

**WHEATLEY HOUSING GROUP LIMITED****GROUP AUDIT COMMITTEE****MINUTE OF MEETING held on 4 February 2026 at 10.30am****Wheatley House, Glasgow**

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

**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), Carol Batchelor (KPMG), Jillian Campbell (Head of Audit and Inspection – item 7 only) and Lewis McGregor (Director of IT and Digital Services – items 8 and 11 only).

**1. Apologies for absence**

Apologies were received from Ken Barclay.

**2. Declarations of Interest**

The Committee noted the standing declarations of interest and the new declaration from David Rockliff as a member of the University Court at the University of Strathclyde.

The Committee agreed that Carol Batchelor had a conflict of interest in relation to item 6 and would leave the meeting for this item.

The Committee agreed that Ranald Brown had a conflict of interest in relation to item 10 and would leave the meeting for this item.

**3. Minutes of Audit Committee meeting of 19 November 2025 and matters arising**

**Decided: The Committee approved the minutes of 19 November 2025.**

**4. Risk Management update**

The Committee was provided with a summary of the proposed updates to the Strategic Risk Register for approval by the Group Board.

The Committee sought an update on the risk relating to the RTS switchover. The Committee was advised of the current number of properties still awaiting the switchover, and it was confirmed that this number is on a steady downward trend.

The Committee sought confirmation on the level and breadth of cover provided by the Group's cyber security insurance. An update was provided on the policy cover levels, the types of activities covered, and the types of requirements previously required to secure coverage, such as immutable backups.

The Committee discussed the benefits of cyber insurance and the constraints that accompany it, such as the handling and communication requirements in the event of a cyber incident. It was confirmed that the Group Board has a defined role in the event of any major cyber incident.

The Committee was updated on the Group's focus on business resilience and recovery in the event of a cyber incident, and the role this plays in mitigating cyber-related risk.

The Committee discussed the policy implications of a cyber incident originating from a third party, and it was confirmed that the policy position on this would be clarified at the next meeting.

The Committee reflected on lessons learned from reports into governance failures in other organisations. The Committee discussed how the Group's governance arrangements mitigate such risks, including issues relating to the lack of appropriate skills and experience among governing bodies, and the effectiveness of Boards and individuals in discharging their scrutiny role.

It was agreed that an update would be provided at the next meeting on how the Group's governance arrangements seek to mitigate such risks.

**Decided: The Committee noted the content of the report and the change to the Strategic Risk Register agreed by the Group Board in December 2025**

## **5. 2025/26 Annual Financial Statements – KPMG Outline Audit Plan and Key Accounting Estimates and Judgements**

The Committee was provided with a summary of the key judgements and estimates to be used in the preparation of the 2025/26 annual financial statements, along with an overview of the changes to FRS 102 effective for financial years beginning on or after 1 January 2026.

The Committee sought clarification on whether changes to lease accounting under FRS 102 would be material. It was confirmed that, at the Group level, there would be no material impact.

The Committee sought an update on progress with the changes under which City Building (Glasgow) will become a subsidiary from an accounting perspective. It was confirmed that there have been no material changes from the revised documentation previously agreed by the Group Board, and that the change is still expected to take effect from 1 April 2026.

The Committee sought clarification on, and was satisfied with, the accounting treatment of the City Building (Glasgow) pension liability post 1 April 2026. The Committee was provided with a summary of KPMG's outline audit plan for 2025/26.

The Committee sought assurance that the timetable is deliverable and would reduce the challenges experienced at the end of the process in the previous year. It was confirmed that the timetable was co-developed, achievable, and reflects lessons learned from the previous year, particularly in relation to the final sign-off stage.

**Decided: The Committee:**

- 1) Approved the KPMG outline audit plan and the fee for 2025/26;**
- 2) Approved the statement of key estimates and judgements for the 2025/26 financial statements; and**
- 3) Noted the timeline for the upcoming changes to FRS 102.**

**6. External Audit Retender**

The Committee was provided with a summary of the proposed approach to the re-tendering of Group external audit services, including the key issue of the Group's status as a Public Interest Entity.

The Committee was updated on the steps being taken to create competition, following the incumbent being the sole bidder during the previous process, while also ensuring compliance in the event of a single bidder.

The Committee discussed the key findings from the Financial Reporting Council's Annual Review of Audit Quality, which indicated that Tier 1 firms are achieving consistently high audit quality.

The Committee discussed the proposed quality/price ratio and was provided with a detailed explanation of the rationale for the proposed weighting.

The Committee discussed the challenges in creating competition, prevailing market conditions, and the need to balance value for money with audit quality.

**Decided: The Committee:**

- 1) Agreed the approach to the re-tendering of external audit services across the Group;**
- 2) Noted the timetable for the tender process; and**
- 3) Agreed the award criteria as 70% Quality / 30% Cost and the use of the Crown Commercial Services Audit and Assurance Services Framework for the re-tender.**

**7. [REDACTED]**

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**12. AOCB**

There was no other competent business.

**Signature:** ..... **Chair**

**Date:** .....