

**Minutes of Shire Audit Committee Meeting Held on 24 June 2021
at 5.30 pm via Microsoft Teams Application (Covid-19)**

PRESENT: N Allan, 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), S Bruce (Finance Officer), J McLelland (Minute Secretary), G Gillespie (Partner, Wylie Bisset) S Cunningham (External Auditor, Alexander Sloan)

The meeting commenced at 5.30 pm.

The Convenor welcomed G Gillespie, of Wylie Bisset, S Cunningham, of Alexander Sloan, and S Bruce to the meeting.

Item		Action
1.0	Formal Business	
1.1	<u>Apologies</u> H Carr.	
1.2	<u>Declaration of Interest</u> None	
1.3	<u>Minutes of the Meeting Held on 17 March 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 17 March 2021.	
1.4	<u>Action Plan</u> The Audit Committee noted the contents of the Action Plan.	
1.5	<u>Matters Arising</u> The Director (DIR) confirmed that the settlement agreement for the [REDACTED] will be taken to Board on 30 June 2021 as a Notifiable Event.	DIR
1.6	<u>Notifiable Event</u> None	
2.0	Items Requiring a Board Decision	
2.1	<u>Internal Audit – Annual Report 2020/21</u> G Gillespie presented the Annual Report to the Audit Committee for consideration. The report highlighted that Wylie & Bisset have concluded	

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2.2 & 2.3	<p>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.</p> <p>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.</p> <p>The Head of Corporate Services (HCOR) confirmed that the 2 high grade recommendations are a key priority and will be actioned as soon as practicable. As a result of the homeworking enforced by the Covid 19 pandemic, older kit has been required to allow staff the means to remotely access office servers. All legacy kit is being used in the homes of staff, and not directly connected to the office network. As devices are able to be replaced, all legacy kit will be retired.</p> <p>The Convenor thanked G Gillespie for his report and his attendance at the meeting.</p> <p><i>G Gillespie left the meeting at this point.</i></p> <p>The Convenor of the Audit Committee confirmed to members that he had a confidential session with G Gillespie earlier today. The Audit Committee welcomed the feedback that staff were cooperative and helpful throughout the entirety of the audit process. The Audit Committee thanked all staff involved.</p> <p>The Audit Committee noted the content of the report.</p> <p><u>Draft Financial Statements and External Auditor's Report</u></p> <p>The Head of Corporate Services (HCOR) introduced the report to the Audit Committee, advising that the draft Financial Statements are similar to the March 2021 Management Accounts already approved by the Board in April 2021, 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>S Cunningham, External Audit Partner from Alexander Sloan, presented the findings of the External Auditor's Report and advised that no points of concern were identified.</p> <p>The HCOR explained the questions that had been asked by members out with the meeting, in particular the effective interest rate charge.</p> <p>S Cunningham presented the Management Letter, confirming that no</p>	

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	<p>new points were raised this year. S Cunningham also advised that the Letter of Representation is fully standard, with no specific additional representation required by the Board.</p> <p>Following discussions between Alexander Sloan, the SMT and the Audit Convener, it was agreed that the Controls Section of the Management Letter - containing previous recommendations relating to component accounting - be split with the point on life cycles retained and the point on scheme accounting moved to other matters as this issue had been dealt with in the past. The Management Letter will be updated to reflect this before being presented to the Board for approval on 30 June 2021.</p> <p>S Cunningham thanked the HCOR and the staff involved for their help during the audit process.</p> <p>The Convenor thanked S Cunningham for his report and his attendance.</p> <p><i>S Cunningham left the meeting at this point.</i></p> <p>The Convenor of the Audit Committee confirmed to members that he had a confidential session with S Cunningham earlier today. The Audit Committee welcomed the feedback that staff were cooperative and helpful throughout the entirety of the audit process. The Audit Committee thanked all staff involved.</p> <p>The Audit Committee noted the Draft Accounts and the findings of the audit by Alexander Sloan. The Audit Committee recommended the accounts for approval, subject to amendments, together with the approval of the Representation Letter for signing by the Management Board at its meeting on 30 June 2020. Due to the timing of holidays, it is likely that actual signing will be delayed until 19 July 2021.</p> <p>2.4 <u>Health and Safety Action Plan</u> The Head of Housing (HH) presented the report to the Audit Committee.</p> <p>The HH confirmed that the implementation of the Action Plan is not dependant on the recruitment of a Maintenance Officer, although their involvement is desired when the post is successfully recruited.</p> <p>The Audit Committee approved the Health and Safety Audit Action Plan.</p> <p>3.0 Items for Discussion 3.1 <u>SFHA Membership Usage</u> The Head of Corporate Services (HCOR) presented the report to the Audit Committee.</p> <p>The Audit Committee welcomed the report and the usage of SFHA</p>	<p>SC</p>

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3.2	<p>membership thus far.</p> <p>The Audit Committee noted the content of the report.</p> <p><u>Risk: Increasing Costs of Construction and Maintenance Raw Materials</u> The Director (DIR) presented the report to the Audit Committee.</p> <p>As sustained increases may have an impact on rent setting, the Audit Committee requested that the Association explore ways to calculate and track the financial impact, providing justification for any rent setting implications.</p> <p>The Audit Committee noted the content of the report.</p>	HCOR
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.</p> <p>The Audit Committee noted the content of the report.</p>	
5.0 5.1	<p>AOCB</p> <p><u>Recruitment of Maintenance Officer</u> The Head of Corporate Services (HCOR) asked that any members interested in being part of the recruitment process advise the SMT. The offer of involvement will also be extended to Board on 30 June 2021.</p>	
6.0	<p>Date of Next Meeting: Thursday 2 September 2021 – TBC</p> <p>Venue: remotely</p> <p>Meeting Concluded at 18.15</p> <p>I confirm this Minute is a true and accurate record of the meeting:-</p> <p>Convenor _____</p>	