

**MINUTES OF THE 2<sup>ND</sup> FINANCE, AUDIT & CORPORATE SERVICES (F.A.C.) SUB COMMITTEE MEETING OF WILLIAMSBURGH HOUSING ASSOCIATION, HELD ON WEDNESDAY, 1<sup>ST</sup> FEBRUARY 2023 AT 6.00PM (HYBRID).**

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<b>PRESENT:</b>	M.Symons A. Ballantine J. Scott Cllr. M. MacLaren	Convenor
<b>IN ATTENDANCE:</b>	J. Grant L. Ramsay L. Fleeting	Chief Executive Officer Head of Finance & Corporate Services HR & Corporate Admin Supervisor
<b>OBSERVER:</b>	██████████	

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**1. (a) Apologies**

No apologies were given.

**(b) Declarations of Interest**

There were no declarations of interest.

**2. (a) Minutes of the F.A.C. Meeting No 1 – 02.11.22**

The minutes of the Finance, Audit & Corporate Services Sub Committee meeting held on Wednesday, 2<sup>nd</sup> November 2022 (No.001) were proposed correct, on a motion proposed by M. Symons, seconded by J. Scott.

**(b) Matters arising**

A member asked at F.A.C no 1 if W.H.A. have any life cover/critical illness cover in place for the loss of key staff. Our insurers have confirmed that currently W.H.A. does not have this in place, however, L. Ramsay will review with SMT and include as an option for the 2023 insurance renewal.

A member queried at F.A.C no 1 regarding the Data Protection Gantt chart methodology of the reported percentage complete status. Our external DPO advised that this was an estimate only. Going forward each block of work is reported individually as % complete.

**3. Financial Reports to 31<sup>st</sup> December 2022**

L. Ramsay presented the report, noting a good performance for the 9 months to 31<sup>st</sup> December 2022, with revenue in line with budget expectations and costs £0.1m below budget. This is mainly as a result of delays to cyclical spend and timing of overhead costs partly offset by increased maintenance costs which overall results in a higher than budgeted surplus to date.

### 3. Financial Reports to 31<sup>st</sup> December 2022 Contd.

L. Ramsay highlighted that currently W.H.A. has £6.5m of funds with our main banker (RBS), however, will progress an application with Lloyds banking group which will alleviate this. Furthermore, it was highlighted to Committee that Virgin Money has a Fitch rating of BBB+ which is below the recommended levels in the Treasury Management policy.

One Committee member commented that once additional bank deposit accounts were available then less funds will be advised to be placed with Virgin Money. The Committee noted the update on the performance to 31<sup>st</sup> December 2022.

L. Ramsay also presented the Q3 updated forecast for the 12 months of 2022/23 which is projecting Revenue in line with full year Budget. Costs, however, are slightly above budget with additional reactive maintenance costs offset by delayed cyclical projects. Overall surplus will be broadly in line with full year budget.

The updated forecast was approved, proposed by J.Scott, seconded by M.Symons.

### 4. Policy Review

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED].

#### Financial Regulations Policy

L.Ramsay presented the report, outlining the importance of the financial regulations to ensure that there is standing guidance in place, in respect of the financial governance of W.H.A. L. Ramsay advised that there have been some minor updates to current policy which match the recently reviewed procurement policy for authorisation limits.

The Committee noted clause 4.10 which states that Internal Audit will be tendered every three years and currently W.H.A. are in breach of this, however, Internal Audit will be tendered during 2023/24.

The Committee also noted clause 17.7 had been updated to reflect delegated authority to CEO and SMT for grading assessments, in line with the recently approved Grading Assessment policy.

The policy will be reviewed in 12 months' time, or as and when required, to ascertain if any further updates are required.

#### 4. Policy Review Contd.

##### Treasury Management Policy

L. Ramsay presented the report, highlighting the SHR's Business Planning Recommended practice states "Each RSL should be able demonstrate effective treasury management arrangements that comply with the chartered Institute of Public Finance and Accountancy (CIPFA) code. L. Ramsay advised that this policy has been based on the model template issued by SFHA in January 2022 which reflects the updated CIPFA code published in December 2021.

L. Ramsay highlighted that W.H.A.'s updated policy focuses on the Treasury Management policy and a separate Treasury Management Strategy will be developed over the next year (noting the model strategy template focuses on borrowing risks). However, going forward, the business planning report and quarterly financial reporting will include enhanced treasury management reviews.

J. Scott highlighted clause TMP 12 on Financial Governance which recommends that the Chair of a Board should not sit on an Audit Sub committee. This point was discussed by the other Committee members and noted that W.H.A. has a combined Finance and Audit Sub Committee and, as such, the remaining members of the Committee were satisfied that J. Scott could remain as a member of the F.A.C. Committee providing any actions on Internal or External Audit were **not** proposed or seconded by J.Scott.

##### Absence Management Policy

L. Fleeting presented the policy highlighting the move to manage absence issues under the one process as opposed to referring to disciplinary action (unless there are conduct issues). The Committee were asked to consider and approve recommended triggers of:

- 3 separate occasions of absence in any 12-month rolling period.
- 12 days absence (either continuous or totalling 12 days in any 12-month rolling period).
- Any identifiable pattern of absence or recurrent theme of absence reasons.

L. Fleeting further advised that the policy had been reviewed in detail with the staff forum and recommendations from this forum have been taken into account.

One Committee member raised a query if an identifiable pattern was caused by a stress related absence, would the triggers apply. L. Fleeting confirmed they would and should the reason for absence not be shared, then the separate occasions or total of 12 days would mean the deeper conversation would happen to catch these types of absence.

One Committee member noted the policy covers off a gap in previous W.H.A. policies and were pleased with this progress.

The recommendation on the [REDACTED] and the approval of all four policies was passed, on a motion proposed by A. Ballantine and seconded by M. MacLaren.

## **5. Pension Consultation**

This pension review paper was drafted by L. Ramsay, on behalf of the F.A.C. Committee. It summarises information on W.H.A.'s pension offerings, updates for the outcomes of the 2018 and 2021 actuarial valuations, latest TPT correspondence, past deficit payments as well as noting the expected 10% increase in contribution levels for the DB scheme (now April 2024).

A process and suggested timetable has been drafted as well as a draft remit for a short life working group - pensions to be formed to review pension offerings.

The Committee discussed in detail. One Committee member advised that the sub-committee and wider Management Committee members are alert to the ongoing strategic risks of providing a DB scheme, and in particular, the last man standing element of the scheme. Further comments were made by another member regarding the unknown risk for W.H.A. as well affordability for staff.

J. Grant agreed with the Committee that, as part of this process, staff would be made aware at the February staff meeting that the Committee are now looking into pension offerings for W.H.A.

J. Scott and M. MacLaren agreed to be the Committee members on the short life working group.

L.Ramsay was asked to summarise and circulate a report (on behalf of the F.A.C.) on the process and timescale of the pension review for approval by Management Committee at the scheduled meeting on 29<sup>th</sup> March 2023.

## **6. Data Protection Report**

This report was presented by L. Ramsay, advising of data protection statistics, as reported to the Information Commissioners Office. The report also highlights the project work carried out to date with our external Data Protection Officer and the future work planned.

Committee noted the content of the report.

## **7. Audit Report**

L. Ramsay presented the Audit Report.

L. Ramsay advised that a planning meeting with Chiene & Tait (C&T) had taken place in January 2023, and C&T would be on site for an interim audit w/c 6<sup>th</sup> February 2023 and w/c 5<sup>th</sup> June 2023 for final audit fieldwork.

L. Ramsay further advised that Internal auditors, Alexander Sloan, had completed 2 audits this quarter, Arrears Management and Data Security/GDPR with the full audit reports reviewed by Committee.

**7. Audit Report Contd.**

Caledonian Fire also carried out a fire risk assessment of Ralston House, during December 2022. There were no high risk actions identified, however, some medium and low risks raised which are currently being progressed.

A summary of the outstanding recommendation action points is included in the audit report with progress and targeted completion dates highlighted.

Committee noted the content of the report.

**8. HR Report**

L. Fleeting presented the HR Report advising on the status of the current recruitment positions and updates on recent new starts to the Association.

[REDACTED]

The Committee noted the contents of the report and two members made their thanks to the progress in the HR work.

**9. Any Other Business**

L. Ramsay asked for two volunteers to attend the virtual post box opening of a PCS tender on 1<sup>st</sup> March 2023 at 2pm for a new Landscape Maintenance contract. M.Symons confirmed attendance. M.MacLaren advised potentially free to attend, however, to check diary availability nearer the time.

**10. Date and Time of Next Meeting**

M. Symons thanked everyone for their attendance and advised that the next scheduled meeting of W.H.A.'s Finance, Audit & Corporate Services Sub Committee would be held on **Wednesday, 3<sup>rd</sup> May 2023 at 6pm (hybrid).**

**CONVENOR:** .....

**DATE:** .....