

## Meeting Minutes

### Audit Committee Meeting

Wednesday 15 May 2019 at 10.00am in the Leving House, Livingston

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<b>Present:</b>	Bob McDougall (Convener) Bob Hartness Frances Wood Jean Hamilton Stan Rae	<b>In attendance:</b>	Isla Gray Sharon Brady-Wardrope Carol Bonham  Michelle Proust (Minutes)
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#### 330 WELCOME AND APOLOGIES

Bob McDougall welcomed everyone to the meeting. Apologies were received from Janice Flanagan and Douglas Taylor.

#### 331 DECLARATIONS OF INTEREST

There were no declarations of interest.

#### ITEMS FOR DEBATE/DECISION/APPROVAL

#### 332 MINUTES FROM THE MEETING HELD ON 6 FEBRUARY 2019

The minutes of the previous meeting were confirmed as an accurate record.

**Proposed: Jean Hamilton**

**Seconded: Bob Hartness**

#### 333 MATTERS ARISING

There were no matters arising from the minute of the meeting held on 6 February 2019.

#### 334 ANNUAL RETURN ON THE CHARTER (ARC)

The Committee considered the previously circulated report which provided the Association's ARC submission in advance of it being submitted to the Scottish Housing Regulator.

Sharon Brady-Wardrope reported that the data assurance process for the 2019 submission had varied from previous years with greater responsibility for collating and checking data been carried out by staff, with final validation having been carried out by the Operations Director and the Managing Director. This had provided a valuable learning opportunity for staff members, who have commented on now having an increased understanding of why certain information is gathered in particular ways throughout the year, and how this feeds into the Association's regulatory compliance.

The Committee noted the areas of improved performance that were highlighted in the previously circulated cover report. On review of the areas of reduced performance - relating to staff turnover and the % of tenancies refused – several contributory factors were recognised as being beyond the Associations control and the outcomes around these had been mitigated to the best of the organisation's ability.

There was discussion of the data relating to the number of upheld complaints. Sharon Brady-Wardrope provided explanation of how the ease of access to the Horizon complaints process contributes to a higher than average number of recorded complaints. Sharon elaborated further that Horizon also takes a very broad view on what constitutes a 'complaint', and that even in cases where a customer makes a comment and frames it in the manner of 'This isn't a complaint but here is something you could do better' the complaints procedure in Horizon will record this as a complaint. This method of recording and resolving complaints ensures that as many opportunities for learning and service improvement are captured as possible. In this respect the way in which Horizon holds itself accountable in the managing of its complaints process was seen to be positive.

During consideration of the EESSH it was requested that the organisations Risk Register (Risk 5.6 – Failure to meet EESSH and maintain SHQS) be updated to include the risk(s) posed around failure to meet the carbon neutral targets set out in the Climate Change (Scotland) Act 2009.

**Decision:**

On behalf of the Board, the Audit Committee approved the Association's ARC return, including EESSH, for submission to the Scottish Housing Regulator. The approval of the Audit Committee would be homologated by the Board at its meeting on 15 June 2019.

The Committee considered the previously circulated report which presented a draft of the Scottish Housing Regulator's Five-Year Financial Projection Return.

The Committee noted that there were still some areas to be 'tidied up' and further checking to be carried out. However, there were no areas in the return that gave any cause for concern.

**Decision:**

The Committee recommended the SHR 5 Year Financial projections to the Board for approval, subject to adjustments to the estimated out-turn for 2018/19.

**336 DRAFT SHR LOAN PORTFOLIO**

The Committee reviewed the previously circulated report which provided the draft SHR Loan Portfolio Return.

The Committee requested that future covering reports for the return include narrative to highlight any differences between the previous and current year's figures.

**Decision:**

The Audit Committee recommended the Loan Portfolio Return to the Board, subject to updating final loan covenant results and unit numbers..

**337 ANNUAL TREASURY MANAGEMENT STRATEGY REPORT**

The Committee reviewed the previously circulated report.

**Decision:**

The Audit Committee recommend the Annual treasury Management Report to the Board for approval.

**ITEMS FOR PERFORMANCE AND RISK MANAGEMENT AND MONITORING**

**338 INTERIM MANAGEMENT ACCOUNTS Q4**

The Committee considered the previously circulated Interim Management Accounts for the period 1 April 2018 to 31 March 2019.

In response to questions from Board members, Carol Bonham and Sharon Brady-Wardrope provided further background on the figures relating to repairs, where the member had noted an improvement in budgeted figures and an improvement in service.

**Decision:**

The Committee recommend the interim management accounts for 1 April 2018 to 31 March 2019 to the Board for approval.

**339 LOAN COVENANT COMPLIANCE Q4**

The Committee noted the circulated report and were content that all requirements continued to be met.

**340 INTERNAL AUDIT REPORTS AND MONITOR**

The Committee reviewed the previously circulated report and monitor.

**Decision:**

The Audit Committee:

- noted the progress detailed on the action monitor,
- approved the revision of timescales as detailed on the action monitor plan, and
- approved the removal of completed actions from the internal audit plan.

**341 RISKS REGISTER MONITOR AND REVIEW**

Members considered the previously circulated report which presented the revised risk register, following the Risk Workshop held in April 2019.

The Committee requested updates to Risks 5.6, 4.5, and 2.9, relating to EESSH compliance, managing director recruitment and a correction of an incorrect date.

**Decision:**

With these updates in mind, the Audit Committee approved the revised risk register.

**342 KPMG AUDIT PLANNING MEMORANDUM AND INTERIM FINDINGS REPORT**

The Audit committee noted the previously circulated report.

**343 ANY OTHER BUSINESS**

There were no items of other business arising.

Date of the next meeting

**The date of the next meeting is Wednesday 3 July 2019 at 10:00 a.m. in Livingston.**