

Please note – these Minutes have been edited to remove any commercially sensitive or confidential discussions

## ITEM 2

### MELVILLE HOUSING ASSOCIATION LIMITED

Minute of the Audit Committee Meeting held on Monday 11 February 2020 at 5.30pm  
Due to adverse weather this was held via a Conference Call

**PRESENT:** Glen Alexander  
Donna Bogdanovic  
Clare Marshall

**IN ATTENDANCE:** Andrew Noble, Chief Executive  
Morag MacDonald, Chief Operating Officer  
Euan Morrison, Chiene + Tait  
Stephen Pringle, Wylie & Bisset  
Mary Monteith, PA to Chief Executive (Minute)

The Chief Executive advised that this is the first Audit Committee meeting since our AGM, and it was necessary to elect a Chair. The Chair had indicated that they were willing to stand for re-election. A Member proposed that they be re-elected, this was seconded. There being no other nominations, the Chair was re-elected.

#### G ALEXANDER IN THE CHAIR

**1a OPENING REMARKS**

The Chair thanked everyone and welcomed them, noting their appreciation for the efforts to hold this meeting.

**Action  
Required  
Note**

**1b DECLARATION OF ANY OTHER COMPETENT BUSINESS**

Noted that there was no other business to be raised.

**Note**

**DECLARATION OF INTEREST**

**1c** Noted that the Chief Executive & the Chief Operating Officer declared they are Directors of Ironmills Development Ltd.

**Note**

<b>1d</b>	<b>APOLOGIES</b>	<b>Action Required Note</b>
	<p><u>Noted</u> that apologies were received from the Caron Quinn and Paul Cameron.</p>	
<b>2</b>	<b>MINUTE FROM PREVIOUS MEETING 29 JULY 2019 AND MATTERS ARISING</b>	<b>Approve</b>
2.1	<p><u>Noted</u> that these minutes were <b>approved</b> by a Clare Marshall and seconded by a Donna Bogdanovic.</p> <p>There were no matters arising from the previous meeting.</p>	
<b>3.</b>	<b>EXTERNAL AUDITOR – EXTENSION OF TERM</b>	
	<p><u>Noted</u> that the Audit Committee were asked to ratify the approval given by email to extend the contract for our external Auditors, for a further two audit cycles for years ending 31 March 2020 and 31 March 2021.</p> <p>The Committee <b>ratified</b> this decision</p> <p><u>Noted</u> that the Audit Committee were also asked to ratify the decision to review this again in two years to allow a further 2 year extension.</p> <p>The Committee <b>ratified</b> this decision</p>	
<b>4</b>	<b>NOTIFIABLE EVENTS</b>	
4.1	<p><u>Noted</u> that the Chief Executive reported that following the Determination of Contract at our Limekilns development, the Regulator has been notified and we have received an acknowledgement that they will need more information on completion timescales and costs etc. This will be left as an open notifiable event and updates will be provided to both the Regulator and Board as and when there is something to update.</p>	<b>Note</b>
4.2	<p><u>Noted</u> that members were asked if they were aware of any other notifiable events. Members confirmed that there were no other notifiable events that they were aware of.</p> <p>The Audit Committee <b>noted</b> the contents of this report.</p>	<b>Note</b>

<b>5</b>	<b>EXTERNAL AUDIT PLAN FOR YEAR ENDING 31 MARCH 2020</b>	<b>Action Required</b>
5.1	<b>Noted</b> that a Director from Chiene + Tait was in attendance for this item.	<b>Note</b>
5.2	Those members present indicated that they were happy with the audit approach, scope and timescale for the year ending 31 March 2020.	<b>Note</b>
5.3	The Audit Committee <b>noted</b> the contents of this report and <b>approved</b> the audit plan	<b>Note/ Approve</b>
<b>6.</b>	<b>MEETING IN PRIVATE WITH EXTERNAL AUDITOR</b>	
6.1	<b>Noted</b> that in line with good practice, staff members would usually leave the meeting to allow audit committee members to meet in private with the external auditor, however, as this is conference call, the chair suggested that if members had any issues/questions to raise they email them to him and the PA could arrange a time with auditor to discuss these.	<b>Note</b>
	<b>Post Meeting Note: Chair of the Audit Committee had spoken with members present after the meeting and confirmed that a separate meeting with our auditors, Chiene + Tait, was not required on this occasion.</b>	
<b>7.</b>	<b>INTERNAL AUDIT – ANNUAL REPORT FOR 2018/2019</b>	
7.1	<b>Noted</b> that the Chief Executive explained to members that in line with the agreed Internal Audit plan the following reviews had been completed: <ul style="list-style-type: none"> <li>▪ Housing Allocations</li> <li>▪ Property Development</li> </ul>	<b>Note</b>
7.2	<b>Noted</b> that Fire Safety and Follow Up review were due to be carried out this month and we received the draft assignment plan however, following discussions with Audit Committee Chair and Chair of Association, these reviews were postponed.	<b>Note</b>

7.3	<b>Housing Allocations</b>	<b>Action Required Note</b>
	A Senior Manager from Wylie + Bisset took members through the previously agreed scope for this audit and highlighted that the overall conclusion was Strong with the auditors being able to provide a strong level of assurance over the controls in place.	
	It was pointed out that 9 examples of good practice were listed.	<b>Note</b>
	It was noted that this was a really good review.	<b>Note</b>
7.4	<b>Property Development</b>	
7.5	The Auditor again took members through the previously agreed scope for this review which was carried out in November 2019 and noted that the overall conclusion for this audit was Strong allowing the Auditors to provide a strong level of assurance over the arrangements we have in place for development.	<b>Note</b>
	It was noted that there were 8 examples of good practice listed and 1 low level recommendation, which management have accepted. This relates to ensuring we have a document detailing the process to be followed for approving property development projects.	<b>Note</b>
7.5	<b>Fire Safety</b>	
7.6	<b>Noted</b> that the Committee then went on to discuss the Fire Safety review that should have happened w/c 3 February. The Chief Executive recalled that this subject was specifically requested by the Audit Committee but in her email, the Chair of the Association queried if the auditors would have the appropriate skills to carry this out.	<b>Note</b>
7.7	<b>Noted</b> that the Auditor commented that they were a bit surprised by this as they felt that the review would be looking to assure the Board that the Association has the relevant processes in place and that these processes were being followed. The Chief Executive also indicated that should anything be highlighted through the audit; additional specialised resources can be arranged as necessary.	<b>Note</b>

		<b>Action Required</b>
7.8	<b><u>Noted</u></b> that a member commented that they felt that we needed to have this in the current plan and that the findings from this should be presented to the Board to discuss this further.	<b>Note</b>
7.9	<b><u>Noted</u></b> that the Chief Executive highlighted that this year's stock tour will incorporate a risk assessment walkabout with our insurers.	<b>Note</b>
7.10	<b><u>Noted</u></b> that the Chair noted to complement the event being provided by our insurers, they felt we should continue with the plan and the Fire Safety review be carried out. Members present unanimously agreed with this.	<b>Note</b>  <b>Approve</b>
7.11	<b><u>Noted</u></b> that it was also noted that matters of Governance should be reviewed and that it should be added into the plan for next year. Members agreed with this.	<b>Approve</b>
7.12	The Audit Committee <b>agreed</b> that the Fire Safety Audit should remain on the plan and that Governance be added to the Internal Audit plan for next year.	<b>AN/SP to action</b>
<b>8.</b>	<b>MEETING IN PRIVATE WITH INTERNAL AUDITOR</b>	
8.1	<b><u>Noted</u></b> that in line with good practice, staff members would usually leave the meeting to allow audit committee members to meet in private with the internal auditor, however, as this is Conference Call, the Chair suggested that if members had any issues/questions to raise they email him and the PA could arrange a time with the Auditor to discuss these.	<b>Note</b>
	<b>Post Meeting Note: Chair of the Audit Committee had spoken with members present after the meeting and confirmed that a separate meeting with our Auditors, Wylie + Bisset, was not required on this occasion.</b>	
<b>9.</b>	<b>RISK MAP</b>	
9.1	<b><u>Noted</u></b> that the Chief Executive explained that changes made since the risk map had previously been circulated were highlighted in red.	<b>Note</b>

	<b>Action Require Note</b>
9.2 <b><u>Noted</u></b> that the current position with Newbyres was highlighted with the Chief Executive noting that we were looking to relet these properties by April at the latest and we were in discussions with various bodies to allow this to happen.	<b>Note</b>
9.3 The Audit Committee <b>noted</b> the contents of the Risk Map.	<b>Note</b>
<b>10. HEALTH AND SAFETY REPORT TO THE AUDIT COMMITTEE</b>	
10.1 <b><u>Noted</u></b> that the Property Manager explained that this was an overview of Health and Safety since the Fire Report was presented to the Audit Committee last year.	<b>Note</b>
10.2 <b><u>Noted</u></b> that the Property Manager took members through the report and highlighted the following:	<b>Note</b>
<ul style="list-style-type: none"> <li>▪ More formal inspections are now carried out in our common stairs.</li> <li>▪ Work continuing on the replacement of detectors to meet new legislation by February 2021 and the financial impact of this additional work.</li> <li>▪ Contact and work being done with Fire Services as part of their “common Stairs” safety campaign.</li> <li>▪ Confirmation of regular checks on the external wall insulation fitted to our properties.</li> <li>▪ Certification of external fire doors still not in place. Two Temporary doors fitted to 2 properties to date.</li> <li>▪ In line with best practice – rolling 5 year programme of electrical checks introduced for all our properties</li> <li>▪ Awareness training carried out by Insurers will form part of this year’s Stock Tour.</li> <li>▪ Estate Walkabouts – tenants advised of health and safety issues raised during these walkabouts</li> </ul>	

<ul style="list-style-type: none"> <li>▪ Information to tenants - Article in next Voice regarding the replacement detector programme.</li> <li>▪ Lone Working – Staff have been issued with revised safety devices which tracks their location via GPS and manual recording by staff.</li> <li>▪ Asbestos – Asbestos register information is given to contractors prior to work starting.</li> <li>▪ Contractors complete a questionnaire on health and safety procedures etc prior to working with us.</li> <li>▪ Regular staff training provided to ensure staff are up to date on health and safety.</li> <li>▪ Risk – health and safety identified as high risk on our risk map, but risk of fire is currently medium risk due to the actions highlighted in the report.</li> </ul>	<p><b>Action Required</b></p>
<p>10.3 <b><u>Noted</u></b> that the Chair asked if there had been any resistance from tenants during the detector replacement programme. It was acknowledged that there had been some, but it was hoped that the programme would be finished by the end of this year to allow focus on any no access issues.</p>	<p><b>Note</b></p>
<p>10.4 <b><u>Noted</u></b> that there was a query about lone working in the office (as opposed to out in the community) – it was pointed out that there was not a lot at all as staff mainly worked to core times within the office.</p>	<p><b>Note</b></p>
<p>10.5 <b><u>Noted</u></b> that it was explained that the Housing Officers, Property Officer and the Property Manager use the lone workers safety device as well as listing their diary appointments and calling in should they go off diary.</p>	<p><b>Note</b></p>
<p>10.6 <b><u>Noted</u></b> that one member commented that this was a good report and they were pleased to see we were in a strong position with regards to health and safety. They did query the position on the external fire doors asking if it meant that no Housing Associations could access certified fire doors. It was confirmed that at present no manufacturers were prepared to certify that their doors would last 30 /60 mins in the event of a fire. The</p>	<p><b>Note</b></p>

	Property Manager was asked if he could clarify what a temporary door was – it was explained that this was a solid core door.	<b>Action Required</b>
10.7	The Board <b>noted</b> the contents of this report.	<b>Note</b>
<b>11.</b>	<b>POLICY REGISTER</b>	
11.1	<b>Noted</b> that the Chief Executive noted that colour had been added to the register and highlighted that those marked in green were in date and no action was required.	<b>Note</b>
11.2	<b>Noted</b> that it was acknowledged that whilst the policies currently in place are still adequate, the Staff Handbook should've been completed in the Autumn. This was now with Mentor for final review. It was also noted that the handbook will remove most of the out of date policies.	<b>Note</b>
11.3	The Audit Committee <b>noted</b> the contents of the updated policy register.	<b>Note</b>
<b>12.</b>	<b>REGISTERS</b>	
12.1	<b>Noted</b> that there had been the following entries in the registers since the last meeting of the Audit Committee: <ul style="list-style-type: none"> <li>▪ 15 items recorded in the Entitlements, Payments and Benefits Register- mainly gifts from contractors which were raffled at Christmas time with proceeds to Staff Charity – St. David's Day Centre</li> <li>▪ 12 entries in the Declaration of Interests Register – mainly relating to updating of Board Members Declaration of Interest forms</li> </ul>	<b>Note</b>
12.2	<b>Noted</b> that there have been no entries to any of the other registers since the last Audit Committee meeting.	<b>Note</b>
12.3	<b>Noted</b> that as this meeting is being held via conference call, registers will be signed when the Chair is next in the office.	<b>Note</b>
<b>13.</b>	<b>ANY OTHER COMPETENT BUSINESS</b>	
13.1	<b>Noted</b> that there was no Other Competent Business.	<b>Note</b>



**14. DATE OF NEXT AUDIT COMMITTEE MEETING**

14.1 **Noted** that the next Audit Committee meeting will be held at **Note**  
6pm on 6 April 2020.