

MINUTES

AUDIT, FINANCE AND RISK SUB-COMMITTEE

Name:	Audit, Finance and Risk sub-committee
Date:	Monday, 10 March 2025
Time:	2:00 pm to 3:05 pm (GMT)
Location:	Default Location, Morrison House, Bayfield, Portree
Committee Members:	Mr Robin Nairn (Committee Chair), Mr Ian Young, Mr Robert Muir
Attendees:	Fanchea Kelly, Graeme Coull, Ben Thomas, Jennifer MacInnes, Trudi Tokarczyk
Apologies:	Mr David Clapham, Mrs Audrey Sinclair
Guests/Notes:	Chris Docherty (RSM), Bruce Hay (RSM)

1. Opening Meeting

1.1 Apologies

Apologies were received from David Clapham and Audrey Sinclair.

2. Declarations of Interest

2.1 Declarations of Interest

There were no declarations of interest noted.

3. Minutes of Previous Meeting

3.1 Minutes of Previous Meeting (10.02.25)

The minutes of the previous meeting held on 10 February 2025 had been approved at the Board Meeting on 24 February, however it was noted that there was an error which read Policy Strategy, this should read Procurement Strategy and will be amended.

4. Progress Report

4.1 Progress Report from Previous Minutes (10.02.25)

Item 6.1 Rent Arrears - DoFCS advised that analysis has been undertaken on rent arrears and confirmed that a small number of areas are over represented in terms of debt relative to the number of tenancies, especially in Kyle and Kyleakin. The Rent Account Manager will work with the Tenant Engagement and Support Manager and the Tenant Advisor to engage with these tenants.

Item 6.1 - PSO Standards / Guidance - CEMC advised that she has been working with the IPSM to take this forward.

5. Matters Arising

5.1 Other matters arising

A member asked about getting a quote from Spence and Partners regarding the Pension arrangements. DoFCS advised that a report will come to the Board meeting on 24 March, with a range of options and prices and potential timescales. In response to a question he confirmed any engagement would be undertaken in line with procurement rules.

No other Board Members had put their names forward to join the proposed Working Group, so it will likely just be AFR members. Robert Muir advised he was happy to be involved, subject to availability.

6. AFR Business

6.1 Financial Plan 2025-55

DoFCS provided the Financial Plan 2025-55, which was agreed in principle at the 24 February 2025 Board. He advised of necessary amendments since the February meeting. These are due to increased staffing costs as a result of an EVH regrading of post, increased employer NI costs and an additional IT subscription which hadn't previously been budgeted for. In agreement with CE, he has also identified areas where savings could be made to bring the surplus back to around the same level as proposed in February. He confirmed that there was covenant compliance throughout the plan.

Members agreed that going forward all agency (wider-role) services must cover their own costs. They also acknowledged that the plan was close to break even in year one and any slight issues out with our control could wipe out the small surplus in the plan.

Members were keen that the Digital Strategy isn't deferred as they are keen that we move forward with this if possible. The CEMC advised that we are moving forward and have just had an upgrade of the HomeMaster system. While a full Digital Strategy will not be complete for the March Board she does intend to bring forward some priority digital plan actions to that meeting to enable us to progress against our broader strategic goals .

Members advised they were happy to recommend the plan to the Board.



Members considered the report and the Financial Plan and recommen...

Members **considered** the report and the Financial Plan and **recommended** the Financial Plan 2025-55 to the Board for approval, with the inclusion of recommended mitigating actions to bring the budget for 2025-26 to a surplus of £52k.

Decision Date: 10 Mar 2025

6.2 External Audit Plan

3.40pm - Chris Docherty and Bruce Hay from RSM UK Audit LLP joined the meeting.

Chris and Bruce provided the draft Audit Plan, with the proposal to complete the planning in May, undertake the audit field work in the week commencing 9 June 2025, and have the Financial Statements prepared to present to the AFR Sub-committee on 4 August 2025 so that the Board

can approve these during their meeting on 18 August. This would allow time for the Financial Statements to be completed before the deadline for notification of the AGM on 8 September 2025.

Members noted an error in the AGM date in the draft Audit Plan, which RSM UK will rectify as it should be 8th September.

Members asked about concerns with TPT, RSM UK were unable to comment on individual points, but advised that they'd have to look at this year's report to see if previous points have been actioned.

Members asked if IDoFDS was content with the timetable, he advised that he assumed it flows in the same way as timetables in previous years so sees no reason why it shouldn't work well this year.

Chris Docherty and Bruce Hay left the meeting - 3.pm.

Members discussed the uplift in fee, DoFCS noted this was as per the external audit tender. Members noted due to the service received over the years and changes in regulation which required more work this was seen as reasonable.



Members noted the contents of the report.

Members **noted** the contents of the report.

Decision Date: 10 Mar 2025

7. A.O.C.B

7.1 A.O.C.B.

The Chair, on behalf of the Committee acknowledged the invaluable expertise which DoFCS has provided over the last four years and especially at a stage which was very difficult for LSHA. He believed that the DoFCS had fundamentally helped the organisation to remain stable during this period and thanked him for this. He advised that DoFCS would be a hard act to follow and wished him good luck in his new job.

DoFCS gave thanks for the Chair's kind words and thanked the Chair and Committee members for the level of engagement which they shown in particular over the past couple of years.

8. Close Meeting

8.1 Close the meeting

Next meeting: No date for the next meeting has been set.

Signature: _____

Ian H. Young

Date: _____

24/3/25