



CUNNINGHAME
HOUSING ASSOCIATION

More than just a landlord

Board of Management Minutes

Date of Meeting: 26th August 2021

Please note that these minutes have been edited to remove any information relating to personal/confidential/commercially sensitive or of a personal nature.

CUNNINGHAME HOUSING ASSOCIATION LTD

Minutes of Special Board of Management Meeting

Held on Thursday 26th August 2021 at 12.00 pm in the Association's Quayside Offices,
Marina Quay, Dock Road, Ardrossan KA22 8DA



Present	In Attendance
John Kelly (Chair)	Frank Sweeney, Group Chief Executive
Lesley Keenan	Fettes McDonald, Financial Consultant
Brenda Johnstone	Allison McColl, Executive Director of Finance & Corporate Services
June Fenelon	Lesley McPhee, Finance Manager
John Nisbet	Thomas Bates, French Duncan LLP, Chartered Accountants
Drew Hall	Tony Sinclair, French Duncan LLP, Chartered Accountants
Brian McCabe	Elaine Nimmo, Minute Secretary
Elizabeth Shedden	Danny Watson, Administration Assistant
Margaret Davison	

PRIORITY RED – SECTION 1 – STANDING ORDER ITEM AND GOVERNANCE ITEMS		ACTION
1.	<p>Apologies Apologies were received from Janet Strang, Cllr McMahon, Cllr Miller and Liam Loudon. It was also noted that Willie Gibson is on leave of absence.</p>	
2.	<p>Chairperson's Remarks</p> <ol style="list-style-type: none"> 1 The Chair asked all Members to mute their microphones unless they wish to speak and to say their name prior to speaking. 2 The Chair asked all Members to ensure that their mobile phones are switched off. 3 As there were confidential items on the Agenda the Chair read out the following confidentiality statement: <p>In compliance with the Regulatory Code of Governance and Board Members' Code of Conduct all items detailed in this notice as being confidential should not be discussed with any external party either prior to or after said meeting by any Member of the Board of Management.</p> <p>All members should note that when the Group CEO/Executive Directors/Officers are giving or presenting their report that there will be no interruptions to allow them to finish their reports. Questions can be asked after the presentation.</p> <p>The Chair welcomed Thomas Bates and Tony Sinclair of French Duncan LLP, Chartered Accountants and Fettes McDonald, FMD Financial Services to the meeting.</p>	
3.	<p>Declaration of Interest None.</p>	
4.	<p>Requirement of the Writing (Scotland) Act 1995 None.</p>	

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PRIORITY RED – SECTION 2 – IMPORTANT ITEMS MUST BE TAKEN	ACTION
<p>5. Annual Accounts to 31st March 2021 The Financial Consultant referred members to the previously circulated draft annual accounts for the year 31st March 2021 and proceeded to go over same with the Board in detail.</p> <p>The annual surplus for the year before pension adjustments was £1.913m. The budget for the year indicated a surplus of £948k. There is therefore a positive variance of £965k. All of this is prior to the main pension accounting adjustment which totalled an adverse £1.583m. These adjustments result in a bottom line surplus for the year of £330k.</p> <p>The surplus was adversely affected by a net cost of around £500k in respect of writing off the value (other than land value) of Green Street/Vernon Street on demolition. In addition, the provision for rental bad debts increased by £112k in the year (44% increase) to a level of £367k.</p> <p>The Chair asked if there were any questions regarding the annual accounts presented. No questions were asked with the accounts unanimously accepted.</p> <p>The Board of Management then agreed the resolution to re-appoint the auditors, French Duncan LLP, Chartered Accountants, which will be proposed at the Annual General Meeting on 8th September 2021.</p> <p>Audit Report Tony Sinclair of French Duncan referred Board members to the previously circulated report and proceeded to go over the Audit Report in detail. He confirmed subject to the outstanding matters noted in the report being satisfactorily cleared, French Duncan anticipate issuing an unqualified opinion on the financial statements for the year ended 31st March 2021.</p> <p>Management Letter Tony Sinclair of French Duncan referred Board members to the previously circulated Management Letter and advised that the points raised on the 2020 management letter have been addressed. The Executive Director of Finance & Corporate Services confirmed that the reconciling balances with Turners are being reviewed on an ongoing basis, the Association is looking at software options with regard to component accountings and the tenant recharges will be written off in April 2022.</p> <p>The Chair asked if there were any questions regarding the Management Letter. The Board of Management noted there were no significant issues arising from the audit and that there were no material control weaknesses identified.</p> <p>The Board of Management approved the following recommendations:</p> <p>The Board of Management unanimously approved the annual financial statements for the year to 31st March 2021.</p>	

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PRIORITY RED – SECTION 2 – IMPORTANT ITEMS MUST BE TAKEN		ACTION
5.	<p>The Board of Management noted the Management Letter from the external auditors in respect of their audit to 31st March 2021.</p> <p>The Board of Management agreed to delegate responsibility to the Group CEO, Financial Consultant and Executive Director of Finance & Corporate Services to agree a suitable response to the Management Letter.</p> <p>Letter of Representation The Financial Consultant referred members to the previously circulated draft 'Letter of Representation'.</p> <p>The Board approved the Letter of Representation as presented.</p>	
6.	<p>Yearly closed-door Session with External Financial Auditor The Chair asked all CHA staff to leave the meeting while the Board had a closed discussion with the External Auditors.</p> <p>The Board of Management asked the auditor how CHA operate in comparison to other Housing Associations. French Duncan advised CHA compare well to other HA's, and confirmed the information provided is comprehensive. The Board of Management welcomed the positive feedback received from the auditor.</p>	
7.	<p>Annual Assurance Statement – Revised The Group Chief Executive referred members to the previously circulated report and the revised Annual Assurance statement.</p> <p>The Annual Assurance Statement has been revised to take into account the comments received from the Scottish Housing Regulator on the impacts of the Covid-19 pandemic on the Association and that the Association is working towards the collection of equalities data.</p> <p>The Board of Management approved the revised Annual Assurance Statement for 2021 confirming full compliance and authorised the Chair to sign the revised statement to the SHR confirming this decision.</p>	CEO
PRIORITY ORANGE – SECTION 3 – ITEMS TO BE TAKEN, TIME PERMITTING		ACTION
	None.	
PRIORITY GREEN – SECTION 4 – ITEMS FOR INFORMATION ONLY		ACTION
	None.	

The Meeting then closed at 1.05 pm.

	Signature	Date
Approved to Proceed to Chairperson for Sign-Off:		

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Approved for Circulation By:		
Proposed By:		
Seconded by:		