



**AUDIT COMMITTEE MEETING
Wednesday 24 February 2021**

MINUTE

Present: A Clark (Chair)
R Hutton; A Scott; N Hicks

In Attendance: C Ironside; K Miller (Staff Members)
A Grundy (Azets, Banking Sector)

Apologies: None

Due to the current lockdown situation, this meeting was held 'virtually' with all Committee members and staff present accessing the meeting remotely.

ACTION

1 Apologies for Absence

There were no apologies.

2 Declarations of Interest

R Hutton, employee of Port of Leith Housing Association

3 Minutes of Audit Committee Meeting of 20 January 2020

With a correction on page 4 (replacing members of the Audit Committee with 'a meeting with the Chair, Vice Chair, Audit Chair and former Chair had been arranged in December 2020- unfortunately the Chair was unable to attend' the minutes of the meeting of 20 January 2021 were approved as a true record.

KM

4 Matters Arising

None

5 Committee Actions

It was agreed that the item on colour coding could now be removed. A date for the retendering of Internal Audit was noted at Quarter 2 (July - September 2021)

Members noted the report.

6 Internal Audit Tracker

Members requested that a further column be inserted to indicate when an item deadline has been changed. This would ensure that the RAG colour scheme would be used more appropriately.

KM/AH

Items for Approval

7 Azets presentation of investment options (taken as the first item)

A Grundy spoke to his report, previously circulated. He commented on the massive fall in earnings for deposits since the same period in 2019. He stated that none of his clients had ever selected the final option, of going to the whole of the market. He noted that the situation was unlikely to improve in the near future.

A member asked if negative interest rates were a possibility and A Grundy replied that they were very unlikely and the rates were unlikely to fall below 0.1%.

K Miller stated that though MEHA are unlikely to avail of Cascades services (through Azets) at the moment, it is something that we could use in the future.

There being no further questions, A Grundy left the meeting at 5.20pm.

Members were pleased to note that MEHA are currently receiving good rates from Santander.

Members then discussed various ways to spend the cash to increase MEHA stock and K Miller reminded members that having cash was a temporary position and that it was needed for loan repayments in the coming years.

A member noted his concern that leaving the cash with Santander does not reduce the Association's risk if Santander was to go under.

Members agreed that they would recommend to the Board that we leave the cash with Santander at present but would organise a review of MEHA's loan/treasury management position during the first half of 2021/22. It was also agreed that we would keep the option of returning to Azets for a further review in the coming years.

KM

13 AOCB

None

14 **Date and Time of Next Meeting:** Wednesday 5th May 2021 at 5.00pm.

DRAFT