

TRUST HOUSING ASSOCIATION LIMITED

Minute of the Audit and Performance Committee Meeting held on Thursday 24 February 2022 at 11am By Microsoft Teams call

Present:

Board Members	Officers in Attendance
Paul McFarlane	Zoe Purdie, Director of Financial & People
Ali Ross	Gail Gourlay, Director of Customer Experience
Gordon Laurie	Jackie McIntosh, Director of Assets & Sustainability
Sr Jenny Lindsay	Neil Ferguson, Director of Business Development & Digital
Nicky McLaughlin	Darren Lewis, Head of Service Design
	Mary Strathearn, PA & Company Secretary
	Claire Robertson, BDO
	Andy Shaw, AAB

PAUL MCFARLANE IN THE CHAIR

Agenda Item	Detail
1.	Convener's Opening Remarks
1.1	Paul McFarlane, Chair, welcomed everyone to the meeting and noted that we will be reviewing the performance from Q3 of 2021/22. Paul noted that Claire Robertson from BDO and Andy Shaw from AAB were joining us today from our internal and external auditors.
2.	Declarations of Interest
2.1	No declarations of interest by those in attendance.
3.	Apologies
3.1	Apologies were received from Rhona McLeod, Chief Executive.
4.	Quarter 2 2021/22 – Internal Performance Report
4.1	Darren Lewis, Head of Service Design, advised that the performance report related to Trust's operational performance for Quarter 3 2021/22. Darren noted that the report continues to highlight combined Trust (pink) and WDH (purple) organisational performance, which is compared against 2020/21 year-end results, 2021/22 proposed targets and Scottish average results for 2020/21 where available.
4.2	In relation to complaints, we have received 59 complaints in quarter 3 which is a decrease from the 74 made in Q2 of 2021/22. We are seeing the normal monthly fluctuations but we are sitting at 199 complaints year to date, which is higher than the same period in 2020 and 2019. We carried forward 5 complaints from Q2 and of the total of 64 complaints in this quarter, 63 were resolved within timescales. The remaining 1 complaint was carried forward into Q4.

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4.3	<p>Ali Ross noted that the performance slides were very informative and the quality was excellent. She did sometimes find it hard to see if the results were an improving or downward trend. She shared that it would be helpful to see arrows for each result to demonstrate whether performance had gone up or down. Darren thought this was a good idea and we will include this in the report for next meeting.</p>
4.4	<p>Darren went on to report that During Q3, we received 7 investigative complaints and all were resolved within SPSO timescales of 20 working days and this is 100% year to date performance.</p>
4.5	<p>Paul wished to pass on his thanks to all the teams who are dealing with complaints and who have delivered a great performance especially around investigative complaints.</p>
4.6	<p>Paul asked about the categories of complaints and whether there were any trends or common themes in this quarter compared to last quarter.</p>
4.7	<p>Darren advised that we have seen the normal complaint fluctuations across the developments. Darren explained that the Wishaw performance will always be at the top of the complaints list due to it be the largest geographical area and consists of all our Wishaw and North Lanarkshire stock.</p>
4.8	<p>Gordon asked if one person makes more than one complaint that will show in the figures as multiple complaints for the development and Darren confirmed that was correct.</p>
4.9	<p>Darren added that the Scottish Public Service Ombudsman changed its complaint handing approach and we ran a campaign through iTrust to promote the changes to staff who are dealing with complaints and to ensure that we are recording the outcomes of complaints correctly.</p>
4.10	<p>Gordon asked if we record cases where we pay compensation to tenants. Darren noted that we have discussed this at a previous Committee and we are looking at recording this on our complaints. Gordon added that this would give the Committee assurance that staff are not paying out big sums of money for complaints to go away. Darren advised that compensation payment recording for complaints should be in place for next financial year.</p>
4.11	<p>Darren moved on to discuss the IT helpdesk satisfaction survey for the overall service provided by IT helpdesk. He added that we have now in place our New Head of Service, Iain Forrester, who is going to carry out some work on the satisfaction survey that is completed by staff after each contact with the helpdesk. This is to ensure we are gaining a true reflection of satisfaction levels in the service.</p>

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4.12	Gordon asked whether there are any requests that come into helpdesk relating to poor IT/digital skills. Neil shared that there have been some requests that can be down to a lack of digital ability however we need to work to support staff to upskill and feel confident using Microsoft Teams and their new kit.
4.13	Paul wondered if we had considered doing any roadshows around developments to provide digital training to development staff. Neil shared that we are providing extended support to our staff at developments and will hold virtual lunch and learn sessions. He added that we recently held a virtual townhall event that connected all developments staff and office staff.
4.14	Jackie McIntosh, Director of Asset & Sustainability, reported that Q3 was marginally better than last quarter. She added in relation to non-urgent repairs the combined set of figures are well below target. However, we are still experiencing supply issues for materials and other items.
4.15	<i>Please see private minutes for an extracted discussion.</i>
4.16	<i>Please see private minutes for an extracted discussion.</i>
4.17	Jackie advised that we had 2 gas safety fails in the last quarter and the Board were aware of these due to the failures being a Notifiable Event to the regulator. The gas safety fails were from a legacy gas installation from 2019 and we discovered the issue in December 2021 when a repair was logged for one of the boilers. We have now carried out an audit of all gas installations that were completed over last 30 months to make sure there were no other similar issues. Jackie added that we are now in a much better place since we have implemented the new asset structure. We have a Head of Service who has a strong background in compliance and a dedicated resource whose role it is to oversee gas installation and servicing.
4.18	Gail Gourlay, Director of Customer Experience, advised that our number of days to let is sitting at 82 against a target of 70 days. We have had a high number of voids which are our priority however we have significantly high number of older voids due to the impact of covid. We have managed to let 401 properties this year but we have a high turnover in our stock for older people and have areas of low demand. Gail reported that in this quarter we let 181 homes but also had 152 terminations.
4.19	Paul asked if we can remove the difficult to let properties so that we can see what the performance looks like without the low demand areas.
4.20	Gail advised that as of today we have 134 voids. She explained that some of these are housing with care properties where we receive funding from local authorities even if the property is void. We received £65k for void properties under our local authority contracts last year.

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4.21	Paul was interested in how old some of the voids were. Gail advised that some of our harder to let developments such as Strachur, Govan, Stranraer and Glenluce have multiple voids that have been empty for over 7 weeks. She shared that over 30% of our voids are less than 7 weeks void.
4.22	Gail advised that in relation to rent loss performance we are sitting above our target of 4% with this quarter's performance being 4.87%.
4.23	Gail stated that gross rent arrears are improving and we are currently sitting below target against the Scottish average. Staff have found the new Rent Sense system to be a great tool to use to focus on where we have arrears. As the covid position is improving, staff are now able to get out to visit tenants at developments to speak directly about arrears and we would hope to see a further improvement in this area.
4.24	Gordon referred to the later Board where members are being asked to approve write offs. Gail noted that the write offs that are being brought to Board are not all former tenant arrears and we are writing off much less in this current year.
4.25	Gail moved on to discuss anti-social behaviour complaints and noted that we received 22 in Q3 and achieved 94% in performance. As previously explained, the figures show Wishaw having the greatest number of anti-social complaints but this is due to the Wishaw stock being out largest geographical area.
4.26	Gail noted that as we haven't had any Care Inspectorate inspections over the last two years, we wanted to gain assurance internally that we are providing the proper standard of care at our developments. The focus has been around dealing with covid and we want to do a health check to see if there are any areas that we need to improve on.
4.27	Gordon asked if the Care Inspectorate have asked us to complete any self-assessment. Gail reported that there has been no requirement from the Care Inspectorate but we want to give ourselves assurance that we are still meeting the care standards.
4.,28	Zoe Purdie, Director of Finance & People, reported that we had a very positive picture on staff absence which appears to be coming back under control. This particular quarter was in the midst of the omicron variant of covid.
4.29	Decision: Noted contents of the report and performance against our operational KPIs for Q3.
5.	External Audit Update 2022/23
5.1	Zoe noted that the report was self-explanatory and handed over to Andy Shaw, our external auditor, who will discuss the external audit plan.

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5.2	<p>Andy Shaw advised that the external audit will focus on risks and materiality and the appendix to the report provides a summary of the audit approach. He added that there will be an assessment of risks and consideration of greatest risks such as the valuation of SHAPs pensions scheme or the risk that the balance could be mis-stated. Other areas to review are the risk of fraud and whether there are areas of the business that management may be able to bypass the procedures. We will review journals and estimates to ensure that no fraud has taken place. Another risk area is potential greater rent arrears due to the impact of covid and we will look at how the business is responding to this risk.</p>
5.3	<p>Andy continued that Zoe and the Finance Team need to be thinking about operating leases in relation to potential new accounting practices in 2025 to ensure covenant compliance for future years. Andy ended by sharing that he was happy to attend a wider Board session to give training on risks to the organisation.</p>
5.4	<p>All were happy to agree the external audit plans and both Paul McFarlane and Ali Ross were to sign (electronically) the engagement letter as Chair and Vice-Chair.</p>
5.5	<p>Decision: Noted the content of this report.</p>
5.6	<p>Decision: Approved the engagement letter and agree the use of electronic signatures for signing.</p>
5.7	<p>Decision: Approved the 21/22 audit plan and timetable for approval of the financial statements.</p>
6.	<p>Internal Audit Plan & Internal Audit Reports</p>
6.1	<p>Zoe advised that we have an internal audit underway reviewing the catering service. But today we are presenting the internal audit plan for 2022/23 and a review of the benefits services.</p>
6.2	<p>Claire Robertson, BDO, reported on the internal audit on the benefits advice service had given good levels of assurance with only 3 recommendations which were all low level. She shared the report details lots of areas of good practice, these include the Trust website which has a dedicated area for advice relating to benefits and covid. There was evidence of positive communication with tenants together with strong policies and procedures which are being followed well.</p>
6.3	<p>One finding was around no formal evaluation of the benefits policies to ensure that they are reaching all tenants and that the full scope of the service is being used. Another area identified was that tenancy agreements are only in paper form and the recommendation was to have records digitally going forward as this can impact on benefits applications.</p>

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6.4	Gordon referred to the last recommendation regarding regular reporting to the Committee and noted that management have only half accepted the recommendation. He wondered if Claire was happy with this and Claire confirmed she was content as it was a low level risk and recommendation. Gail advised regular reporting is brought to the Leadership Team and believed this was adequate. She offered to bring this to the Committee more regularly if that would be helpful. Gordon confirmed he was happy with Leadership Team level reporting of the benefits service performance.
6.5	Claire went on to discuss the internal audit plan for coming year and methodology. She explained that we will review Trust's performance data, the business and budget plans and overlay this with a knowledge of sector. In this year we plan to audit: the recruitment process; arrears management; asset management and maintenance; health and safety; IT security; and the care and support service.
6.6	Gordon referred to the asset management audit and noted that the regulator has issued information this week which has a focus on data quality and stock condition surveys. Claire advised that we would look at whether the data that Trust holds is being used robustly. Gordon asked whether the audit would look at the robustness of the data. Claire confirmed that it would depend on the asset condition survey. She advised that the audit won't look at each of the assets to ensure they are correctly reported in the survey. She explained, that sometimes when a stock condition survey is audited it doesn't relate directly to asset plan and that is an area we want to check.
6.7	Gordon wanted to check if we have adequate staff resource to allow for the full audit programme to be carried out. Gordon wondered if we could remove arrears management from the programme. Zoe explained that we have discussed this at Leadership Team and are happy that we can make staff resource available.
6.8	Zoe added that we want to ensure that we are doing all we can to manage arrears effectively. Our KPIs are good in the area but we can't be complacent and recent information from SFHA has stated that arrears are high across the sector. Together with the cost of living increasing, people could be faced with choices to feed their families, heat their homes or pay their rent. Gail said she supported the fuller audit plan to further strengthen our assurance across the business.
6.9	Ali also supported that the full internal audit plan is undertaken and agreed it will give the Committee further assurance. She added that our new internal auditors have may pick up on things we haven't noticed.
6.10	Decision: Noted the contents of this report and the attached internal audit reports.
6.11	Decision: Agreed and approved the 2022/23 internal audit plan and associated budget.

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7.	Risk Register – <i>please see private minutes.</i>
8.	<p data-bbox="352 383 740 416">Health and Safety Report</p> <p data-bbox="204 456 1495 674">8.1 Jackie reported that in terms of accidents and incidents there was nothing of concern and there had been no RIDDOR reportable accidents. She updated that we were a third of the way through our fire safety risk assessment programme. We have not found any major concerns, there have been issues picked up relating to communal areas such as clutter and lack of signage, but these are all things that are easy to remedy.</p> <p data-bbox="204 714 1495 819">8.2 Jackie highlighted that we are making progress on our asbestos management and have established our database with more training to be given to our staff so they have adequate knowledge.</p> <p data-bbox="204 860 1495 1039">8.3 Jackie advised that attached to the paper was the Crisis Management and Business Continuity Plan which has been updated to provide more assurance and reflects the new structure and job titles. It includes reference to staff who are now working remotely and how we would respond to any event of a crisis. We have also included reputation management as a big part of the plan.</p> <p data-bbox="204 1079 1495 1151">8.4 Gordon asked about the incident recorded in the report around an electric shock and Jackie advised this related to a washing machine and was not a concern.</p> <p data-bbox="204 1191 991 1225">8.5 Decision: Noted the content of the report.</p>
9.	<p data-bbox="352 1263 970 1296">GDPR & Freedom of Information Update</p> <p data-bbox="204 1337 1495 1408">9.1 Zoe noted that she had nothing further to add to the report and was happy to take questions.</p> <p data-bbox="204 1449 1495 1554">9.2 Gordon enquired about the FOI request that had been received. Zoe advised that a sub-contractor had wanted information that was commercially sensitive from one of our contractors who they were in dispute with.</p> <p data-bbox="204 1594 991 1628">9.3 Decision: Noted the content of the report.</p>
10.	<p data-bbox="352 1671 1495 1742">Previous Minute of the Audit and Performance Committee Meeting of 2 December 2021.</p> <p data-bbox="204 1783 775 1816">10.1 Minutes unanimously agreed.</p> <p data-bbox="204 1856 1126 1890">10.2 Decision: Approved as a true and accurate record.</p>
11.	<p data-bbox="352 1928 584 1962">Action Tracker</p> <p data-bbox="204 2002 1339 2036">11.1 There were no outstanding actions to consider on the Action Tracker.</p>

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12. 12.1	Any Other Business Paul noted Ian Gunning has expressed interest in joining the Audit & Performance Committee
13.	Date of Next Meeting – 26 May 2022