


Meeting	FAR Meeting	 Shropshire Towns and Rural Housing
Date	4th May 2023	
Time	14:00 – 15:00	
Location	Teams	
Present:		
Mark Jones (MJ)	FAR Chair, STAR Board member	
Emma Jones (EJ)	FAR Vice Chair, STAR Board member	
Tony Deakin (TDk)	STAR Board member	
Paul Hayward (PH)	STAR Board member	
Mark Jones (MJ)	STAR Board member	
Ros Bridges (RB)	STAR	
Kevin Williams (KW)	STAR	
Harpreet Rayet (HR)	STAR	
Andy Menzies (AM)	STAR	
Tom Forty (TF)	STAR	
Tracey Gray (TG)	STAR	
James McLarnon (JM)	External Audit	
Bill Devitt (BD)	External Audit	
Nicholas Burton (NB)	External Audit	
Barry Hanson (BH)	Internal Audit, Shropshire Council	
Catherine Young (CY)	Internal Audit, Shropshire Council	
Debbie Gauntlett	Independent Minute Taker	
Apologies		
James Willocks (JW)	STAR Board member	

Minute No.		Who	When
1.	<p>Apologies were received and accepted from JW.</p> <p>HR confirmed that the meeting was being recorded and a full transcript would be available after the meeting for all committee members.</p>	HR	Within 7 days
2.	<p>The minutes of the Meeting held on 19th January 2023 were approved as a true record.</p> <p>Matters Arising</p> <p>It was confirmed that Ms. A Simpson had left the organisation and the replacement role would be advertised by the end of next week.</p> <p>Action.</p> <p>Fairfield. TG reported on the outcome of the recent Fairfield inquest held on 27 April 2023 whereby fire investigators had ruled that there was no electrical fault found within the property.</p> <p>Action.</p>	HR TG	

	<p>Solo Protect. TG reported that despite lots of campaigning, the uptake of users for the solo protect devices had not been good. Those who were using them out on the field had described them as cumbersome. An App had been identified that allowed users to open via their smartphone. An annual subscription had been purchased for users to trial and it was hoped usage would increase in the near future.</p> <p>A question was asked whether a discussion should take place during employee appraisals. TG answered that managers and team leaders were talking to operatives to encourage usage.</p> <p>HR confirmed that further work was in progress with the possibility of a new policy specific to certain job roles and responsibilities.</p> <p>Action.</p> <p>Agreed Actions:</p> <ul style="list-style-type: none"> • Job Advertisement to replace Ms. Simpson. • Findings to be circulated via email to Board members, FAR members, and all Stakeholders. • New policy to be introduced relevant to job roles and responsibilities. 	<p>HR</p> <p>HR</p> <p>TG</p> <p>TG/HR</p>	<p>w/c 8/5/2023</p> <p>4/5/2023</p> <p>Ongoing</p>
3.	<p>Health and Safety Update</p> <p>KW introduced himself confirming that the quarterly Health and Safety meeting had taken place on 12th April 2023. The Committee had reviewed minutes from the previous meeting and it had been agreed that an audit be commissioned to take place at the end of May 2023. The audit would compare current activity within the HSE Act Guidance. This would ensure everything was in place moving forward.</p> <p>HR reassured the committee that there had not been any Health and Safety incidents since the previous meeting.</p> <p>TD queried the constituency of the health and safety committee members and asked whether there had been any union representatives present. HR advised that attendees had included members from the previous meetings, an Officer from the Health and Safety team at Shropshire County Council, and himself. As far as he was aware there were no union representatives present.</p> <p>KW provided an overview of the Service Level Agreement now in place for information.</p> <p>Agreed Actions:</p> <ul style="list-style-type: none"> • H&S Audit to take place at the end of May 2023 • Minutes of the last H&S meeting to be circulated. • List of minor incidents and the appropriate actions that had taken place to be shared with the Committee members following today's meeting. 	<p>KW/HR</p> <p>KW</p> <p>KW</p>	<p>May 2023</p> <p>When available</p> <p>2/5/2023</p>

<p>4.</p>	<p>Strategic Risk Register / Risk Workshop</p> <p>HR reported that unfortunately the planned Risk Register training had not taken place and therefore the team had not been able to move forward with a number of the recommendations.</p> <p>The Strategic Risk Register had been circulated in advance for information and HR shared a new format/matrix for risk action for approval.</p> <p>HR explained the key strategic risks that had been reviewed and it was proposed that a maximum of 14 risks be added together with a risk category, narrative and financial implication for discussion at future meetings.</p> <p>HR invited questions from the Committee regarding managing risks within the organisation moving forward.</p> <p>PH said he welcomed the high-level approach outlined within the document including the addition of finance. PH recommended adding more information regarding:</p> <ul style="list-style-type: none"> • The risks following the restructuring. • Data and data management. • Staff recruitment and retention. • Asset management. <p>HR highlighted these as valid points and confirmed he would review these with CDL. Action.</p> <p>TD queried risk 10 relating to damp and mould and questioned whether it should include other aspects i.e noise etc. Should it be more generic? HR agreed reporting this would be part of the compliance areas moving forward.</p> <p>A question was asked regarding the HRA Rent Cap as it was not available within the strategic risk plan? HR confirmed that this would be part of a presentation under agenda item 11.</p> <p>Agreed Actions:</p> <ul style="list-style-type: none"> • HR to review the points raised with the CDL and report back. • Compliance Risk to be updated. 	<p>HR</p> <p>HR HR</p>	<p>Next meeting</p>
<p>5.</p>	<p>STAR Audit Programme</p> <p>A summary paper had been circulated in advance and RB presented an overview of the forthcoming STAR Audit programme.</p> <p>RB summarised proposed changes which included:</p> <ul style="list-style-type: none"> • An increase in audit days from 40 per year to 77 days for next year. • Internal audits to include external consultants to look at specific technical areas, particularly in relation to rents and compliance. 		

	The Committee unanimously agreed the recommendations for the audit plan 2023/2024.		
6.	<p>Internal Audit Performance Report</p> <p>The Audit Performance Report had been circulated in advance and BH summarised the work and progress undertaken by the internal audit team to the year-end 31st March 2023. BH described this as an essential part of probity and financial governance and risk management systems.</p> <p>BH, Head of Policy and Governance of Shropshire County Council reported that the internal audit team had achieved 100% of the agreed plan in line with its target and were satisfied that the appropriate management action would be taken to mitigate the 19 recommendations made during the year (reference table point 7.13 within the report).</p> <p>BH invited questions.</p> <p>TD noted the difficulties of the committee not having access to the detail of the activity previously and recommended the papers are available in the reading room for transparency.</p> <p>HR agreed and understood that the committee should have the reassurance that the auditors have undertaken the work and areas looked at in the time allocated.</p> <p>HR recommended that the Chair of the Finance and Audit Risk Committee signs off the audit in partnership with Senior Management as part of the Terms of Reference for all audits moving forward and then placed in the data room for all members to access. BH agreed that the terms of reference for each job would be a critical part of the audit process. Action.</p> <p>PH raised a query regarding housing rents and HR advised that Savilles had been asked to complete an in-depth review of the rent setting in light of recent changes in line with a nationally agreed framework. PH thanked HR confirming that he felt reassured this was best practice.</p>	HR	ASAP
7.	<p>Internal Audit Forward Plan</p> <p>BH presented the Internal Audit Forward Plan for 2023/2024. The report circulated was taken as read and BH invited questions.</p> <p>TD commented that he believed the plan covered the main areas. He asked for clarity regarding the length of the contracts and the service level agreements. HR answered that it had been decided to look at one-year contracts due to the transition period.</p> <p>BH added the plan for 2023/2024 will be flexible and will be reviewed on an ongoing basis throughout the year.</p>		

8.	<p>External Audit Plan</p> <p>JMc, Director at Grant Thornton Audit Practice reported on the external audit plan. JMc explained Grant Thornton would be responsible for signing off the audit opinion.</p> <p>Two papers for discussion:</p> <ol style="list-style-type: none"> 1) Audit Plan 2) Informing the Audit Risk Assessment <p>JMc reminded the committee of the external auditor requirements including communication regarding the scope of the audit and significant risk areas, the responses to those risks as well as other areas reported as going concerns.</p> <p>JMc outlined the audit plan as per last year confirming one significant change; the introduction of auditing standard ISO315 (detail available within the report).</p> <p>JMc reported on fees confirming an increase in scope as a result of the changes to the auditing standards and as discussed and agreed with management.</p> <p>NB summarised the audit plan including the additional work completed on the risk assessment. These included:</p> <ul style="list-style-type: none"> • A review of I.T systems used by STAR and the impact of the financial statements. The audit plan had been completed and the main audit work will commence at the end of May 2023. • Deeper analysis required of I.T. systems. It was hoped this would be completed with the council soon. • Revenue. Further work regarding revenue, income activities and transactions to be completed with the council. • Pension liability to be completed with the Pensions Fund regarding assets and assumptions. <p>JMc summarised that there were no significant issues to raise and report and invited questions from the Committee.</p> <p>TD queried why the pension audits were always programmed to be at the end of the audit schedule. NB advised they had to wait for assurance from the pension audit team. JMc noted the concern confirming the delays were due to the pandemic and backlog of work with NHS audit accounts around that time of year. It was hoped work would commence in July.</p> <p>TD questioned the new accountancy standard and the level of training and asked for information regarding the timing. NB answered there would be no delays in training and work would commence in May 2023.</p>		

	<p>TD requested clarification on the engagement letters and asked for an update on the contract. NB responded that the engagement letter will be renewed every three years and he did not think the contract was fixed term to reflect the most up-to-date terms.</p> <p>TD asked how many years of the council was left. JMc confirmed he would check after the meeting but his understanding was it would be upto 2029.</p> <p>Agreed Actions:</p> <ul style="list-style-type: none"> • JMc to check term of contract/end date. 	JMc	
9.	<p>Terms of Reference for FAR</p> <p>HR presented and following a review recommended changes to the Terms of References for FAR approval.</p> <p>HR recommended that two hours should be allowed for future FAR meetings to deal with the volume of business. The Chair agreed.</p> <p>TD commented on the wording and recommended changing 'approve at committee' to 'recommend to the Board'. Discussions will have already taken place and agreed at the Finance Committee meeting.</p> <p>The Committee members approved the recommendations.</p>		
10.	<p>Compliance Audits Update</p> <p>TF reported on the Compliance Audits update papers circulated in advance which were taken as read.</p> <p>TF summarised the paper is intended to give the committee an update on activity and emerging issues the audits are highlighting in terms of compliance including a focus of remedial issues.</p> <p>TF invited questions confirming more detail will be presented in the coming months.</p> <p>TD again queried the detail within the internal audit reports and asked when had they last been looked at and was the review part of the audit scope? BH responded that he was unable to comment without the details but the areas will be covered in audit projects and the approach of the audit plan moving forward.</p> <p>HR agreed that transparency between the committee, executive team and auditors would be key to improve the service of its customers.</p>		
11.	<p>LHA Rent Cap and Impact on Development Programme</p> <p>HR/RB provided an onscreen presentation that highlighted the financial risks of the LHA Rent Cap and impact on the development programme. HR/RB talked through the slides:</p> <ul style="list-style-type: none"> • 2011 – change in regime 		

	<ul style="list-style-type: none"> • 2023 – LHA Cap introduced to Shropshire Councils Tenancy strategy. • Table presented outlining how the cap impacts the viability of the current development programme and the significant pressure the policy could put on the HRA overall. <p>HR confirmed that regular updates will be available at future meetings and due to the timing of today’s one-hour meeting, HR recommended a further discussion take place offline. Agreed.</p>		
12.	<p>Investment Programme Gap Analysis</p> <p>TG presented on the Investment Programme Gap Analysis confirming a review had been completed and the following concerns had been raised:</p> <ul style="list-style-type: none"> • Quality of Data • No cost of inflation had been built into the assumptions. • Majority of major contracts need to be procured within the next 12-19 months. • Expecting circa 10-15% increase in contract prices. <p>Savills had been asked to complete a review of stock condition and recommendations were due by the end of May regarding cycles and inflation price increases.</p> <p>HR described the position as difficult.</p> <p>Agreed Action:</p> <ul style="list-style-type: none"> • Recommendation from Savills to follow. 	Savills	
13.	<p>Procurement Exemptions</p> <p>RB presented on the tendering activities for which exemptions to the contract rules had been granted. Three areas were reported to the Board where void works had been procured and the exemptions had been granted for the following reasons:</p> <ul style="list-style-type: none"> • Speed to minimise rent loss and address bad reputational press. • Ensure value for money is achieved <p>The Committee thanked RB for the update.</p>		
14	<p>Any Other Business</p> <p>TD asked for understanding of the rules regarding the signing the engagement letter. RB agreed to check. Action. JMc confirmed that a Co-Director signature would be fine.</p> <p>With no further items for discussion, the meeting closed at 3.35pm.</p>	RB	ASAP