


Meeting	Finance, Audit & Risk Subcommittee	
Date	Monday 9th March 2026	
Time	14:00-16:00	
Location	MS Teams	

Core Members:

Kathy Jones (KJ)	Board Member and Chair
Tony Deakin (TD)	Board Member
Irina Wood (IW)	Board Member
Mark Owen (MO)	Councillor Board Member
Lynn Fonseca (LF)	Tenant Board Member
Harpreet Rayet (HR)	Managing Director
Ros Jones (RJ)	Corporate Director
Kate Barkley (KB)	Head of People and Culture
Emily Swinnerton (ES)	Interim Head of Finance
Dan Barnes (DB)	Head of Development
Gemma Griffiths (GG)	Interim Head of Corporate Services
Alex Hawley (AH)	Head of Compliance and Sustainability
Narinder Sandher (NS)	Menzies
Jake Stanley (JS)	Menzies
Nicholas Burton (NB)	Grant Thornton UK
James McGlone (JMc)	Governance and Risk Manager
Joanna Grivell (JG)	Executive Assistant and Minute Taker

Apologies:

Jenny Daisley (JD)	Shropshire Council
Julie Brock (JB)	Shropshire Council
Paul Hayward (PH)	Board Member

	<ul style="list-style-type: none"> • Action 63: Amended Building Safety KPIs – this is included in the report to main Board. Proposed to close. • Action 64: RTBs A detailed paper is going to the DSSI on 12 March which outlines that the estimated RTB income for 2025/26 is £5,003,602.0 this includes completions to date and the 16 that are currently with SC legals waiting to complete – propose to close. • Action 65: Mileage Claims – Agreed that would prefer to use MHR to develop something rather than another third party like Concur. There will be a cost, so team is going to pursue whether that is possible, cost and timelines then compare the options and bring back to EMT for a decision. Propose to close. • Action 66: Management Fee & Rent Setting Approval – JMc had circulated the paper for approval on 4th March and not received any feedback. The subcommittee was happy with the update and subcommittee agreed. Action Closed. • Action 67 & 68 agreed to be closed as per update on the tracker. • Papers taken as read and subcommittee agreed they are happy to close the actions that have been proposed to close. 		
4	<p>Procurement & Pipeline Update RJ gave update on Procurement & Pipelines:</p> <p>Report taken as read. Gary Stephens was asked to step out of the meeting while the exemption related to GBS Procure was discussed.</p> <ul style="list-style-type: none"> • There are two exemptions since last reported in the last quarter, one for Asset Surfacing and the second for GBS Procure. Gary is our current procurement partner, and this is the renewal of the contract. The details around the renewal and the exemption are in the appendix, it is a continuation of the service they’re providing whilst we are in the middle of some significant tenders. • That stability is felt to be required and why we would want to ask for the exemption. • TD said he had no problem with extending the procurement advisors tenure, but for assurance purposes how do we monitor their performance. RJ confirmed that it is meeting the requirements of the procurement act, making sure we aren’t missing any deadlines and we’re letting things in accordance with the rules. All these aspects are being monitored. • TD would like the assurance of what their general performance is like in the sector. Making sure there haven’t been any issues with other clients. HR confirmed that the feedback he has had from other former/present contacts is very strong on Gary’s performance. A lot of organisations/people have found the procurement act very difficult resulting in a lot of reworks. Gary has been a safety net. The checks were made initially as Gary has been working with us for a while now. We are really looking at the work he’s producing for us. Action 69: TD would like some reference checks to where he is currently working and get a note of what 	JW	3 Jun 26

	<p>they are saying. It is going well but just to assure ourselves, it would be good to get current references.</p> <p>Gary Stephens was invited back into the meeting.</p> <ul style="list-style-type: none"> • RJ explained the second part of the reports shows all the procurement pipeline in train. KJ said she liked the way it was laid out. It makes it a lot easier to read where it is grouped into the stage of the procurement. • The last items in the report are where GS and his team are helping us with our contracts register, to make sure we have got working document in house to track everything that's coming up and also supporting us with new duties that we have around reporting as a result of the new procurement act. For example, from 28th February we must report certain types of payments and anything over £30,000. 		
5	<p>HRA Business Plan Update 2026/27 RJ gave update on the HRA Business Plan:</p> <p>Report taken as read.</p> <ul style="list-style-type: none"> • FAR has received the HRA Business Plan in the last meeting with a view to it going ahead for submission into full Council in February 2026 for approval. However, since then, we have had some quite significant engagement with the Council and the Deputy Section 151 Officer, Mannie Ketley, who was in post at the time. She was keen to scrutinise it in quite significant depth, which was welcome. What she wanted to do was to remove Development from the plan in order to submit a proposal that demonstrated to the Council that we can support the HRA stock without a development programme needing to be there. It was to demonstrate how the Council supports its statutory obligations. • That went forward as a 'no development' plan, but it wasn't a commitment to not doing development. There was a pledge within that to say that we would bring forward a new full development plan in the Council's meeting in May. We are currently working on this. • That plan will allow us to take advantage of updating it with the rent convergence picture, which we will now be able to do as the model has been provided. The new plan will also look at the Homes England bid that we are putting together and address what we know about the Wave 3 funding. • TD said he was disappointed when he heard that they've withdrawn the development aspect but after reflecting on what was said about the rent convergence and this information wouldn't have been known then, it probably strengthens the position for development as we will be able to put more of a positive picture forward. 		

	<ul style="list-style-type: none"> • HR said in the original plan with development there was no certainty around rent convergence or decent homes 2. That was partway through the February approval. It has allowed us to put forward a plan to show how we can afford the investment in the existing stock. Previously we were borrowing. It has worked out better. Another positive that has come of this is we have had a clear direction from the Local Authority that they are not prepared to borrow to invest in existing stock. We can work within that framework. • KJ asked in section 6.2 it mentions that a special virtual board meeting will be called but it references circulating the information. RJ confirmed we would be happy to do a virtual meeting. KJ said it would be difficult to fit in a specific Board meeting between now and the end of March. HR said it's important mainly if we put forward a development programme which will require borrowing for the local authority given it's a difficult financial position, having the Board view and scrutiny will strengthen our hand. • The business plan will not be ready to come to the Board meeting on the 16th of March. • Note: Since this meeting the Business Plan was being reworked to the eleventh hour, so it was not possible to have the Board review it first. 		
6	<p>LGPS Valuation Update RJ gave an update:</p> <ul style="list-style-type: none"> • We have had the results of the triennial pension fund valuation in November, and they were favourable. The reports set out the impact of the valuation. • STAR's employer contributions will reduce from 19.2% to 14.8% assuming that we keep the scheme open to all new entrants. The reasons for that change are primarily around the changes in the assumptions that are used behind it. A lot of the funds have experienced the same favourable movements profile because those assumptions apply across the board. There is an element that is particular to STAR and that's to do with the change in membership profile because we have reduced the average age of our workforce slightly, so that has a favourable impact on the fund as well. Combining that with the secondary contribution rate, which is a return of funds, a reduction of 3.5% showing that our obligations to service already built up are in surplus. So, it's essentially adjusting for that. In total the new contribution rate will be 11.3% • It is a significant change. The fund has put some measures in place at fund level around managing the volatility. The last thing we would want is for this to swing back the other way at the next triennial valuation point. What they have done is create a sustainability reserve within the fund, so they can draw on that if necessary to manage any volatility. • The paper also talks about how we propose to use that favourable movement in the budget. The budget going to Board next week is built on this basis. We are suggesting that we will invest half of that 		

	<p>benefit back into the business but to keep half of it and reinvest £113k into reserves. It protects that revenue stream on an ongoing basis so if we did need to redirect it to any change in pension rate, it's available and protected there to do so.</p> <ul style="list-style-type: none"> • The report also covers illustrations of what would happen if we were to close the funds to new entrants. We have discussed this as a subcommittee before but there isn't an appetite for that currently. It is still worth understanding impact that has on the numbers. When we initially talked about closing the fund to new entrants, we had been led to believe that there might be a termination deficit, which would be an upfront crystallisation of cost. In actual fact, what's happened is that there's likely to be a valuation surplus, quite a significant one. What we don't know is how much of that would actually accrue to STAR and whether SC would have a call on this given their status as guarantor. There is not an immediate appetite to close it to new entrants. • TD said it is a prudent measure and is to be supported. <p>FAR noted the contents of the report.</p>		
7	<p>SMART Pension Proposal Update RJ gave update:</p> <ul style="list-style-type: none"> • Previously in this subcommittee we agreed to establish an alternative pension offering. We have set up the Smart Master Trust Pension Fund. It is in the sidelines at the moment. We had initially suggested that we offer employees a 10% employer contribution rate, but we are bringing it back to FAR because with the favourable changes in the LGPS contribution rate, for this to serve the benefit of being a value for money option we need to review that rate downwards. • The proposal that we are bringing to FAR is to auto enrol people in the fund according to all the parameters that we have already agreed, but with the exception of the rate that we would now propose to be 3% employee and 5% employer initially. This is the statutory minimum. Individuals would have an option to increase their personal contribution, and STAR would agree to match that for anything that fell between 5-8%. • The report also highlighted some things to consider around equal pay claims. • Historically we had been asked to engage with actuaries to model a gradual transfer from LGPS to the Smart Pension Scheme and what that would look like. Do we still want to do that? KJ suggested to wait a little until we see what the take up is looking like. • TD agreed with the timing about going out to the actuaries. We need more information. • TD asked about equal pay and whether we need some legal advice on this. HR confirmed that we have spoken to Anthony Collins solicitors and there is not a risk if you have signed a contract as a new person. There could be an issue in the future if we decided to change everyone's terms and conditions. If we are auto enrolling 		

	<p>and giving people the option to move to the new pensions scheme there is not much risk there.</p> <ul style="list-style-type: none"> • The bigger risk for STAR is if we decide to shut the pension scheme to new employees but had them employed by STAR Housing, which is why having a trading subsidiary gives more flexibility. • Action 70: KJ asked if we could get the legal advice related to equal pay in writing so it can be looked back on if ever required. <p>The subcommittee was asked to:</p> <ul style="list-style-type: none"> • Approve the SMART pension contribution structure – this was approved. • Provide a steer on the actuarial modelling work. Agreed to revisit this but need a baseline first. • Guidance around equal pay was noted. 	ES/RJ	3 Jun 2026
8	<p>Data Strategy for STAR RJ gave overview:</p> <ul style="list-style-type: none"> • In the recent risk session, it was agreed that data is a priority and that we'd report our work in this area to the FAR subcommittee. • There is a small working group which is RJ, GG and LT who's the business improvement consultant who have initiated work in pulling together our data strategy. • We are looking to launch the strategy, based on three pillars: people and culture; governance; and system and reporting – the people and culture piece being the most key element and almost forgotten about area of data. It's training people to have that approach to data, protective of it and manage it properly so that it does become a transparent, clear strategic asset for us. System and reporting is the standard piece where we get our systems reporting right and holding the data correctly. Governance around the housekeeping that we do in the background to make sure it's maintained and get those appropriate insights out of it. • It is drawing together a lot of work that is already going on in the business. For example, customer profiling, work around stock control etc. • KJ welcomed it being set out in this way. It is important to talk about culture and accountability for data, and how we are using data to inform strategic decisions. • TD agreed but stated should not underestimate the project management time and skills that are needed. TD asked whether we are resourcing adequately for that. RJ confirmed that we have made an allocation in the budget. It is looking like a quality assurance role rather than a project management role. We have potentially got sufficient resource around that with what we have. What we don't currently have is that Quality assurance role for data to keep it maintained well. • Action 71:TD would like to see the Project New Dawn project plan and to get updates at this meeting. A regular update to be provided to the FAR. 	RJ	3 Jun 2026

	The subcommittee noted the approach detailed in the report.		
9	<p>Development Appraisal Parameters HR gave overview:</p> <ul style="list-style-type: none"> • We have been reviewing our development appraisal parameters against what’s happening within the market currently. We have used information from Ark, who’s a development consultant, to benchmark what we are proposing against what’s happening within the market. • As part of the benchmarking process, we’ve made a number of recommendations within the report to changing some of the costs. For example, planned maintenance is slightly more expensive than it has been previously and that is borne out in the recent value for money report. • There has also been recognition that it’s more difficult for us to build supported specialist accommodation. We are increasing staff allowances for those sorts of projects rather than the new build and Section 106. <p>There is recognition of increased grant rates because of increased construction costs. This is why we are putting forward the updated development appraisal parameters to FAR subcommittee to consider.</p> <ul style="list-style-type: none"> • TD fully supports what has been recommended. We have had the ARK benchmarking study and we’re in line with those. • KJ agreed with TD comments. Having had the involvement of ARK gives the assurances. <ul style="list-style-type: none"> • The subcommittee agreed to approve the appraisal parameters and note that the parameters will be reviewed annually and will be presented to FAR in March each year. • The subcommittee also approved the Development/Strategic Investment Golden Rules. 		
10	<p>Policies Update GG gave an update on policies:</p> <ul style="list-style-type: none"> • The report taken as read. We have been working to accelerate the approval of policies. GG thanked FAR members who have been doing the reviews and approved virtually. • We are at around 76%, so this is 72 out of 95 STAR policies are approved or working their way through the approval process. • We have got a large piece of work going on with the combined housing policy, which is almost ready to go to EMT for approval. Once this has been approved, we will be at 87% of policies in the approved stage. • The draft 3-year rolling plan for future policy reviews will be going to Board on 16th March. So, we have a much more structured approach being outlined to ensure that policy updates and renewals are completed prior to any expiration dates and in a more managed way to avoid all the peaks in terms of approvals. 		

	<ul style="list-style-type: none"> • TD said it has been a mammoth effort. His only concern is the consequences of the absence of some policies not being up to date. How big is the exposure risk? HR said a lot of the outstanding policies are currently sitting within the Housing Management who had a lot of policies. We needed to condense them and make it simpler. It was the right thing to take the time to get those in the right place and then bring them back to the appropriate subcommittees. The HR policies make a big chunk of these. We have discussed these at the HR&R subcommittee, and the Board have been briefed. Once we have those two areas out of the way we will be relatively up to date. There is a risk there but it's better to do it properly, get it renewed and get it refocused. • TD asked what could catch us out. HR said Complaints and Ombudsman requirements could. • KJ commented on the assurance and the governance control of all of the policies. We recently agreed that policies would be circulated for approval rather than at Board, so just to be sure we are capturing that and have version control and governance routes. It will be more important if they are being approved virtually. • GG said the appendices includes a view of the stages of each policy. Each policy needs to be agreed by at least two members of the subcommittee for the decision to be quorate it. Board needs 4 members to approve it. Also, for Board it needs to be a mix of independent non-exec directors, a tenant board member and a councillor board member and ones that have not previously reviewed it in a subcommittee. • JMc thanked everyone for their support with approving policies. <p>The subcommittee noted the updated policy register as at the end of February 2026.</p>		
11	<p>Operational Risk Register Update GG gave the following updates:</p> <ul style="list-style-type: none"> • It was agreed that the Strategic Risk register will be presented at Board. • In terms of corporate service risks, we are making some proposals to close four risks. • In terms of the finance risk register, there's been a substantial update to that and a request for FAR to consider escalating a Risk 10- key roles may exit the business to the Strategic Risk Register as the risk score for this has increased to 12. • On the Operations Risk Register, there are a number of updates including the proposed closure of risk number six. • TD asked for further who is replacing Voicescape on Risk 6. It was confirmed it is Acuity who will be replacing them. On Risk 12 how many Freedom of Information Act requests do we tend to get and have any of them resulted in Ombudsmen cases. JMc confirmed we get around 1 to 2 a month for FOI requests and then 1 to 2 subject access request a month. These were coming into an FOI@starhousing.org.uk email address and it was not being 		

	<p>monitored. At the time JMc reached out to everybody who had a request pending to apologise. They were all actions and closed down and nothing has come back on them since. This is why we are requesting to remove this as a risk because this mailbox is being actively monitored now and it is now a manageable process.</p> <p>The subcommittee agreed that the four risks were approved for closure.</p> <ul style="list-style-type: none"> • Risk 10 – This has been suggested to escalate to the strategic risk register. TD agrees that this should be moved given the size of the organisation, certain key roles it is a strategic risk for us. KJ agreed too as knowing what the market is like more generally with everything that’s going on and the demand for roles like this. <p>The subcommittee agreed to move this Risk 10 to the Strategic Risk Register</p> <ul style="list-style-type: none"> • Risk 7 the non-compliance of statutory property safety requirements is requested to be closed. KJ stated that Awaab’s Law has not been in for that long, is it too soon to say that we’ve had a positive response? TD said there is further legislation to come. • HR said that Phase one has gone as well as it could have and we are through the damp period. It is early in that journey. HR suggested if we give it another 12 months and bring it back to the subcommittee to review then. <p>The subcommittee agreed to keep Risk 6 on the risk register for another 12 months and then review.</p>		
12	<p>Internal Audit Programme Status Report GG gave the following overview:</p> <ul style="list-style-type: none"> • We are currently in Q4 of the 25/26 internal audit programme. • Budgetary control audit underway and since the last update, we’ve had damp and mould, compensation management audit and the health and safety framework audit which have been completed in draft. The reports will be coming shortly. • The final audits for the 25/26 programme, which are scheduled to take place are stock conditions and the responsive to repairs audit. • Draft audit reports have been received for the electrical safety audit which resulted in substantial assurances. • For Board and Management, we had a partial assurance. Income collection, and arrears management had substantial assurances. Strategic and operational HR were partial assurances. As these are finalised reports, those recommendations have been added to the audit tracker. • The 23/24 audit programme status showed 4 actions overdue. We propose to close three of those actions around DLO time sheeting and corporate governance. There remains only one action outstanding action which has been included in the procurement report discussed earlier, is around the repairs framework, which is in its final stages of going through the approval so we would expect that to be closed too. 		

	<ul style="list-style-type: none"> • The 24/25 audit programme status shows 19 actions which are overdue. 40 actions have been completed since the last update, moving to an 83% complete. Out of the 19 actions, we propose to close seven of them listed at 4.6 in the report. • The 25/26 audit programme status, there are 13 recommendations which are in progress none of overdue at this point. • The report also included an audit plan for the next three years. • TD general comment on the recommendations for closure. Have we agreed these with internal audit. Are we getting a unified voice. HR said it is for management to recommend to the Board that we have completed these actions. The internal auditors will come back to have a look at what we've recommended, and the evidence associated with that as part of the audit programme. It's for us to take the action, close them down, show the evidence we have that we have completed the actions and then for them to test to ensure we have completed the actions. • TD asked if he could hear that from Menzies who were on the call. NS said it is up to STAR management to tell them when they have completed a recommendation and if Menzies agree after follow up audit, they will sign the recommendation off as being completed. NS said he would provide a quarterly status of all recommendations including those that came from Shropshire Council audits. This ensures the subcommittee is getting a fresh update each meeting of the status of all audit recommendations. • HR said we have to be clear on the terms of reference for any follow-up audit. We have to be realistic from an operational perspective as well, in that we've got a lot of actions and an ongoing audit programme. We need to have terms of reference for any follow-up audit because it would be unfair on Menzies to have to follow up on every single recommendation. What is important is it's worth giving the Board and Subcommittees the assurance that these actions have been closed down, and that there's an appropriate methodology to test that, whether it's a sample testing. • KJ asked if the management response against each of those was sufficient to assure the subcommittee members that these can be closed off. Are we happy as a subcommittee we sense check those. • TD said he is happy with the descriptions. It is important as a subcommittee that management are not just marking their own homework. • HR said that if a pattern emerges with the follow up audits that they had not been closed down, that will come out as part of the process. • KJ said the subcommittee is saying the responses seem reasonable and comfortable that they can be closed off. • NS asked for clarification - when we say closed off, we don't mean that they are closed off in the sense that the internal audit don't look at them anymore. HR confirmed it is in relation to management response, so it would still be tested as part of the annual reviews. 		
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	<p>The subcommittee approved the closure of the audit recommendations in sections 4.2 and 4.6.</p> <ul style="list-style-type: none"> • The subcommittee was asked to approve next year’s programme for 26/27 and for 2027-28. TD said there are no details on the number of days. HR confirmed that we can issue and get this sent out. Action 72: JMc to send that out after the meeting. • TD asked is this where it’s approval in principle subject to us signing off the plan virtually. HR confirmed yes. • NS said it is important that the audit plan does get approved. There are a few governance points to mention. The way the list has been put together is through Menzies thought might be priorities this time last year. We are proposing this year is started off as Year two. We’ve taken into consideration previous audit results, your risk register, new and emerging issues across the sector. We discussed with the Senior leadership team what would be priorities. • We have 95 days in the plan versus this year’s plan which had 90 days. Comfortable in terms of providing an opinion at the end of that 2026/27 year because there’s sufficient scope and sufficient audits. • In terms of the themes, we have moved some audits in and out of the year. The list of audits that we’ve selected for 2026/27 covers a broad range of issues from financial systems, from audits that are around your customers and your customer’s safety, safeguarding and all the property compliance issues. • In terms of service delivery and how you manage contractors, which is a big part of why the Housing Ombudsman thinks that there are big complaints, it’s usually a contractor failure in their view. • Cyber security will be a challenge. There are several audits around property compliance because businesses want to get a baseline of those areas. Fleet management audit, will be done in Q1 in 2027/28 because we want to let the new systems bed in. • NS said he feels comfortable that they are not cherry-picking areas that will come out green. • The internal audit charter is what gives us our mandate to be able to do the work that we do. It’s an agreement between us, the subcommittee, board and the senior management team. That hasn’t changed this year. • KJ asked whether there is sufficient capacity to support these audits. There are five out of six of the key compliance areas. There is a lot for the teams to be doing. The Board and this subcommittee need the assurance that there is the staff capacity to be able to provide the information that’s needed to make these audits meaningful. HR confirmed the answer is yes. We don’t have a choice. The regulator would expect it to be done every year to ensure we comply to consumer standards. • KJ said there is 28/29 audit on consumer standards. Rent convergence would have come in and its one of the economic standards, so it’s important that we recognise that in terms of compliance with the rent standard, not just with the wider 	JMc	3 Jun 2026
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	<p>consumer standards. RJ confirmed that the HRA audits will pick up some of that.</p> <p>The subcommittee approved the forward plan.</p>		
13	<p>Internal Audit Programme Update Report – Menzies Jake Stanley gave an update:</p> <ul style="list-style-type: none"> • Board Management information audit was given reasonable assurance. JS highlighted the good practice seen, regular performance reporting that is going to the board and to subcommittees and reporting in line with the management agreement with Shropshire Council. • From sample testing, we can see the decision-making papers that have gone to board and subcommittees, that there is performance information that sits behind it and they have clear targets. • The main thing highlighted is that the calculation of KPIs is very reliant on a small number of people to do that performance reporting. Because of that it hasn't always been possible to the independent review to validate that the KPIs have been calculated correctly. There needs to be a clear KPI framework to show in the absence of key staff here's how you calculate it, here's where you pull the data from and some of the intricacies around calculating the KPIs that is needed to know. There needs to be back-ups for absences to ensure there is consistency. • The other aspect was that where the Board and the subcommittees have terms of references, that they have annual assessment to make sure that you are doing everything that is required of you. • GG said she has been working with DM on performance reporting, reviewing the process by which performance is calculated and checked. We have built in a review every month, where DM produces it and it comes to GG to go through everything. We are a relatively small team so we can't throw masses of resources as we haven't got the budget. We are looking at making that process more robust where we can. • HR asked if that was the core issue that the team is not big enough? • JS said it's about having other people to support with calculating the KPIs and they've got the right level of knowledge to support that. KJ said there is a need for a PI dictionary, with details of how its calculated, where the data source is etc., and if everyone left tomorrow someone else could pick it up and understand what they would need to do. GG confirmed that we are working on that sort of document within the team. • Action 73: HR said there are some slightly inconsistent items in this audit such as the board not being involved in deciding the KPIs. This is taken to the Board for approval every single year. HR felt when going through this audit, we missed a trick with this in relation to the overall management responses. This is something that needs to be done in partnership with the Board as it's the Board/Executive team management audit. TD suggested that we can take this back off the agenda for further discussion. More 		

	<p>conversations needed around this and to go back to Menzies with a joined-up response. This is to be picked up outside of this meeting.</p> <ul style="list-style-type: none"> • The team was happy with the other audit, and it would be picked up in the HR&R subcommittee. • NS gave an update on progress against the 2025-26 plan. There have been updates since we have produced this report. We are comfortable that the plan is going to be delivered. Some of the audits have already been drafted or they are just about to get issued, so they are going through our QA process. • The subcommittee will get a complete set of reports and provide the annual opinion by the next meeting. 	JMc/HR	3 Jun 2026
14	<p>Grant Thornton Audit Update Nicholas Burton gave an overview:</p> <ul style="list-style-type: none"> • The audit planning has been started and NB meeting with Emily Swinnerton to work on this. • RJ said the audit findings and the statement of accounts from last year which we have delegated authority to TD to sign them off. TD wanted them to come back to this subcommittee as a rubber stamp. The subcommittee confirmed they were happy to move forward to the programme. • NB confirmed GT audit everything that is material but particularly focus on the significant risks highlighted. There are two presumed significant risks; one is revenue and risk of fraud where considerable sampling is done and the management override of controls all the transactions are reviewed using our data analytics to identify transactions where we think there might be things to look at and test those. • Another significant risk is the pension. This is because the pension is an estimate, the pension liability on assumptions so that's significant risk. There are the liability side and the asset side, and we use our internal actuarial team to help us review the assumptions, and they work with STAR's actuary in considering those. • Also, as Grant Thornton also audit the Shropshire Pension fund, we lean on their audit for the asset assurance. • NB went through the timetable. They are just starting the planning now for audits and then the main audit field work is in June and GT is aiming to complete the audits apart from the pension assets assurance by the end of July. • TD asked about the accounting treatment of the pension assets. What's the view given we've had the recent valuation in terms of the amounts and the treatment of that in our accounts? • RJ confirmed that we had a surplus when we did the previous set of accounts, which was an estimate between valuation points and now it's almost confirmed through that valuation. We have had the situation arise already and we have applied a ceiling, so we don't recognise the surplus at all. The liability is recognised but not the surplus. This was agreed with Grant Thornton. 		

	<ul style="list-style-type: none"> • TD asked if the same approach would be used this year. NB confirmed yes if that's what RJ and the management team want to do. • NB asked as we are starting the audit now, are you aware of fraud in the organisation that we should be aware of and is there any significant litigation against the organisation. HR confirmed he is not aware of any fraud or any ongoing litigation. 		
15	<p>Matters for Escalation</p> <ul style="list-style-type: none"> • There were no matters for escalation raised. 		
16	<p>Forward Plan Review</p> <ul style="list-style-type: none"> • Action 74: A revised forward plan needs to be done, and it will be put together based on the changes to what content goes to the Board and what goes to the subcommittees. If everyone is happy with how this cycle goes then it a new forward plan will be sent out after Board. • NS confirmed the annual opinion report will be brought to June's subcommittee meeting. JMc added this to the forward plan that was being shared during the meeting. 	JMc	3 Jun 2026
17	<p>AOB</p> <ul style="list-style-type: none"> • HR raised that the value for money report from the Social Housing Regulator was published. Repairs and maintenance costs have increased by about 11% and there has been a reduction in development spend during the last 12 months. Management costs have increased substantially. That all points to a service that is more challenging to deliver. • HR would like to look at the value for money metrics that will go to Board. We would need longer to unpick what it means for STAR. It does break down in terms of RPs and organisations with the same stock portfolio size as us and they are generally more expensive than some of the larger landlords. 		