

WHEATLEY HOUSING GROUP LIMITED

GROUP AUDIT COMMITTEE

MINUTE OF MEETING – Wednesday 5 August 2021

HELD BY VIDEOCONFERENCE

Present: Martin Kelso (Chair), Jo Armstrong, Fiona Burden, Bernadette Hewitt and Angela Mitchell.

In attendance: Anthony Allison (Director of Governance), (Group Chief Executive), Ranald Brown (Director of Assurance), Steven Henderson (Group Director of Finance), Michael Wilkie (KPMG), Gemma Preston (KPMG), Kirsten Innes (KPMG), Pauline Turnock (Director of Financial Reporting), Duncan Black (Head of Audit and Inspection – Glasgow City Council – item 4 only) Lewis McGregor (Director of IT and Digital Services – item 4 only) and Stephen Devine (Director of Assets and Sustainability – item 11 only).

1. Apologies for Absence

Apologies were received from Sheila Gunn and Peter Kelly.

2. Declarations of Interest

The Committee noted the standing declarations of interest. There were no new declarations.

3. Minute of previous Audit Committee meeting and matters arising

Decided: The Committee approved the minute of 5 May 2021.

4. [redacted]

5. 2020/21 Statutory Accounts

The Committee received a detailed report which included the final 2020/21 financial results for the Wheatley Housing Group; KPMG Audit Highlights Memorandum; Letters of representation to the auditors; Management letter of representation; and the 2020/21 subsidiary statement of comprehensive income and statement of financial position.

The Committee was updated on the key income and expenditure, statement of financial position and cashflow results. An update was also provided on the variations from the period 12 management account and the trends over the last 5 years.

[redacted]

Clarification was sought on the Development Agreement referred to within Note 2. The origin and purpose of the agreement, as part of the VAT treatment at the point of transfer, was explained in further detail.

The Committee received a summary of the KPMG Audit highlights memorandum, in particular the key risks, treatment of WGC PLC and going concern.

The Committee reviewed the Group and GHA financial statements, along with the subsidiary profit and loss accounts and balance sheets. No material issues were identified by the Committee.

The Chair confirmed that he had consulted the Chief Internal Auditor and KPMG who both confirmed they had no matters they wished to raise with the Committee in camera.

The Chair recognised the work of the finance team and KPMG in preparing the accounts.

Decided: The Committee

- 1) Approved the 2020/21 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 Audit Highlights Memorandum for the Group; and**
- 5) Approved the Letter of Representation at Appendix 1 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 2.**

6. [redacted]

7. Group Assurance update

The Committee was provided with a summary of the findings of the reviews of the furlough scheme and Equalities, Diversity and Human Rights. An update was also provided on the ESG baselining exercise.

The Committee discussed the Equality, Diversity and Human Rights review. It was noted that the review acknowledged progress to date and the plans in place for compliance with the regulatory framework. The Committee further discussed diversity and the focus we have in this area at Board and staffing levels.

The Committee considered the findings from the ESG baselining, in particular the need to be able to clearly communicate our achievements to different audiences.

The Committee was updated on Information Governance requests received, including a clarification of the period referred to.

Decided: The Committee noted the contents of the report.

8. Rolling Internal Audit Plan 2021-22

The Committee received a report detailing the proposed internal audit plan for the next three months.

The Committee reviewed the proposed plan and agreed the repairs review would be particularly pertinent.

Decided: The Committee approved the work-plan for the next three months.

9. Risk Management update

The Committee was provided with a summary of the proposed updates to the Strategic Risk Register, which it was explained were of a non-material nature.

The Committee agreed the risk register reflected our current risk environment and were appropriate for recommendation to the Board.

Decided: The Committee noted the report and agreed to recommend the updates to the Group Board.

10. Anti-Money Laundering Policy

The Committee received a report detailing updates to the Anti-Money Laundering policy as part of the periodic review process.

The Committee sought an update on how we deliver associated training. It was confirmed training was risk based and targeted at relevant staff, such as letting agents.

Decided: The Committee approved the Group Anti-Money Laundering Policy.

11. Fire Prevention and Mitigation update

The Committee was provided with an update on our current rate of accidental dwelling fires across the Group; routine Fire Safety Monitoring in our Multi Storey Flats (“MSFs”) by the Scottish Fire and Rescue Service (“SFRS”); and progress with our MSF and Living Well Fire Risk Assessment (“FRA”) programme. It was confirmed no recommendations were overdue for completion.

The Committee discussed the report and were pleased to note a sustained positive downward trend in ADFs across the Group even as restrictions are being lifted. The Committee welcomed the prioritisation being applied based on proportionality.

Decided: The Committee noted

- 1. performance on Accidental Dwelling Fires;**
- 2. performance on Operational Assurance Visits; and**
- 3. progress with our MSF and Living Well Fire Risk Assessment programme.**

12. AOCB

The Committee acknowledged the service of Peter Kelly and Sheila Gunn during their tenure on the Committee as they retire from the Group and Jo Armstrong as she moves to a new role as group Chair.

The Committee acknowledged the stewardship of the Committee Chair as he moves to a new role as Group Vice-Chair.

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