TRUST HOUSING ASSOCIATION LIMITED

Formal Note of the Audit and Performance Committee Meeting held on the 6 February 2025 at 11.30am 12 New Mart Road Edinburgh and confirmation of follow up correspondence to homologate decisions required.

Present at meeting:

Board Members	Officers in Attendance
David Knight	Rhona McLeod, CEO
Gordon Laurie	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 (Governance & Business Support Manager, Minute Taker)

Auditors in Attendance
Martin Ritchie (TIAA)
Andy Shaw (AAB)

Agenda Item	Details
1.1	**Below outlines the process followed to homologate recommendations from the Audit & Committee discussion held on 6 February 2025.**
1.2	Due to the Audit & Performance Committee not being quorate on the 6 February 2025 it was decided that those that were in attendance on the day i.e. committee members, the Executive Team and the Auditors would discuss the tabled papers and a formal note would be taken to record the discussion and recommendations from the committee members present.
1.3	As no formal decisions could be made it was agreed that the formal note and papers requiring decision/approval would be homologated by committee members via email/MS Teams.
1.4	Following the meeting, Annette Brown circulated the detailed note of the discussion that took place on the 6 February and requested that committee members approve the following items via the Audit & Performance MS Teams site –
1.5	**Item 5 - Approve the 2025/26 proposed internal audit plan.**
1.6	**Item 6 - Approve the External Audit plan and timetable.**
1.7	**Item 11 - Approve the minutes from the 5 December 2024.**
1.8	Gordon Laurie, Ali Ross and David Knight responded via MS Teams to confirm approval of the internal audit plan, the external audit plan and timetable and the minutes from the 5 December 2024.

1.9	The minutes of the meeting held on the 5th February 2025 were proposed by David Knight and seconded by Gordon Laurie.

FORMAL NOTE – 6 FEBRUARY 2025 - DAVID KNIGHT IN THE CHAIR

Agenda Item	Detail
1.	**Chair's Opening Remarks**
1.1	David Knight, Vice Chair, of the Audit & Performance Committee, welcomed committee members, the Executive Team and Martin Ritchie from TIAA and Andy Shaw from AAB to the meeting.
1.2	David explained that unfortunately due to a number of committee members being unable to attend at short notice the meeting was not quorate, therefore no formal decisions or approvals could be made. As this is the first time this has happened at Trust the Governance & Business Support Manager sought guidance from TC Young and it was agreed that a discussion could take place with those that were in attendance and a note of the discussion would be recorded and shared with the full committee via email alongside the papers requiring decision/approval. The committee will then be asked to homologate the recommendations made by those present today. Should any committee members feel that a Teams call is required to approve the papers this will be arranged.
1.3	David referred to the Governance Update in the full Board Pack which addresses the matter of the vacancy on the Audit & Performance Committee and it was agreed that 2 new committee members should be recruited to ensure that future meetings are quorate.
1.4	The committee noted and agreed with the proposed plan.
2.	**Declarations of Interest**
2.1	There were no declarations of interest recorded.
3.	**Apologies**
3.1	Apologies were received from Ali Ross, Graham Curran, Ian Mitchelmore George Appleyard (AAB).
4	**Q3 Performance Report**
4.1	Neil Ferguson, Director of Business Development and Digital, presented the Q3 Performance to the committee. He advised that there were 17 highlights to report and 12 exceptions. The committee focused on the exceptions in the first instance and highlighted the following points - 1. The "average days to complete non emergency repairs" has been highlighted as an exception as there is a 0.3% difference in the trend.

Agenda Item	Detail
	This was not cause for concern and is still well within target. It has only been flagged as an exception as we are unable to set parameters in the system which means that **any** change in the trend will pull the KPI through to the exceptions part of the report. 2. The "% Right First Time" indicator is another example of where there has been a marginal change in the trend. However 94.5% exceeds the Trust target of =>90% and is no cause for concern. 3. The "% of Properties with a valid EICR Certificate" indicator is continuing to progress well and is on an onward trajectory which will continue as the team work through the programme. 4. Medical adaptations is now displayed using 2 tables. One that shows the average number of days to complete the medical adaptation from when the referral is received (i.e. the information reported in the ARC) and a second to illustrate the average days to complete a medical adaptation once the grant funding has been received i.e. when the work actually takes place. The right hand table helps to demonstrate how long it can take for the grant funding to be received following the referral. David queried the impact reduced grant funding will have on this area and if it will become an issue. Rhona McLeod, Chief Executive, advised that there is an understanding that the grant may be increased next year so it is hoped that this will not be an issue in the future. The committee agreed that displaying he information in this way was a much better assessment of our performance. 5. The number of "Stage 2 Complaints Responded to in Full" is below target. From the 18 investigative complaints handled in Q3, 3 were carried forward from Q2 and 1 was carried forward to Q4. Overall complaints are down on this time last year and the overall performance in relation to complaints is satisfactory. 6. "Lets v's Terminations" - despite there being more terminations than lets there has been more lets than usual in Q3. There is no unusual trends in this area and the proportion of deaths contributes to the terminations. Gordon Laurie, liked the comparisons in the report to the previous year and acknowledged that it is not where we wish to be but the figures are understandable but not significant. 7. The "Average Days to Let" indicator has increased slightly to 87days but as the Empty Homes Task Force only started in mid November the full impact of this work is not yet being seen. It is however hoped that we will see an improvement in the coming months as the processes are embedded. It was noted that the biggest long term let in General Needs was 909 days and 1269 days in Later Living. It is long term lets such as this that impact the figures of which there are approximately 25-30 properties. If there are any properties that don't let after a period of time

Agenda Item	Detail
	other options for the properties will be considered. It was noted that only properties that can actively be let are included in the figures and others like Strachur are not included.
	8. With regards to the "Number of Tenancy Offers Refused" it was noted that this has increased slightly to 17.3% but still remains within the target of <=20%.
	9. The "Rent Collected as % of Rent Due" indicator had been looked into in more detail by the Leadership Team who now have a better understanding of why this figure can be more than 100%, which is not a cause for concern. The way the indicator is calculated is being reviewed with a view to changing it for the next reporting year. Rhona proposed arranging a session for Board members to explain this indicator in more detail and advised that going forward a clear definition will be added to the performance pack.
	10. It was noted that the "Rent Loss Due to Empty Homes" indicator had increased. Gordon advised that he would expect this to increase over the course of the year and David noted that the number of rent arrears are chunky numbers but a small percentage overall.
	11. With regards to "Welfare Benefits Advice Referrals Received" Jenny advised that the number of cases has reduced slightly but the team continue to do some really good work and the financial gains made are very positive.
4.2	The committee then reflected on the highlights presented at the beginning of the report. Highlighting the following key areas –
	1. The "Gas Safety Certificates not Completed on Time" remains on track and this is due to the restructuring of the team now coming to fruition and the systems/processes becoming more streamlined.
	2. The "Average Days to Complete a Damp & Mould Inspection" is well below target at 2.8 days and this area is currently being audited. David noted that this area is still very much in the media and an area of importance. Jackie advised that at present Trust are using their own indicators to measure performance in this area however they may need to be adapted once the ARC indicators are released.
	3. Gordon Laurie noted that the "Average Hours to Complete Emergency Repairs" indicator is great at 2.1 hrs given the geographical spread of Trusts properties. Jackie explained that this result is due to tighter controls in this area and a member of staff monitoring the performance in this area.
	4. Neil referred to the "Number of Complaints Made" and advised the committee that there is a risk of the performance in this area being affected by the introduction of a new complaints system which will involve

Agenda Item	Detail
	training for Trust employees and the introduction of pulse surveys for customers. Gordon noted the number of 'other' complaints and queried if more defined categories were required. Neil advised that the team are looking at this to try to find out what categories, if any, are missing categories. It was noted that the new system will also record compensation provided as a result of a complaint which relates to one of the actions on the audit and performance action tracker. 5. Jenny advised that since May the team have been using Rubixx opposed to Rent Sense Rent for rent arrears and following a 6 month trial it has been agreed that they will continue to use Rubixx going forward. This will help to provide BI reporting and indicators of trends to manage and prioritise arrears in each development patch.
4.3	Rhona advised the committee that the Leadership Team have been looking at what drives good performance and this recent pack is an example of how well Trust is performing.
4.4	It was also noted that the Hardship Fund helps to drive performance in addition to offering a different dynamic between customers and Customer Partners. Gordon asked if the Hardship Fund would ever be used to pay off rent arrears. Jenny advised that it would not be used to pay off the arrears but could be provided so that customers can buy other items such as school uniform or to pay utility bills so that they can maintain rent payments.
4.5	Gordon noted the lovely comments in the 'Satisfied with Standard of Home when Moving In' section.
4.6	**The Committee noted the Q3 Performance Report.**
5.	**Internal Audit Update**
5.1	Zoe Purdie, Director of Finance & People introduced Martin Ritchie from TIAA to present the Use of Agency Staff and Lift Maintenance Internal audit reports. It was noted that there is an audit of Damp & Mould and a follow up review is in progress and updates on both will be presented to the next Audit & Performance meeting.
5.2	It committee noted that the paper included an audit plan for 25/26 which builds on the strategy and requires a decision. Given the meeting was not quorate, the approval of this document will be carried out via email.
5.3	Martin Ritchie, TIAA, presented the reports as read and noted that reasonable assurance had been given on both.
5.4	Referring to the "Use of Agency Staff" report Martin advised that limited assurance is not uncommon in this area so to achieve reasonable assurance is positive. Overall there are good practices in place, appropriate procurement

Agenda Item	Detail
	procedures and good compliance in line with procurement regulations and accuracy of payments made.
5.6	There were 2 Important Recommendations – • *An agency staff induction template be devised and rolled out across all sites and a record of completion retained.* • *Supporting documentation be retained on file to confirm approval of the use of internal agency workers prior to the completion of the variation sheets and all Housing with Care sites.*
5.7	And 2 Routine Recommendations - • *A sample of agency worker ID spot checks be undertaken on an annual basis to provide assurance that agency workers have been appropriately vetted.* • *Approved external agency worker time sheets to be retained on file in all cases to facilitate an appropriate audit trail to verify the accuracy of agency worker invoices prior to payment in all cases*. **It was noted that the time sheets matter was a one off which is why it was low level and has since been rectified.**
5.8	Gordon asked if agency staff were on Trust's payroll. Zoe advised that Trusts bank staff are placed on zero hour contracts and are added to Trusts payroll. There are separate time sheets for external agencies and those employed via the external agency are paid by the external agency. There are approximately 60 staff on Trusts internal agency which helps to provide cover in geographical areas with limited external agency staff.
5.9	David congratulated the team for achieving reasonable assurance in an area where a lower rate is not unusual.
5.10	Referring to the Lift Maintenance report Martin advised that reasonable assurance had been given with 1 important recommendation and 2 routine recommendations – 1 Important Recommendation –
5.11	• *Schedule of stair lifts to be inspected be checked for accuracy and completeness prior to the being issued to the contractor for issue. This was due to one stair lift being missed from the inspection programme.* 2 Routine Recommendations –
5.12	• *The passenger Lift Safety and Testing Policy be expanded to reflect the inspection arrangements for stair lifts and bath hoists*. It was noted that this policy was due to be reviewed and the recommended amendments would be incorporated into this.

Agenda Item	Detail
	• *Lift maintenance be added to the Asset Teams programme of cyclical training.* It was noted that this responsibility has been delegated to an external/third party supplier to manage this therefore it is not a huge risk exposure.
5.13	Martin assured the committee that there were plenty examples of good compliance in relation to lift maintenance and the outcomes relate mainly to tightening up processes that are already in place.
5.14	Martin presented the 25/26 audit plan to the committee which is an update to the internal audit strategy presented previously to the committee. He advised that there had been two changes which sees the corporate governance and regulatory standards review being pushed out by a year and the factoring review being moved to 26/27. Martin advised that the internal audit charter had also been included in the pack, which highlights new global internal audit standards that are more comprehensive and more explicit. In approving the plan the committee are also approving the audit charter.
5.15	Gordon queried the requirement to do Cyber Security as frequently as it is. Neil advised that the last review of Cyber security was in 2022 and given it is one of the top 3 risks on the risk register it is important.
5.16	Gordon thought the audit plan looked substantial and provided a good balance across all areas. He asked for more details on what will be included in the Corporate Governance – Regulatory Standards review. Martin advised that this will look at the 7 standards set by the SHR and will be an independent evaluation of the materials used for the AAS process, including a review of the evidence bank.
5.17	Martin advised that a list of completed audits are listed in appendix 4 which has been included to give the committee the option to add any of these areas to the current plan if there is an issue in a particular area.
5.18	Martin advised the committee to consider the plan and if they would like to give any particular areas more priority. Gordon proposed that procurement be considered for next year. Zoe advised that the team are currently working through the Scotland Excel Assessment Procurement Programme now and this will feed into this.
5.19	Zoe advised that the audit action tracker had not been included in the pack as the follow up review is currently taking place. A full action tracker will be reported to the next meeting.
5.20	The committee thanked Martin for his reports and updates and advised that they would seek approval of the audit plan via email. **Martin Ritchie left the meeting**
5.21	

Agenda Item	Detail
	The committee noted the audit reports and recommendations within them.
6.	**External Audit Planning 2024/25**
6.1	Zoe Purdie, Director of Finance & People introduced Andy Shaw from AAB to present the External Audit Plan.
6.2	Andy presented the plan to the committee highlighting the following points – • Page 3 sets out the timetable with the main field of work being completed by the 9th June. As it is the 4th year as auditors of Trust there are good processes in place and a consistent team. • Page 4 sets out the proposed materiality which is set it at 1.5% of income. Any mistakes of £17,700 or above will be brought to the attention of the committee. • Page 5 sets out the significant risks from an external audit point of view which includes post retirement benefits. Andy advised that the team look at assets, values and the assumptions set out audit processes around this. • There are a further 2 risks; going concern and compliance with banking covenants and the management override of controls fraud risk which may be downgraded in future years. • The assessment of risk management is to ensure that the auditors are content with the controls across the full portfolio of transactions.
6.3	Gordon queried the income measure of £885,000. Andy advised that the auditors are dealing with items at a significantly lower value and will look much wider than the £885k. David also thought that the £17.5k figure seemed quite high. Andy advised that this is the number the auditors use as a basis for looking into a matter further.
6.4	Gordon asked if the additional risks were sector wide and Andy advised that they are. There may some RSL's that don't have the Going Concern but very few.
6.5	Andy opened the floor for questions and Zoe confirmed to the committee that she was content with the fees and the timescales.
6.6	David asked Andy for his views on Artificial Intelligence (AI) on the audit process. Andy advised that there is AI in parts of the audit process for example it may be used for analysing a contract and pulling out the key terms however this is always double checked and the AI tool itself cannot be relied on. In essence auditors maintain doing the mechanical work as AI can't be controlled. The skillset of the graduates being recruited has moved from simply audit graduates to focus more on IT audit graduates.
6.7	The committee thanked Andy for attending the meeting to present the report. The committee advised that they will recommend the Audit plan and timetable to the full committee via email for formal approval.

Agenda Item	Detail
	Andy Shaw left the meeting
7.	**Cyber Security Update -** *please see private minutes**
8.	**Health & Safety Report Q3 2024/25**
8.1	Jackie McIntosh, Director of Assets and Sustainability presented the Q3 Health & Safety Report and advised that a new piece of software is being assessed to improve the level of reporting and provide live notifications as and when incidents happen. The system will also help to bring fire risk assessment in house and make the management of actions easier.
8.2	David questioned if it was within Trusts rights to ban customers from smoking given it is one of the major fire risks. Jenny advised that this was not possible as it is against human rights. Trust can however support tenants by implementing fire retardant materials in the property.
8.3	Gordon asked if all accidents were in Later Living developments. Jenny advised that this was correct.
8.4	The committee asked for an update on the appointment of the new H&S manager. Jackie advised that further to some staffing changes a new manager was appointed in October 2024. The new manager (Ian McKinnon) is very experienced and is now advertising for a H&S officer post.
8.5	The committee noted the report.
9.	**GDPR and FOI Update**
9.1	Annette Brown, Governance & Business Support Manager presented the GDPR & FOI Update to the committee.
9.2	Annette advised that since taking on the role in October 2024 she has been reviewing where Trust are with data protection, and creating an action list to work through in the coming months. One of the key actions is to re-establish a data protection working group to support with the implementation and completion of the action tracker. It is hoped that a report on this will be presented when the next update is due.
9.3	Since the last update in August 2024 Annette advised that Trust had received 4 FOI requests. 3 were responded to within the timeframes and 1 was fully withheld, but responded to within the required timeframe.
9.4	Trust also received its first Environmental Information Regulation Request (EIR) relating to low carbon heating installations. Trust were in a position to respond to this request in full and within the required timeframe.

Agenda Item	Detail
9.5	In addition to FOI's and EIR's, Trust also received 1 Subject Access Request in which all of the information was released.
9.6	The committee noted that there have been no major data breaches and Annette advised that she will continue to work with Digital team on the data loss prevention programme.
9.7	The committee noted the report.
10.	**Risk Register**
10.1	Zoe Purdie, Director of Finance & People presented the updated risk register to the committee advising that the Leadership Team had carried a full review of the risk register focusing on the level of each risk relative to the others.
10.2	Gordon queried the rent arrears risk and asked if it should be lowered given the high levels of performance in this area. Jenny advised that the risk score had already been reduced and would be reluctant to reduce it any further due to an increase in the number of arrears due to incapacity.
10.3	David agreed that the risk register feels more robust and agreed with the risk scorings.
10.4	It was noted that 2 new risks had been added around failing to comply with regulations set by the SHR and another around H&S in relation to staff. The committee also noted the 2 risks that have been removed. One around reputational risk as it was felt that this was a cause of a risk opposed to being a stand alone risk and the Rubixx risk as the company are now more established than before.
10.5	The committee noted the report and asked the Governance & Business Support Manager to check if the Board formally approve the risk register when it is reported to the board annually.
11.	**Previous Minute of the Audit and Performance Committee Meeting of 1st August 2024.**
11.1	The minutes from the Audit & Performance Committee held on the 5 December 2024 were not approved as the meeting was not quorate.
11.2	It was agreed that the minutes would be circulated to the committee via email for final approval.
12.	**Action Tracker**
12.1	The committee reviewed the action tracker and recommended that the following actions be removed.

Agenda Item	Detail
12.2	5 December – Action 6.2 - Risk Register – complete 5 December – Action 7.6 – H&S Update, Damp and Mould Policy – complete 1 August 2024 – Action 7.7 – Cyber Security – in progress but monitored on the Cyber security improvement plan therefore does not need to be recorded here. It was recommended that the following actions remain on the tracker - 1 August 2024 – Action 7.4 Cyber Security - as there will be a presentation at the August 2025 committee. 24 February 2022 – Action 4.10 - Complaints - compensation – this action will remain until the new complaints system is in place.
10.	**Any Other Business**
10.1	David raised the matter of recruiting more members to the committee at the board meeting being held later in the day. Rhona advised that there had been two expressions of interest from Steve McGowan and Laura Bornatici.
11.	**Date of Next Meeting – Wednesday 28th May 2025 (in person at Norton House Hotel, Edinburgh)**