

**MINUTES OF WELLHOUSE HOUSING ASSOCIATION'S
ADDITIONAL MANAGEMENT COMMITTEE MEETING
ON THURSDAY 1ST SEPTEMBER 2022 – 6PM
THE HUB / VIA ZOOM**

1. Welcome

The Chair welcomed everyone present.

Sederunt

Present:

Maureen Morris	Chair (In Hub)
Darron Brown	Committee Member (In Hub)
Shona McKenna	Committee Member (Via Zoom)
Jane Heppenstall	Committee Member (Via Zoom)

In Attendance:

Scott McCready	Wylie & Bissett, Internal Audit Manager (Via Zoom)
James McBride	Azets, External Auditors, Partner (Via Zoom)
Robert Murray	Finance & Corporate Services Manager (In Hub)
Sandra Davidson	Minutes (In Hub)

Apologies:

Michelle Harrow	Committee Member
Sarah Morris	Committee Member
Gordon Kerr	Co-Opted Committee Member
Helen Lafferty	Co-Opted Committee Member
Alex Hogg	Maintenance Manager (Interim)
Carol Hamilton	Housing & Customer Services Manager
Bill Black	Director (Interim)

3 There were no declarations of interest identified.

4. 2021/22 Draft Annual Statutory Accounts

This item was on the agenda for committee to consider and approve the Draft Annual Financial Statements and the corresponding letters and responses from the external auditors.

James McBride confirmed all work undertaken was consistent with the relevant accounting standards and Housing Association legislation. He summarised the committee's areas of responsibilities and that of Azets. He confirmed in their opinion the financial statements give a true and fair view of the Association's affairs as at 31 March 2022 and have been prepared in accordance with all relevant appropriate legislation.

James summarised the Statement of Comprehensive Income as follows, turnover for year is £4m which is consistent with last year with operating expenditure being over £3m with the increases in maintenance costs being due to inflation. There were finance charges of £232k which resulted in an overall surplus for the year of £475k. In respect of the pension scheme there was an actuarial gain of £120k this year whilst last year there was charge of £234k.

The Statement of Financial Position was summarised by James by the £799k additions on components within the year and the £1m annual depreciation charge. He advised there was a healthy cash position with just over £3.1m at cash and bank with bank loans of £7.7m at the year end. Overall resulting in Net Current assets of £8m.

The cashflow shows a net cash generated from operating activities of £1.5m. There was a cash outflow of £799k for the purchase of components, £229k outflow in loan interest payments, £59k SHAPs past service deficit payments which results in a net cash position of £3.1m at the year end.

James expressed that there was nothing to bring to the attention of the committee so therefore provided an unqualified audit report and the accounts had been prepared on the basis of going concern.

James summarised there were seven late client adjustments that were adjusted and reflected in the Financial Statements. Robert explained that due to the Finance Officer being off immediately prior to the audit commencing the Finance team had been unable to make the adjustments prior to the audit commencing.

James also explained there were seven items that were misstatements however as these were not material they were not adjusted for in the financial statements and in the case of the re-chargeable repair provision, this will be provided for during the financial year end March 2023. Within appendix three the mention of significant deficiency is mainly due to the annual insurance invoices being dated 31st March 2022 but covering the period from 1st April 2022 to 31st March 2023 so not being included within the financial statements. James advised requesting the insurers date the invoices 1st April to prevent this issue from recurring every year.

James explained to committee they were required to sign the letter of representation and return to Azets, agreeing and confirming there is nothing Azets are unaware of and he provided some examples of items the committee would be required to report to Azets. The committee members

confirmed there was nothing they were aware of that should be declared to Azets and no post balance sheet events.

Resolution:

Committee: Agreed and approved the draft annual financial statements, the management letter and response, the letter of representation and the AFS on-line submission, proposed by Darron Brown and seconded by Jane Heppenstall.

**5. Internal Audits: 1. Fire & Gas Safety
2. New Finance & Housing Management system**

Scott summarised the format, purpose and work undertaken by Wylie & Bisset during their recent visits to WHA to undertake both the above audits.

He advised that the Gas & Fire Safety received an overall strong conclusion. There were no recommendations, eight areas of good practice noted so therefore benchmarking is favourable.

The overall conclusion for the New Finance & Housing Management System was a weak conclusion. There were three recommendations with one being high, one medium and one low. The high grading was due to the costings being greater than originally budgeted for the project. The medium risk was due to the lack of clear timescales available and the low recommendation was due to procedure documents not yet having been updated. There were six areas of good practice identified.

Jane questioned if the issues identified were of a transitional basis and should settle over a period of time.

Scott confirmed that this was the case and although costs had been higher than originally costed in the longer term it was the correct decision because by utilising a consultant, the information within the system would be more meaningful and provide staff with a greater level of confidence in the system moving forwards.

Resolution:

Committee: Approved the content of both the Internal Audit Reports, proposed by Darron Brown and seconded by Jane Heppenstall.

6 AOCB

The Chair confirmed the date and time of the upcoming AGM and extended her welcome for as many committee members as possible to join her in person in the Hub for the event.

Meeting Closed 7:00pm

Next meeting AGM 21st September 2022 6pm

I certify that the above minute has been approved as a true and accurate reflection of the proceedings

Signed (Chair)  M Momo

Date 7/9/2022