audit Committee approved that a decision on the buildings and commercial combined cover for the year or years commencing 1 April 2023 can be approved by the Officer Bearers at short notice.</b></p>	
<p><b>3.0</b></p>	<p><b>Items for Discussion</b> None</p>	
<p><b>4.0</b> 4.1</p>	<p><b>Reports for Information Only</b> <u>Information Requests</u> The HCOR presented the report to the Audit Committee, confirming one new FOI request was received since the last report in November 2022.</p> <p><b>The Audit Committee noted the content of the report.</b></p>	
<p><b>5.0</b></p>	<p><b>AOCB</b></p> <ul style="list-style-type: none"> <li>• HCOR advised Chiene + Tait have completed their interim audit work and are in the process of preparing their audit plan. It was confirmed that the Audit Plan should be circulated by email to the Committee.</li> <li>• The DIR confirmed there will be consultation soon regarding the Staff Structure Review.</li> <li>• The DIR gave confirmation that the Scottish Government have passed the Novation Agreement regarding Barbieston Road to their solicitor. The DIR is hopeful this will be returned and concluded in the near future.</li> <li>• The DIR advised that investigation and discussion is ongoing regarding Craigens Road.</li> </ul>	
<p><b>6.0</b></p>	<p><b>Date of Next Meeting:</b></p> <ul style="list-style-type: none"> <li>• Date: Tuesday 20<sup>th</sup> June 2023</li> <li>• Venue: remotely</li> </ul> <p>Meeting Concluded at 19.00</p> <p>I confirm this Minute is a true and accurate record of the meeting: -</p> <p>Convenor_____</p>	