



## AUDIT COMMITTEE MEETING

22 January 2020

### MINUTE

**Present:** A Clark (Chair); R Hutton; A Scott; M Trant

**In Attendance:** N Hicks; C Ironside; A Hay; K Miller  
A Cameron (Quinn Internal Audit & Business Support Services)

**Apologies:** None

**Appointment of Chair:** Members noted that as this was the first Audit Committee meeting after the Association's AGM, election of the Chair should be the first item of business. A Clark was nominated by M Trant and seconded by A Scott. There being no other nominations, A Clark was duly elected Chair.

### ACTION

#### 1 Apologies for Absence

Committee expressed their sadness at D McEwan's death and noted their appreciation of his contribution to both the Audit Committee and the Board. There were no apologies.

#### 2 Declarations of Interest

N Hicks – board member of The Action Group and member of SHAPS Employer Committee.  
R Hutton – Employee of Port of Leith Housing Association.

#### 3 Minutes of Audit Committee Meeting of 19 June 2019

The minutes of the meeting of 19 June 2019 were approved as a true record, proposed by M Trant, seconded by A Scott.

#### 4 Matters Arising

There were no matters arising.

## 5 Committee Actions

Members noted that A Cameron would be presenting the Treasury Management training in March for the Board. The training will include explanation of our Santander covenants. A Clark confirmed that nothing further was to be done by the Committee on the item he previously raised on interest on our future pension liability.

## 6 Internal Audit Tracker

A Cameron noted that his recently performed follow up review for internal audits completed in 2018/19 included most of the items listed in the Committee report. K Miller clarified that the main area of data cleaning still required, is in the IT system rather than in paper form. Committee agreed that all tasks related to procurement be done together.

Members agreed to consider Agenda Item 8 and 10 (a) at this point in the meeting.

## 8 Internal Audit Programme 2020/21 (for approval)

A Cameron presented the report which included a summary of the Internal Audits for the past 9 years and proposals of what could be included in the coming three years. The plan was approved with the following amendments:

- ICT review would include our use (and where relevant staff use) of Social Media.
- The ICT review would be done in 2020/21 and the insurance review would be done in 2021/22.
- Gas and asbestos audits planned for 2021/22 would be combined with electrical and water checks under a Tenant Safety Audit in 2020/21.
- Factoring audit would be postponed to 2021/22.

Dates for the annual plan will be agreed at a later stage with staff.

## 10 Internal Audit Reports (for noting)

- (a) **Allocations.** A Cameron presented the report which included two priority 3 recommendations. It was noted that although the file items mentioned in the second recommendation were not available in paper form during the audit, electronic copies were available on the database. Members noted that the information on refusals would be captured within the KPIs. The Chair thanks staff for their efforts.

Members took their opportunity to meet with the Internal Auditors without staff present at this stage. Staff members left the room.

A Cameron and M Trant then left the meeting as the staff returned.

## **For Approval**

### **7 Draft 25 year Financial Plan**

K Miller presented her report, explaining the process that culminates in running various scenarios that test the robustness of the plan. Members discussed rent affordability and the proposed development in South Queensferry in some depth. K Miller confirmed that estimated figures have been included for the proposed development as discussions are at an early stage.

A member suggested that some planned worked be deferred from 2022/23 to ensure the covenant is more than the minimum required before the plan is sent to the lenders. K Miller confirmed that the covenants are based on the Association figures rather than Group figures.

A member requested information on how active Santander are in the housing finance market.

Members recommended the draft 25 year plan to the Board for approval.

### **9 External Audit Plan 2020/21**

K Miller presented the external audit plan and confirmed that this plan was being signed ahead of the meeting with Scott Moncrieff (post meeting note, this is set for 11 February 2020). K Miller confirmed that the proposed fee is in line with expectations. A member suggested that our external auditors may ask MEHA to assess its exposure to the possible staffing issues when the UK leaves the EU. The plan was agreed.

Standing Orders were suspended at this point of the meeting to allow Committee to conclude its business.

### **10 Risk Assessment Review**

C Ironside presented her report, highlighting the changes to the report from the last review.

It was noted that a full review of the policy and matrix is planned. The revised assessment was agreed.

### **12 Any Other Competent Business**

Members discussed the need for a pension working group to review the staff pension options by August 2020 (as proposed at the October 2019

Board meeting). The working group will consist of A Clark, A Scott, N Hicks and R Hutton. M Trant would also be invited to join by K Miller. Proposals from the working group will inform the staff consultation that will follow.

The External Audit Engagement Letter was signed by the Chair.

The meeting concluded at 19.25.

**11 Date and Time of Next Meeting: Wednesday 6 May 2020 at 5.00 p.m.**