

WHEATLEY HOUSING GROUP LIMITED**GROUP AUDIT COMMITTEE****MINUTE OF MEETING held on 14 August 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), Lyndsay Brown (Director of Financial Reporting – item 5 only) and Lewis McGregor (Director of IT and Digital Services – item 12 only).

1. Apologies for absence

There were no apologies for absence.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of Audit Committee meeting of 15 May 2024 and matters arising

The Committee requested that the draft minute more explicitly reference that item 11 related to unacceptable practices and lessons from the Post Office.

Decided: The Committee approved the minutes of 15 May 2024.

4. Risk Management update

The Committee were provided with an update on the proposed changes to the Strategic Risk Register.

The Committee discussed the report specifically noting the four risk areas that were outwith the risk appetite.

The Committee discussed the risks associated with the availability of Scottish Government grant funding. It was explained that the principal area of risk related to our new build programme but that it related to future projects not currently funded. It was confirmed that a more detailed assessment of this was underway and we would be updating Boards in due course. It was further confirmed that we would consider, as part of this, all costs associated with new build.

Decided: The Committee noted the report

5. 2023/24 Statutory Accounts

The Committee received a detailed update on the 2023/24 statutory accounts, the key movements from the prior year and the key elements of our Income and Expenditure and Statement of Financial position.

The Committee discussed the unrealised non-cash surplus in the valuation of social housing properties for the year, the movement from the previous year and the work required to finalise the valuation and test the underlying assumptions. It was confirmed that independent reviews by our external advisors and KPMG are undertaken in relation to our valuation.

The Committee received an update from KPMG on their work and the Chair confirmed that no issues were raised during the in-camera session held between KPMG and Committee members.

The Committee discussed the risks identified and it was explained that, whilst some have recurred but not materialised, the risk assessment required to reflect the prescription of relevant auditing standards.

The Committee sought confirmation that there were no issues or concerns in relation to disclosures. It was confirmed by KPMG that there were none at this stage and that testing was approaching the final stages.

The Committee noted that the Financial Reporting Council had published findings in relation to inspecting results relating to KPMG and agreed to consider at a future meeting any relevance for us.

Decided: The Committee:

- 1) Approved the 2023/24 Group and subsidiary financial statements for presentation to the Group Board;**
- 2) Delegated authority to the Chair and Group Director of Finance to approve any non-material changes to the financial statements;**
- 3) Delegated authority to the Group Director of Finance to finalise non-trading entity accounts;**
- 4) Noted KPMG's Draft Audit Highlights Memorandum for the Group; and**
- 5) Approved the Letter of Representation at Appendix 2 for presentation to the Group Board and (adjusted as appropriate) separately to each subsidiary Board and noted the related letter of comfort from the Group CEO to Group and subsidiary Chairs at Appendix 3.**

6. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[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 and the key findings of the following reviews: Development completion and post-completion; Care Quality Assurance Framework; and the SHR Annual Assurance Statement.

The Committee noted that the care quality assurance review was within the context of regulated services being subject to inspection by the Care Inspectorate.

The Committee discussed the assurance activity in relation to Electrical Testing Certification and agreed that this now reverts back to business-as-usual monitoring through operational performance.

Decided: The Committee noted the report.

8. Rolling Internal Audit Plan

The Committee were provided with an update on the rolling internal audit plan and the proposed reviews for the next reporting period.

The Committee discussed the proposed focus for the next period and the plan to dedicate the remaining time to risk management, data analytics and quarterly follow-up of management actions.

Decided: The Committee noted the report and approved the rolling internal audit plan.

9. Policies update

The Committee were provided with an update on the recent review of Group-wide Assurance policies and reviewed the proposed changes required.

Decided: The Committee approved the updates to the following policies:

- 1) Group Anti-Money Laundering and Counter-Terrorism Financing Policy;**
- 2) Group Fraud, Corruption and Bribery Policy;**
- 3) Group Whistleblowing Policy;**
- 4) Group Data Protection Policy;**
- 5) Group Special Category Data Policy; and**
- 6) Group Freedom of Information Policy.**

10. Annual Assurance Statement

The Committee were provided with an update on the Annual Assurance Statement.

The Committee noted the assurance that, following the self-assessment process and the review undertaken by our internal assurance team, there were no areas of material non-compliance.

Decided: The Committee recommended the 2024 Annual Assurance Statement for approval by the Group Board and submission to the Scottish Housing Regulator.

11. Assurance of Culture and Staff Satisfaction

The Committee were provided with a report in respect of how we gain assurance relating to our organisational culture.

The Committee considered our culture assurance programme to 2027 and welcomed the overall approach. It was agreed that we should continue to monitor the findings from the Post Office inquiry and it was agreed a self-assessment against the key findings, as they are finalised, be undertaken and reported to the Group Board.

Decided: The Committee noted the report.

12. Cyber Assurance update

The Committee were provided with an update on our current cyber security activities and projects.

The Committee discussed the current and emergent risk areas identified and our approach to assess and develop plans to mitigate key business resilience threats.

The Committee noted a detailed continuous professional development session in relation to the cyber security landscape was scheduled for immediately after the meeting.

Decided: The Committee noted the report.

13. AOCB

There was no other competent business.

Signature: **Date:**
Chair