

Minutes of the Audit Sub Committee Meeting held on Wednesday 30 November 2016 at 10:00 a.m. at Leving House, Livingston

Present:	Bob Hartness (Convenor)	In attendance:	Julia Fitzpatrick
	Frances Wood		Isla Gray
	Bob McDougall		Lorraine Utterson
	Douglas Taylor		Carol Bonham
			Emma Russell (Minutes)

185 DECLARATIONS OF CONFLICT OF INTEREST

There were no declarations of interest.

186 APOLOGIES

Apologies were received from Stan Rae and Grant Carson.

187 MINUTES OF THE MEETING OF 6 JULY 2016

The minutes were duly approved as a true record of the meeting.

Moved: Frances Wood

Seconded: Bob McDougall

188 MATTERS ARISING

Access Ownership Proposed Acquisition

Members noted that the approved acquisition by Horizon of another Access Ownership property is near completion and has been delayed by the complexity of the transaction.

ITEMS FOR DEBATE / DECISION / ACTION

189 Openness and Confidentiality Policy Report

Members discussed the previously circulated report and proposed Openness and Confidentiality policy with the following recommendations made:

- Renaming of the document to “Openness and Transparency Policy” to demonstrate Horizon’s commitment to sharing information.
- Adjustment to point 3.2.3 to provide examples of the circumstances where access to information may be withheld.

- An explanation of the reason for levying charges to respond to a request made under Environmental Information Regulations (FoI) to be added to point 3.2.3
- The maximum charge for assembling information be capped at £500.
- The timescale for the reviewing of the policy following Board approval to be set at 3 years.

The Committee noted that Scottish Government would shortly issue a consultation on extension of Freedom of Information legislation to housing associations.

Decision:

The Audit Sub-Committee recommended the Openness and Transparency Policy, with the aforementioned amendments, to the Board for approval.

190 Management Accounts for the period 1 April to 30 September 2016

The Committee discussed the previously circulated report and accounts, noting that these were acceptable at this point in the financial year.

Decision:

The Committee approved the Management Accounts for the period 1 April 2016 to 30 September 2016 and recommended these be presented to the December Board meeting for note.

191 Loan Covenant Compliance Quarter 2

The Committee noted the previously circulated report detailing that Loan Covenants continue to be met. A correction to the asset cover figure provided in the paper was noted: this should read 113.4% asset cover for the Nationwide.

192 Internal Audit Reports and Monitor

Members considered and noted the previously circulated report.

In relation to Recommendation 15 on Major repairs, there was discussion of work in progress to agree a Link group procurement strategy, including subsidiaries.

Decision:

The Committee approved that items noted as "Complete" be removed from future monitoring reports.

It was agreed that a paper should be provided to the February Audit Committee on the Link procurement strategy.

193 Risk Register Review of Top Risks

The Board discussed the previously circulated paper and the table monitoring the top risks from the risk register.

Decision:

It was agreed that:

- A new risk be added in relation to the affordability of rents and that this should be a considered a top risk in the context of continuing threats.
- The threat to the triple lock on pensions leading to reduced income for pensioners should be recorded as a risk with the control, at this stage, being to maintain a watching brief on emerging policy.
- The causes and controls related to ONS reclassification should be updated
- The risks of substantial increase in pension liability or deficit payments be removed from the Top Risks register.

194 Welfare Reform- specific risk register

The Committee considered the previously circulated report and proposed specific risk register. Suggestions were made to clarify or supplement some of the risks posed:

- At point 4, clarify that court action taken to repossess a property will be coupled with an attempt to recover monies outstanding from the tenant.
- Add the risk that rent increases lead to rent levels for some property types exceeding the LHA cap or to tenants being subject to the benefit cap.
- Change the emphasis in some controls from penalising non-payment to encouraging payment. For example, consider a cost benefit analysis of introducing a payment reward scheme.
- Consider methods for encouraging young people to save towards their month's payment in advance.

The Committee noted that the risk register would complement a welfare reform strategy, being developed for Link as a group.

195 ANY OTHER BUSINESS

There were no items of any other business.

196 DATE OF NEXT MEETING

The next Audit Sub Committee will take place on Wednesday 1 February 2017.