

TRUST HOUSING ASSOCIATION LIMITED

Minute of the Audit and Performance Committee Meeting held on Thursday 5 December 2024 at 11.30am 12 New Mart Road Edinburgh

Present:

Board Members

Ali Ross
David Knight
Gordon Laurie
Graham Curran

Officers in Attendance

Rhona McLeod, CEO
Zoe Purdie, Director of Finance & People
Neil Ferguson, Director of Business Development & Digital
Jackie McIntosh, Director of Assets & Sustainability
Jenny Wallace, Director of Customer Experience
Annette Brown (Minute Taker)

Auditors in Attendance

Martin Ritchie (TIAA)

ALI ROSS IN THE CHAIR

Agenda Item	Detail
1.	Chair's Opening Remarks
1.1	Ali Ross, Chair, welcomed everyone to the meeting and thanked Martin Ritchie from TIAA for the high quality internal audit reports he had submitted.
2.	Declarations of Interest
2.1	There were no declarations of interest recorded.
3.	Apologies
3.1	Apologies were received from Ian Mitchelmore and Andy Shaw of AAB.
4	Q2 Performance Report
4.1	Neil Ferguson, Director of Business Development and Digital, presented the Q2 Performance to the committee. He advised that new KPIs on Damp and Mould had been added to the report since the last meeting and good performance highlights have been brought forward to the beginning of the report so that there is more of a focus on the positives. Ali commended the decision to focus on good performance as opposed to always focusing on the negatives.
4.2	The Committee noted that there was good performance with regards to repairs and rent arrears which continue to improve. Non emergency repairs are well below target, however it was noted that this figure may be impacted by a change in the Eastern Scotland contract, if approved by the Board.
4.3	Neil advised that the Health & Safety KPIs which includes Gas Safety, EICRs and Damp & Mould Inspections have been grouped together. Jackie McIntosh,

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	<p>Director of Assets and Sustainability, referred to the EICRs target of 100% and advised the committee that there is always going to be issues with hitting this target due to access problems. As a result of this the EICR target is always going to be in the exceptions report. In terms of the overall trends in Gas Safety and EICR KPIs they are going up which is positive.</p>
4.4	<p>Ali asked for assurances that the regulator was comfortable with the approach we have taken to EICRs and the programme that is in place for EICRs. Jackie assured the committee that the regulator is aware of the programme and are comfortable with this approach. Jackie advised that good progress has been made but it won't be until 2027/28 before we hit the high peaks, unless there is a lot of money invested.</p>
4.5	<p>Jackie referred to the new Damp and Mould KPI which has a prudent 7day target, whereas guidance suggests a target of 14 days. Ali asked for more details on how the team are made aware of damp and mould cases. Jackie advised that General Needs customers tend to report them online or call the repairs team whereas with Later Living developments the cases tend to be raised by their local representative/coordinator who in turn contact the repairs team who send an inspector out. Most cases are caused by condensation issues and insufficient ventilation. It was noted that the responsibility sits with both tenants and Trust with regards to the prevention of damp and mould and training/advice is available in Trust Talk, via social media and on the Trust website to help tenants understand their responsibilities.</p>
4.6	<p>Rhona advised that tenants also receive an annual visit so if there were a customer suffering from damp and mould but had not reported it, it will be picked up in the annual home visit.</p>
4.7	<p>Neil referred to the medical adaptations KPI and advised that a new KPI will be introduced to record the date the application funding is received as the current target is not an accurate measure. The current KPI (average days to complete medical adaptations) will remain as it is required for ARC reporting but a second KPI will be added to improve the data in the report.</p>
4.8	<p>With regards to complaints Neil advised that there are no major concerns. It was noted that there was an increase in complaints in July and August of Q2 but nothing of concern. It was more a case of numerous people complaining about the same thing e.g. a lift issue in Govan and a hot water issue at Ravens Court. Neil advised the committee that more frequent pulse surveys are taking place and if customers are dissatisfied with the outcome of a repair they have the option to raise a complaint which may cause the number of complaints to increase in the next quarter. To give the committee an indication as to how the figures may increase Neil advised that following the first pulse survey, 6 repairs were raised to a complaint.</p>
4.9	<p>The number of Stage 1 complaints responded to within the SPSO timescales did decrease slightly but we still achieved a 95.1% PTD against our 2024/25 target</p>

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	<p>of $\geq 90\%$. The response rate to Stage 2 complaints improved in Q2 but due to 3 complex asset complaints and delays from third parties responding this impacted on the overall response time. In these cases an extended deadline is agreed with the customer and Neil confirmed that all 3 complaints that had been carried forward into Q3 have now been closed. It was also noted that the complaint satisfaction measure is being changed to a pulse survey to give tenants an opportunity to advise if they were happy about how the complaint was handled.</p>
4.10	<p>Jenny Wallace, Director of Customer Experience, referred to the 'Days to Let' KPI advising that there has been improvement in this area and it is the closest we have been to hitting the target of ≤ 80 days. Jenny advised that the Void Taskforce has been in place for 3 weeks and an update on how it is performing will be brought to the next Audit & Performance Committee.</p>
4.11	<p>The number of tenancy offers being refused has improved but the percentage of people satisfied with the standard of their new home is on a downwards trend so this has been noted and will be looked into further. Ali agreed that this area should be looked into further as a 10% decrease over the course of a year could be cause for concern.</p>
4.12	<p>David Knight queried the feedback on affordability and whether it should be counted in the % satisfied with the standard of their new home KPI. The Executive Team acknowledged the point that was being made and explained feedback cannot be disregarded. In this instance the feedback was recorded and the customer was referred to the welfare benefits team.</p>
4.13	<p>Jenny advised that 'rent collected as % of rent due' has fallen slightly. This will be looked into further by both Jenny and Zoe to see what has affected the numbers. The committee agreed that more clarification on this point is required as having this KPI below 100% feels like it should be right but we need to understand why. Zoe advised that a large sum of rent arrears would need to be collected to get this number over 100%. With regards to rent loss % due to empty properties this is heading in right direction but currently not meeting target.</p>
4.14	<p>The number of welfare benefits advice referrals received have reduced but the team are still meeting targets and continue to be a tremendous support to customers. In Q2 the financial gains made by the service for our customers was £522,780.37. Ali asked Jenny to pass the committee's thanks on to the team.</p>
4.15	<p>Ali asked for more information on Adult Support and Protection. Jenny advised that this relates to tenants that may be at risk of having some kind of vulnerability e.g. financial abuse and have made a referral to the local social work team. There is no rationale for the numbers and no set target.</p>
4.16	<p>Ali thanked the Executive Team for a great report which helped to facilitate good discussion.</p>

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4.17	The Committee noted the Q2 Performance Report.
5.	<p>Internal Audit Update</p> <p>5.1 Zoe Purdie, Director of Finance and People, introduced the first two internal audits (Gas Safety and Creditor Payments) completed by TIAA and advised that 21 actions on the internal audit action tracker have now been completed.</p> <p>5.2 Martin Ritchie, TIAA, thanked the Chair for the positive feedback on the style of the reports. He then proceeded to present the Gas Safety report to the committee advising that the auditors have provided substantial assurance which is very positive. It was noted that that there had been one or two failures in the past but the auditors recognised that this was some time ago.</p> <p>5.3 The report included one recommendation, which was to add the gas safety policy to the Trust website, and this has now been completed.</p> <p>5.4 Martin advised the committee that as auditors they look into additional points and do a lot of testing, all of which was passed and they can therefore take a high level of assurance from this.</p> <p>5.5 Gordon Laurie asked if the committee were comfortable with the compliance information being stored in excel. Jackie McIntosh advised that the team are now using TCW for compliance which is much more dynamic and helps to prevent errors.</p> <p>5.6 Martin presented the Creditor Payments report advising that the auditors have provided reasonable assurance, which is a positive assurance level, and although it is not mapped out, Trust is at the high end of this level. For the most part the design of procedures and controls were sufficient and there is one recommendation which is to move all work orders onto a system. The auditors have taken on board that the risk is small and noted the comments from the management team regards to risk versus investment however from an auditors perspective if you approve invoices at the stage of invoice you don't have as much to challenge on and the recommendation is to move this process onto a system.</p> <p>5.7 The second recommendation is more routine and is in relation to the verification of suppliers' bank details. It is a known area of fraud and the auditors have experienced other clients that have slipped up in this area. At the moment it is working well in practice but there needs to be clear procedures in place.</p> <p>5.8 Ali asked the Executive if they were happy to accept the first risk around work orders being processed manually. Zoe advised that the work orders are high volume, low value. There are often a number of very small orders for catering supplies and if all work orders had to be processed in a system the workload would increase. This matter is going to be considered as part of the new finance system moving forward.</p>

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5.9	Gordon Laurie suggested a minimum value be set for PO's and Graham Curran was of a view that if it is being processed manually then it would be better being processed on a system. Zoe acknowledged both points and assured the committee that following the implementation of the current new systems a new finance system is scheduled to be implemented.
5.10	Ali thanked Martin for the risk session he facilitated at the recent Board Away Day which everyone found engaging and useful.
5.11	The committee noted the audit reports and recommendations within them.
5.12	Action: Zoe to update the internal audit action tracker so that it is up to date.
6.	Risk Register
6.1	Zoe Purdie, Director of People and Finance, advised that the Leadership Team were scheduled to review the risk register but unfortunately due to work pressures following the recent budget announcements the Leadership Team risk appetite session has been rescheduled to January 2025.
6.2	Gordon Laurie suggested that some of the risks be amalgamated in order to maintain a manageable number of risks. E.g. risks 6 and 22 both relate to IT and data breaches and could be combined.
6.3	Neil advised that the Rubixx risk could possibly be removed too but a board decision would be required to close them off.
6.4	Action: Leadership Team to consider those risks that can be amalgamated or closed at the next review of the risk register
7.	Health and Safety Update (including Damp and Mould Policy)
7.1	Jackie McIntosh, Director of Assets and Sustainability, presented the Health & Safety report to the committee noting that it was a bit dated in style. Jackie advised that the team were looking to improve the style of the report now that there is a new Health & Safety manager in post.
7.2	In terms of the contents of the report, employee accidents have dropped and tenant's accidents are on a par to last year. Mandatory training modules are beginning to gain some traction and now have good completion rates.
7.3	Jackie presented the new Damp & Mould Policy to the committee which had been developed so that Trust can outline and evidence its approach to damp and mould. Now that the KPIs are embedded in the performance pack this policy will sit alongside the KPIs.

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7.4	Gordon Laurie referred to 2.2. which mentions ' <i>a recent publication</i> ' and he advised that this should include the actual date of the publication. He also referred to the section focusing on responsibilities and asked if response timescales should be included. Jackie advised that the Board will review and agree timescales to responding to damp and mould cases.
7.5	Jackie talked to the updated business continuity plan and advised that a copy would be shared on the Board teams channel should anyone wish to see a copy.
7.6	Action: Jackie to update to policy in line with the recommendations from Gordon Laurie.
7.7	The committee noted the contents of the report and approved the new Damp and Mould policy.
8.	Previous Minute of the Audit and Performance Committee Meeting of 1st August 2024.
8.1	The minutes from the Audit & Performance Committee held on the 1 August 2024 were proposed by Gordon Laurie and seconded by Graham Curran.
8.2	Decision: The minutes were approved as a true and accurate record.
9.	Action Tracker
9.1	The committee reviewed the actions tracker and agreed that all completed actions could be removed.
9.2	It was noted that the action relating to cyber security would be covered in the February report to the committee and a Cyber Security training session will be provided to all Board members.
9.3	It was agreed that the action relating to the implementation of a payment system could be removed as it is now on the audit action tracker.
10.	Any Other Business
10.1	David Knight referred to the removal of a group accident policy in the draft budget paper being presented to the Board and asked for assurance from an audit committee perspective that this does not leave Trust open to any risks. Zoe assured the committee that the policy has never been used to date and there will be no risks associated with the removal of the policy.
11.	Date of Next Meeting – Thursday 6th February 2025 (in person at the Edinburgh office)