

**Minutes of Shire Audit Committee Meeting Held on 4 November 2021
at 6.30 pm via Microsoft Teams Application (Covid-19)**

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

CONVENOR: H Carr

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 6.30 pm.

Election of Audit Committee Convenor

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

H Carr confirmed that he would like to stand for election as Convenor. As there were no other nominations or objections the Audit Committee duly elected H Carr as Convenor.

The Director (DIR) confirmed that he has been in discussions with 2 newly appointed Board members with regards to joining the Audit Committee to bolster numbers. The DIR will highlight the need for additional Audit Committee members at the November Board meeting.

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> - Item 4.1 – S Roberts advised that he dealt with the same Freedom of Information Request. The Audit Committee agreed that this presented no conflict of interest.	
1.3	<u>Minutes of the Meeting Held on 2 September 2021</u> The Convener 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 2 September 2021.	
1.4	<u>Action Plan</u> - Item 3.2 - Cost of Construction and Raw Materials The Head of Corporate Services (HCOR) advised that budget	

Item		Action
	<p>discussion with the Management Team have commenced. Known variables and price increases will be factored into the draft budget. The draft budget will be presented to the Board in November 2021.</p>	<p>HCOR</p>
	<p>The Audit Committee noted the contents of the Action Plan.</p>	
<p>1.5</p>	<p><u>Matters Arising</u> None.</p>	
<p>1.6</p>	<p><u>Notifiable Event</u> None.</p>	
<p>2.0</p>	<p>Items Requiring a Board Decision</p>	
<p>2.1</p>	<p><u>Internal Audit Report – Complaints Handling</u> The Head of Corporate Services (HCOR) confirmed that the review of Complaints Handling was in line with the Association’s Internal Audit plan. The HCOR introduced S Pringle to present the report.</p> <p>S Pringle presented the findings of the Internal Audit report and confirmed that the Association received a “Strong” assurance grading. No recommendations were made and there were ten 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 medium grade and three low grade recommendations.</p> <p>The Audit Committee fully discussed the content of the report and acknowledged the positive findings.</p> <p>The Audit Committee requested that the Association investigate a complaints management system to streamline the process for staff involved in the recording and collation of complaints data.</p> <p>The Audit Committee noted the content of the report.</p>	<p>SMT</p>
<p>2.2</p>	<p><u>Internal Audit Report – Rent Setting and Affordability</u> The Head of Corporate Services (HCOR) confirmed that the review of Rent Setting and Affordability was in line with the Association’s Internal Audit plan. The HCOR introduced S Pringle to present the report.</p> <p>S Pringle presented the findings of the Internal Audit report and confirmed that the Association received a “Strong” assurance grading. No recommendations were made and there were six 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 one low grade recommendations.</p> <p>The HCOR confirmed that the rent policy is currently being reviewed.</p>	

Item		Action
	<p>The Audit Committee requested that a Financial Inclusion campaign is run alongside the rent increase consultation to ensure tenants are aware of what financial support they are entitled to.</p> <p>The Audit Committee noted the content of the report.</p> <p><i>S Pringle left the meeting at this point.</i></p>	<p>HH</p>
<p>3.0</p>	<p>Items for Discussion None</p>	
<p>4.0</p>	<p>Reports for Information Only</p>	
<p>4.1</p>	<p><u>Information Requests</u></p>	
	<p>The Head of Corporate Services (HCOR) presented the report to the Audit Committee and confirmed that no new Subject Access Requests have been received since the last report in September 2021.</p> <p>The Audit Committee noted that one Freedom of Information Request, relating to the Care and Repair Service, was received. Headline information was provided voluntarily but ultimately the request was rejected as Care and Repair are not subject to FOISA legislation. This response mirrored that of all other Care and Repair providers who received the request.</p> <p>The Audit Committee noted the content of the report.</p>	
<p>5.0</p>	<p>AOCB</p>	
<p>5.1</p>	<p><u>Rent Increase 2022/23</u></p>	
	<p>The Audit Committee acknowledged the challenge of rent setting in what is a very unpredictable and challenging climate. The Audit Committee agreed that balancing affordability for our tenants, whilst ensuring the viability of the Association, will be a difficult task.</p> <p>The Head of Corporate Services (HCOR) advised that financial modelling, exploring viable options and the impact on services, is currently underway.</p> <p>The Audit Committee discussed the impact of a low rent increase on innovation, particularly around decarbonisation. The Head of Housing (HH) confirmed that the Association is utilising the Energy Saving Trust's modelling tool. Such impacts will be considered as part of the 30-year plan.</p>	
	<p>The Audit Committee requested that consultation options have a greater variance between them than that of previous years.</p>	<p>HCOR</p>
	<p>The HCOR advised that rent increase options will be presented to the Board in November 2021.</p>	<p>HCOR</p>

Item		Action
5.2	<p><u>Barbieston Road Verbal Update</u> The Director (DIR) advised the Audit Committee that the Association is still awaiting a response from East Ayrshire Council (EAC).</p> <p>[FOISA Status – Exempt under Section 33 (Commercial Interests and the Economy)]</p>	HH
5.3	<p><u>Wylie and Bisset EQA Survey</u> The Director (DIR) advised the Audit Committee that The Chartered Institute of Internal Auditors is currently undertaking an external quality assessment of the service that Wylie & Bisset LLP provide. The DIR has completed the survey and will issue the survey to the Convenor for completion.</p>	
5.4	<p><u>Assurance Statement</u> The Director (DIR) advised the Audit Committee that the Annual Assurance Statement has been submitted to the Scottish Housing Regulator (SHR). The SHR requested that explicit reference to equalities and human rights compliance is included within the statement. The DIR amended the statement to reflect this request. The DIR shared the updated statement with the Chair, who was happy with the small amendment.</p>	
5.5	<p><u>External Audit Tender</u> The Head of Corporate Services (HCOR) confirmed that 2 bids were received. Following a meeting with the tender panel today, it was agreed that both bidders will be interviewed.</p> <p>The Audit Committee agreed that it is good practice for the External Auditor to present their Audit Plan to the Audit Committee prior to audit and welcomed that this was part of the tender requirements.</p> <p>The HCOR confirmed that, following the tender process, the Board will ratify the decision at the November Board meeting.</p>	
6.0	<p>Date of Next Meeting: February/March 2022 (definitive date TBC) Venue: remotely</p> <p>Meeting Concluded at 19.45</p> <p>I confirm this Minute is a true and accurate record of the meeting:-</p> <p>Convenor_____</p>	