

Minutes of Meeting of the Management Committee of Orkney Housing Association Limited held remotely via Zoom on Wednesday 25 August 2021 at 10.30am

Present: Fiona Lettice (Chair), Wendy Baikie, Linda Forbes, John Rodwell, Jason Taylor, Bill Wallace and Roella Wilson

In attendance: Craig Spence (Chief Executive – CE)
Anne Fletcher (Director of Finance & Asset Management – DFAM)
Sandy Dennison (Finance Manager – FM)
Mhairi Hughes (Secretary / Head of Corporate Governance – HCG)
Connie Shearer (Minute Taker)
Scott Gillon, Wylie & Bisset LLP

PART 1 – STANDING ITEMS

1.1 Apologies for Absence

Apologies were received from Philip Cook, Dave Dawson, John White, Richard Flett and Paul Scott

1.2 Declarations of (a) interest and (b) hospitality given/received in last 12 months for any items on the agenda

There were none.

1.3 Minutes of the Management Committee meeting 28 July 2021

Copies of correspondence will be circulated following the meeting.

The Minutes were agreed to be an accurate record of the meeting and were proposed by John Rodwell and seconded by Wendy Baikie. The Minutes to be signed by the Chair at a later date.

1.4 Matters Arising & Deferred Items (Verbal report)

1.4.1 46 Victoria Street: The CE informed members that all documentation is in place and the transaction is due to be finalised next week.

1.5 Future Meeting Dates:

Wednesday 15 September, 5.30pm – Annual General Meeting
Monday 27 September, 10.30am – Health & Safety Working Party
Wednesday 06 October, 10.30am – Management Committee (Apols: DD)

Audit & Risk Management Sub Committee – an additional meeting is due to take place in October/ November – date TBC.

PART 2 – STRATEGY

S1 Report & Financial Statements for the year ended 31 March 2021 (Paper No MC/21/37)

- S1.1 The FM was pleased to present a very healthy set of accounts and went over some of the figures in the document. He explained that the Audit & Risk Management Sub Committee (ARM) had thoroughly scrutinised the accounts and the External Auditor's Management Letter did not identify any areas of concern.
- S1.2 Following a query, members discussed the adjustment for the defined benefit pension liability in the Statement of Comprehensive Income. The FM confirmed that this figure was an accounting adjustment reflecting the movement in the Association's share of the scheme deficit, which fluctuated according to economic conditions and actuarial assumptions – the actual cash paid out in deficit payments was approx. £135k. He also confirmed that these adjustments would continue to be shown in the accounts so long as the Association still has members in the SHAPS DB scheme.
- S1.3 The Chair welcomed Scott Gillon from Wylie & Bisset who said that the audit had gone smoothly and had produced a clean audit letter. He said the financial statements gave a true and fair view of the Association's affairs with nothing negative to report.
- S1.4 Following discussion, members:
- a) approved the Report and Financial Statements for the year to 31 March 2021 as presented in Attachment 1 of the paper, authorised the Chair to sign the Report of Management Committee at page 5, and the Chair, another Committee Member and the Secretary to sign the Statement of Financial Position at page 12.
 - b) noted the contents of the Management Letter at Attachment 2 of the paper and authorised staff to respond to Wylie and Bisset LLP.
 - c) approved the Letter of Representation in Attachment 3 of the paper and authorised the Chair and Secretary to sign the letter on their behalf.
 - d) authorised the Director of Finance and Asset Management to make the on-line submission of the financial statements to the Regulator on the Chair's behalf, after approval at the AGM.

Scott Gillon left the meeting

PART 3 – GOVERNANCE & ASSURANCE

G1 Approval of the AFS Return (Paper No MC/21/40)

- G1.1 The FM presented the paper, explaining that the Return was an extract from the Annual Accounts which required to be approved by the governing body prior to submission to the SHR, and he went over some of the detail.

G1.2 Members then approved the return and authorised the Director of Finance & Asset Management to submit the AFS Return.

G2 Internal Audit Annual Report (Paper No MC/21/41)

G2.1 The HCG presented the paper which detailed the Internal Auditor's Annual Report for 2020/21. She explained that all 3 areas auditing during the year were awarded a reasonable assurance. The areas of review being:

- ASB: 5 recommendations – all complete.
- DCM: 5 recommendations – 3 complete and 2 partially.
- Payroll: 2 recommendations – both complete.

G2.2 The Follow Up Review highlighted good progress made on all recommendations from last year:

- Equality & Diversity: remains outstanding but guidance has now been received and the HCG anticipates completion by Oct/Nov.
- Income Management: one outstanding recommendation but staff are working on this.
- GDPR: the 2 outstanding recommendations have now been completed.

G2.3 Members noted:

- a) the assurances provided by the Internal Audit reviews;
- b) progress made in respect of recommendations received; and
- c) the content of the Annual Report in Attachment 1 of the paper.

PART 4 – PERFORMANCE

None

PART 5 – ITEMS FOR DISCUSSION

D1 LIBOR Transition (Paper No MC/21/38)

D1.1 The DFAM presented the paper which explained that the London Interbank Offered Rate (LIBOR) was being phased out and replaced with alternative risk-free rates (RFRs). Lenders were seeking to ensure that any loan documentation based on LIBOR be amended prior to its cessation date of 31 December 2021.

D1.2 Members were given options on the alternative RFR and the timing of the amendments to existing documentation.

D1.3 Following a good discussion, members noted the report and approved:

- a) Transition of the RBOS LIBOR linked loans to SONIA, with a pre cessation switch; and
- b) Transition of the BOS LIBOR linked loans to Bank Base Rate with a switch date of 1st January 2022.

PART 6 – ITEMS FOR INFORMATION

I1 Insurance Services Tender (Paper No MC/21/39)

- I1.1 The FM updated members on the results of the recent Insurance Services Tender exercise. Three submissions were received and, following separate evaluations on cost and quality, Zurich came out in first place.
- I1.2 Following brief discussion, members noted that the tender exercise for insurance services has been carried out and the contract has been awarded to Zurich Insurance plc.

There being no further business, the business part of the meeting closed at 11.30am.

PRESENTATION by Director of Finance & Asset Management and the Finance Manager

Financial Management of the Association

Signed:

Date:

Chair