

Finance, Audit & Risk Subcommittee Meeting

19th January 2023

2PM – Teams Meeting



Attendees:	
Mark Jones (MJ)	Shropshire Council Board Member (Chair)
Emma Jones (EJ)	Staff Board Member (Vice Chair)
Tony Deakin (TDk)	Independent Board Member
Harpreet Rayet (HRa)	Managing Director
Tracey Gray (TG)	Interim Operations Director
Steve Ogram (SO)	Director of Finance & Resources
Andy Menzies (AM)	Head of Finance
Catherine Young (CY)	Principal Auditor – Internal Audit
Paul Hayward (PH)	Co-optee Board Member
Mandy Pullen (MP)	Note taker

1. Apologies	
Apologies were received from: <ul style="list-style-type: none">• Angela Simpson• James Willocks MJ opened the meeting.	
2. Minutes of the Meeting held on 02.11.22 & Matters Arising	
<ul style="list-style-type: none">• The subcommittee minutes of 22nd July 2022 were agreed to be a true reflection of the meeting. Matters Arising: <ul style="list-style-type: none">• AM to look into Board training: This has been made available to the Board via Leap into Learning.• TDK pass on wording to AM (re: template to merge policies into one overarching policy): This has been actioned. Fairfields Close: HRa noted that we had a fatality at Fairfields close due to a fire within a property. The fire is being investigated by Shropshire Fire Service and the Police. The latest update is that the coroner is not referring the matter to the Home Office. The coroner is looking to finalise their report today and we should receive this report by tomorrow. At this point once we are able to share the information we will inform the Board. We have also begun our own investigation internally using Caldiston and we are in the process of sending documents across to them. As a part of the investigation we have looked into gaps in our compliance framework.	

<p>TG noted in regards to this, there are some areas of concern identified in our electrical safety compliance data- this is not to say we are not compliant but some of the data is missing. She will discuss this further in the H&S update.</p> <p>TDK queried about the external company we are using. HRa noted Caldiston are a H&S consultancy that do investigation work for a number of RPs and local authorities. Their speciality is around consultancy, fire safety, H&S and compliance. They have recently done similar work for an RP in Manchester. He notes he has used them in previous roles as H&S advisors.</p>	
<p>3. Health & Safety Update</p>	
<p>The Health and Safety Working Group meet on a quarterly basis.</p> <p>TG noted that AS is unable to be here she present this. We have identified some gaps in data across the whole compliance piece. Electric safety is our biggest area of concern which is why we are starting in this area for the initial audit.</p> <p>We have identified that we have some fire risk actions that have remained outstanding longer than we would like. We have spoken our fire risk officer today- we have started work to rectify the high-risk areas and are satisfied they should be completed within the next few weeks. One risk requires us to go into the properties of a whole block, this could have issues as some tenants decline letting us in. Although it is a high risk, we do have mitigations in place.</p> <p>PH queried Solo Protect and lack of use of it. Is there an update of the current usage of this? TG noted she will make sure this is included for the next meeting.</p> <p>SO noted this is included in the H&S safety meeting minutes and further noted that Personal Safety and Conflict Management training sessions have been started for operatives this past week.</p> <p>HRa noted the wider point for him is that it is not used in the higher percentages that it should be, but hopefully the training that is currently being provided should help with this. There is inconsistency in use which him and TG will need to take back to staff to discuss in the future.</p> <p>HRa noted he may need to get one himself if he is to visit sites.</p> <p>EJ noted there are a number of users that have these devices that do not visit tenants very often. In her own instance, the majority of her work is based in the office. Are the figures reflective in comparison to the number of hours out visiting? This could skew the numbers if not. She noted her team does need one themselves as they still go out on visits, but this is very infrequently.</p> <p>HRa agreed, we may need to talk about staff who are meeting customers individually vs. staff who are more back office to give a better picture of how they are being used.</p> <p>TG to look into this.</p> <p>TDk noted in reference to the compliance audits, the focus has been on external and internal. He thinks it's important to get the feedback from both and he welcomes this. He queried the timescale for the reports.</p>	<p>TG look into Solo Protect usage figures (office vs field based)</p>

<p>HRK noted the terms of reference for electrical safety will start on Monday, for initial findings he thinks a fortnight. We can send an update to the FAR Board around the initial findings. What we may do is to interact this with the fire audit. He would expect feedback on the initial fire investigation in a week, electrical audit on the 6th, and the follow-on audit on the 13th. There will be an action plan and implementation of this plan.</p> <p>TDK noted the need for making sure the committee and the Board are aware of the resource implications.</p> <p>HRa noted we are learning from best practice from other RPs in terms of the detail that needs to be looked at.</p> <p>The subcommittee noted the report on Health & Safety.</p>	
<p>4. Risk Management</p>	
<p>SO noted this is presented twice to FAR in the annual cycle and the report reviews how we perceive risks and the impact they could have.</p> <p>Currently only one risk is identified as being high- our GDPR compliance should a breach occur.</p> <p>PH noted we discussed this at Board in September- he thinks it would be helpful to understand what, if anything, has changed. There are key elements that seem to be missing and he assumes things we have just discussed are not in there as he cannot see them. To have a high risk register that does not mention items such as mould, this is a risk to this Board.</p> <p>HRa replied that he takes this point on board. He noted that with 27 risks on there this is a large number. As part of the workshops we are proising, a suggestion is that we take a fundamental review of the risk registers. He noted the idea of aiming for ten risks and the mitigations around those. There is work around refreshing and revising the registers to be done.</p> <p>TDK noted 3 aspects- changes to external environment, particularly with damp and mould rising up the agenda, Compliance audit, and the more fundamental review which takes account the new contract and new services the Council wants us to get involved in. As a Board we need to review where we are and look at the risks.</p> <p>SO noted that SMT meets every quarter to review the risk registers- the risk registers are live documents that are being updated throughout the year. The next meeting for review is within the next two weeks, at this point any additional risks will be added.</p> <p>MP noted for example the GDPR issue which is in red, if this risk goes down to a lower level, is there a note anywhere that this has changed? SO noted that the idea of the registers as they are presented now is to show all risks that are present. The colour coding is to show more clearly the level of risk among these. The Board has previously expressed the view to see all of the risks with colour coding notes of more significant risks.</p> <p>HRa suggested they have a session before Board to meet and discuss topics- perhaps this could be used to review the risk register in further detail? He is keen for this document to be a live document.</p> <p>MJ noted he is happy for this to occur. TDK noted he is happy for this in principle, but he thinks that the timeframe is a bit ambitious. We may need to look at commissioning a fuller review first.</p>	

<p>TG wondered if we need to look at our risk appetite as a Board?</p> <p>HRa noted we could do a risk workshop initially and use this as a basis for a brief to review our risk framework.</p> <p>MJ noted there is a lot of talk over Cyber attacks at the moment- is there a breakpoint that we can stop this from happening in our organisation?</p> <p>SO noted our systems are fairly well protected through Shropshire Council and the firewalls that they provide. In the time that STAR has been established we have had one breach, a stand-alone PC used to record calls to the contact centre. There was no data breached but it was locked down by hackers. We have learned from this event with further protocols put in place.</p> <p>HRa wanted to echo SO's point and has had a meeting with the new head of Shropshire Council IT. They get over 10K attacks on the server- their framework and IT infrastructure are incredibly robust.</p> <p>The Risk Registers attached as Appendices 1 to 6 are approved subject to any amendments or additions proposed by the Committee.</p>	
<p>5. Internal Audit Performance Report</p>	
<p>CY noted work has commenced on the Audit Plan with a timetable in place to fully deliver the required audits within the financial year. As reported at the November 2022 Committee meeting four reviews had been completed. Since the November 2022 final audit reports have been issued for Housing Rents and Corporate Governance. Work is at draft report stage for Housing Management. Work has been planned in all the other areas and conclusions will be reported to future committee meetings once the final reports have been agreed with management. The report does not propose any revisions to the approved Internal Audit Plan for 2022/23 presented in April 2022 amounting to 40 days.</p> <p>TDk pointed out on governance, we had said coming out of Board member appraisals that we needed to make some changes to committee structure (ie- a committee around Customers). There is a piece of work to be done refreshing where were at, where we're going, terms of reference and the governance arrangements. He would like to see this coming into the update paper.</p> <p>SO noted the two recommendations: one was putting on our website Board members Declaration of Interests, and the second was on the Board Code of Conduct in regards to commitment to sustainability. These were discussed at the Board meeting in November and are now being implemented.</p> <p>The subcommittee considered and endorsed, with appropriate comment, the performance to date against the 2022/23 Audit Plan.</p>	
<p>6. AOB</p>	
<ul style="list-style-type: none"> • MJ noted as a Board we have some good things in place that have kept us safe when events have occurred such as the fire at Fairfields. We have good processes and we need to keep this going. • HRa further noted we have informed the Social Housing Regulator of the death and they have not requested any further information until he investigation is complete. 	

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| <ul style="list-style-type: none">• No other business. | |
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The meeting closed at 2.32PM

Date of next meeting: 4th May 2023