

WHEATLEY HOUSING GROUP LIMITED**GROUP AUDIT COMMITTEE****MINUTE OF MEETING held on 31 January 2024 at 10.30 am****Wheatley House, Glasgow**

Present: Caroline Gardner (Chair), Maureen Dowden, Iain Macaulay, Alison McLaughlin and David Rockliff

In attendance: Anthony Allison (Group Director of Governance and Business Solutions), Ranald Brown (Director of Assurance), Steven Henderson (Group Chief Executive), Pauline Turnock (Group Director of Finance), Michael Wilkie (KPMG), Iretiayo Adenaike (KPMG) and Lewis McGregor (Director of IT and Digital Services – item 10 only).

Welcome to the new member

The Committee welcomed Iain Macaulay to his first Committee meeting.

1. Apologies for absence

Apologies were received from Fiona Burden.

2. Declarations of Interest

The Committee noted that Iain Macaulay was a Non-Executive Director of Wheatley Care.

3. Minute of previous Audit Committee meeting and matters arising

Decided: The Committee approved the minute of 8 November 2023.

4. Risk Management Update

The Committee were provided with a summary of the review of the Strategic Risk Register, the risks outwith risk appetite and the rationale why, and the proposed amendments to some risks.

The Committee discussed the high risk rating of damp and mould relative to the number of cases and our comprehensive approach to responding to cases. It was explained that this would be further explored at the May Board risk workshops but that the link to health and safety and reputational impact were major contributors to the risk rating. The Committee recognised that the relatively high risk rating was also indicative of an area which does, and will continue to, have a high level of focus.

The Committee discussed the risk of 'Failure to recruit, develop, retain & succession plan' within the context of our recent experience with recruitment and succession planning and wider market conditions. It was explained that our leadership development framework considers our recruitment and succession across different levels.

It was agreed a more detailed update on our leadership framework would be presented to the Group Board in the summer. The Committee further discussed how our approach blends developing our internal talent with being cognisant of our attractiveness in the external market when we wish to engage with it.

The Committee discussed the risks impacted or associated with high interest rates. It was explained that our credit rating and business planning efficiencies in particular take into account interest rates.

[REDACTED]

Decided: The Committee:

- 1) noted the contents of the report; and**
- 2) recommended the proposed changes to the Strategic Risk Register for approval by the Board.**

5. 2023/24 Statutory Accounts – KPMG Outline Audit Strategy and Key Accounting Estimates and Judgement

The Committee were updated on the annual review of our key accounting estimates and judgments. It was confirmed they were considered to remain appropriate and no changes were proposed.

[REDACTED]

The Committee discussed our approach to depreciation in detail and was updated on how it is linked to our wider asset management approach, the use of appropriate external benchmarks and the harmonisation across the wider Group.

The Committee received a summary of the constituent parts of the proposed audit strategy for 2023/24. The Committee noted the level of change in the audit team and sought an update on the key drivers of the change and assurance that there would be no adverse impact on timescales. It was explained that the changes were part of a planned rotation and that they would not impact timescales.

The Committee noted the end phase of the last audit required to be accelerated and sought feedback on how this could be mitigated for the 2023-24 audit. It was explained that there were logistical challenges and that to the extent possible KPMG would be clearer on the exact dates for the final steps.

Decided: The Committee:

- 1) approved the KPMG audit planning strategy; and**
- 2) approved this statement of key estimates and judgements.**

6.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7. Group Assurance Update

The Committee were provided with an update on the delivery of the Internal Audit Annual Plan, including the findings of the reviews of: Wheatley Homes South repairs; and financial efficiency savings plan. The Committee was also updated on the status of follow up work and information governance activity.

The Committee discussed the financial efficiency savings plan review and agreed it provided reassurance it was being developed and implemented effectively. It was explained that our approach is focused on collaboration across the Group with a strong focus on maintaining our service levels.

The Committee discussed the repairs analytics findings and was updated on how it is part of a rounded view of our repairs service which informs service management and change where appropriate.

The Committee discussed the current position in relation to rent credit balances and was updated on the work underway to implement the identified improvement opportunities.

The Committee was updated on the follow up activity in relation to new build securitisation and it was confirmed we do map our funding plans against our security pool.

Decided: The Committee noted the contents of the report.

8. Rolling Internal Audit Plan

The Committee were provided with a report which sought approval of the 12-month rolling internal audit plan, and the proposed reviews for the next period.

The Committee reviewed the plan and agreed the proposals were appropriate and relevant.

Decided: The Committee

1) noted the contents of the report; and

2) approved the 12-month rolling internal audit plan, and the proposed reviews for the next period.

9. Committee Arrangements Report

The Committee were updated on the results of the Internal Audit team’s Internal Quality Assessment (IQA) for 2023 and the proposed arrangements for the Committee’s annual self-assessment.

The Committee welcomed the results of the IQA and agreed the plans for its self-assessment which built on the approach successfully introduced in the previous year.

Decided: The Committee:

- 1) noted the contents of this report;**
- 2) approved the proposed approach for the review of the Group’s Internal Audit Charter, as part of a review of the Internal Audit methodology against the new Global Internal Audit Standards; and**
- 3) approved the proposed approach to the 2024 GAC self-assessment.**

10. [Redacted]

[Redacted]

[Redacted]

[Redacted]

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[Redacted]

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[Redacted]

[Redacted]

11. AOCB

There was no other competent business.

Signature: **Date:**
Chair