

# SUB-COMMITTEE PAPER

## FOR APPROVAL



### MINUTES

of the Meeting held on Thursday 24<sup>th</sup> April  
Virtual meeting

#### COMMITTEE MEMBERS IN ATTENDANCE:

Adam Turner  
Craig Morton  
Martin Joyce  
Natalie Cryans - Observer

#### APOLOGIES:

Victoria Bluck

#### STAFF IN ATTENDANCE:

John Davidson	CEO
Craig Porter	Director of Finance and Business Support
Sandy Young	Director of Housing Management
Iona Taylor	Director of Asset Management
Andrew Craig	Financial Controller
Tammy Allan	Governance & Business Improvement Officer (minutes)
Holly Malcolmson	Business Improvement Officer

#### OTHERS IN ATTENDANCE:

Scott McCready, Wylie & Bisset  
For items 947 - 955  
Stuart Beattie, Chiene & Tait  
For items 947 - 956

STANDING ITEMS	
947	<p><b>Welcome</b> AT welcomed all attendees to the meeting.</p>
948	<p><b>Apologies</b> A record was made of apologies from non-attendees.</p>
949	<p><b>Approval of Previous Minutes – January 2025</b> The minutes of the meeting held on 30 January were approved without amendment.</p>
950	<p><b>AOCB Approval</b> None</p>
951	<p><b>Declaration of Interest on any Agenda items</b> None</p>
952	<p><b>Matters Arising/Update</b> None</p>
FOR APPROVAL	
953	<p><b>Internal Audit Report – Equality, Diversity &amp; Inclusion</b> SM presented the report and informed the Sub-committee of the purpose of the internal audit, which was to assess whether AHA was promoting equality and diversity inline with the Regulatory Standards. He moved onto note that they gave AHA a substantial level of assurance with 4 recommendations made but also 7 areas of good practice, which included the Associations recruitment and selection policy which effectively outlines our approach to recruiting in an equal, diverse and inclusive manner.</p> <p>With regards to the recommendations that were made, SM advised that they recommend AHA develop an Equality, Diversity and Inclusion action plan and noted that AHA have requested that this recommendation is split into 2, covering the staffing element and housing element. The 2<sup>nd</sup> medium grade recommendation was in relation to developing an equalities strategy, which is currently in draft format and is due to be implemented by April 2026. Along with these there were 2 low grade recommendations made in relation to ensuring EQIA's are completed within policy reviews and also providing alternative methods for policies and procedures to be produced.</p> <p>The Sub-committee queried the grading structure that was used given the plans that are in place to mitigate the risk, however SM advised that whilst he agreed with the point that was being made, due to the nature of what they were reviewing, he was comfortable with the grading structure that was used.</p> <p>Reference was also made to the recent court case ruling around single sex space and queried whether this was something that AHA had taken into account. SY confirmed that he has been paying close attention to the case, and whilst it wasn't something that had been discussed at SMT level, he will follow any further guidance that is released by the Scottish Government.</p> <p>The Audit and Finance Sub-committee <b>noted</b> the internal audit report as provided by Wylie &amp; Bisset.</p>
954	<p><b>Internal Audit Report – Follow-Up</b> SM informed the Sub-committee that that during the follow up review they look over recommendations that have been raised in previous years and assess the progress that has been made. In total they reviewed 14 recommendations and were able to confirm that all of which have been fully implemented.</p> <p>The Sub-committee acknowledged some of the long-standing recommendations and noted that it was good to see them being implemented.</p> <p>The Audit and Finance Sub-committee <b>noted</b> the internal audit report as provided by Wylie &amp; Bisset.</p>
955	<p><b>Internal Audit Annual Report</b></p>

	<p>SM detailed that the Internal Audit Annual Report summarises the work that has been carried out throughout the year. SM also noted that in their opinion, AHA have adequate and effective risk management, control and governance processes to manage its objectives.</p> <p>He moved on to refer to summary of work that was undertaken and noted a miscalculation in the total number of medium grade recommendations and advised that that there were 5 medium grade recommendations that were made and not 6 as noted within the report.</p> <p>Benchmarking was also carried out and SM advised that AHA comes out favourably and overall Wylie &amp; Bisset were happy with the controls that are in place.</p> <p>The Sub-committee queried whether the annual report is shared with the main Board and CP that as there is a cross over within the internal financial controls statement, which is presented to the Board to give assurance, then the annual report is not normally presented.</p> <p>The Audit and Finance Sub-committee <b>noted</b> the annual internal report as provided by Wylie &amp; Bisset.</p> <p>SM left the meeting at this point.</p>
956	<p><b>External Audit Plan</b></p> <p>SB introduced himself and advised that he is the audit manager for both AHA and AEL. He moved onto refer to the audit summary report and advised that it is similar to what has been prepared in previous years. SB also summarised the work that would be undertaken and the team who would be involved in the testing that is carried out.</p> <p>SB advised that they will be reviewing both AHA and AEL and also noted that as part of the external audit they will review the business risks to AHA as at 31<sup>st</sup> March, by looking at the cashflow and also focusing on the 5-year forecast ensuring that both are reasonable. They will also review what the Associations peers are doing in terms of the assumptions that they are using. In terms of governance, they will review minutes that have been taken during meetings and will also review the Associations Risk Register to ensure that all is on order.</p> <p>The Associations fixed assets will be reviewed in terms of any impairments at year end, along with anything else that could be called into question with the accounts. Disposals will also be reviewed to ensure that they are counted correctly. They will assess the income that is coming into AEL to ensure that there are adequate systems in place to capture it correctly. Along with this they will focus on fraud management and overrides throughout the audit by reviewing journals that are being posted and by whom. This will include looking at various payment patterns which allows them to investigate further.</p> <p>SB concluded by advising that there will be consistency throughout the audit team over the year and also noted that timetable for the audit has already been agreed and noted within their report.</p> <p>The Sub-committee thanked SB and acknowledged that the audit plan was very much in line with previous years.</p> <p>CP referred to the Letter of Engagement contained within the report and advised that he was seeking approval to sign the report on the Sub-committee's behalf. He advised that the audit plan and costs have been reviewed against the tender documents that were previously issued.</p> <p>The Audit and Finance Sub-committee <b>approved</b> the External Audit Plan for 2024/25 from CT:Audit (Chiene and Tait).</p> <p>The Audit and Finance Sub-committee <b>agreed</b> the letter of engagement with CT:Audit and authorised the Director of Finance and Business Support to sign on behalf of the Board.</p>

	SB left the meeting at this point.
957	<p><b>Internal Audit Action Plan Update</b></p> <p>CP presented the report and noted that the action plan includes the recommendations from the recent audits. He also referred the first recommendation noted within the rolling plan and advised that it is hoped that controls will be in place on HomeMaster by July 2025 which will be going live on 1<sup>st</sup> October 2025.</p> <p>The Sub-committee referred to the long standing recommendation that was made with regards to Estate Management and queried whether it was immaterial to keep active and it was agreed that as there is another estate management audit due to take place this year, the new recommendations made would be considered and if Wylie &amp; Bisset do not raise anything with regards to how garden inspections are recorded, the old recommendation would be removed.</p> <p>The Audit and Finance Sub-committee <b>noted</b> inclusion of recommendations in respect of recent audit exercises, as well as progress made in relation to the outstanding recommendations.</p>
958	<p><b>Risk Map: Quarter 4 Review</b></p> <p>CP presented the strategic risk map to the Sub-committee and advised that the only proposed changes are with regards to both SR2 &amp; SR3. The amendment to SR2 is with regards to the court summons that has been received following the recent procurement exercise which the Board have already been made aware of. The amendment to SR3 is in relation to the changes that have been made in the last quarter to staff wellbeing and support.</p> <p>MJ referred to the changes that have been made to staff wellbeing and also the staff attrition and queried how these both correlate, however JD acknowledged that he did not want to overstate the risk score and the People &amp; Culture Manager brings new focus to the HR function and is extremely approachable. JD also referred to the long-term Housing Support Manager vacancy and the frustrations that this caused within some of the teams but he hopes that the pressures will be lifted with the position now being filed.</p> <p>With regards to the recent procurement exercise and subsequent court summons, AT queried whether TC Young could provide external training that would supplement the knowledge within AHA. IT advised at this point that members of her team have recently completed training through both SFHA and TC Young, however additional training will be considered and along with this AHA will reconsider the procurement routes that are being used.</p> <p>The Audit &amp; Finance Sub-committee <b>noted</b> the status of the risk map.</p>
959	<p><b>Nationwide BS Mandate Update</b></p> <p>In line with money laundering requirements, CP advised that AHA are required to update their mandate with Nationwide.</p> <p>The Audit and Finance Sub-committee having reviewed the Mandate requested by Nationwide BS and present by Craig Porter, Director of Finance and Business Support, resolved that: Any two of the Associations Senior Management team have authority to act on the Association behalf.</p> <p>The Audit and Finance Sub-committee <b>approves</b> the updated mandate for dealings with Nationwide BS.</p>
960	<p><b>Bad Debt Write-Off</b></p> <p>CP presented the report to the Sub-committee, referencing the previous agreement to only present annual reports on bad debts prior to year end. Within the report it details how we go through the provisions for bad debts and also details the amounts that are being physically written off along with the values that the Director of Housing Management has authority to write-off.</p> <p>The Audit and Finance Sub-committee <b>agreed</b> that the proposed bad debt write-off/write-off of balances should be submitted to the next Board meeting for approval.</p>

**INFORMATION PAPERS**

961	<b>Sole Supplier Justification Review</b> <ul style="list-style-type: none"><li>• No companies added to the register</li></ul>
962	<b>AOCB</b> <p>CP informed the Sub-committee that the management accounts are normally presented to the Audit &amp; Finance Sub-committee prior to being presented to the Board, however due to year end there wasn't sufficient time to have them prepared.</p> <p>CP also informed the Sub-committee that CT:Audit have also been made aware of the recent court summons so that this can be taken into account as part of their audit testing.</p> <p>There was also a discussion around how long was left within the contract with the internal auditors and whether this should be extended for the additional 2 years. It was agreed that this would be picked up with VB upon her return.</p>
963	<b>Date of next meeting</b> <p>The next meeting will be held on Thursday 31<sup>st</sup> July.</p>

Approved by:

Date: