

**Minutes of the Meeting of the Performance & Audit Committee  
held on Tuesday 15 August 2017  
79 Hopetoun Street, Edinburgh**

<b>PRESENT:</b>	Mr D Scobie Mrs J McCormick Mr M Singh Mr W Smalley	Chair  (from Minute 234(ii))
<b>IN ATTENDANCE:</b>	Mr B Logan Mr S Smith Mrs N Harcus Ms C Innes Miss C Beesley Mr S Pringle Ms I McGarvie Ms M Sibbald	Chief Executive Director of Finance & ICT Services Interim Director of HR Head of Development (Minute 234(iv) only) Governance & Administration Manager Wylie & Bisset (Internal Auditor) Board Member (Observer) Board Member (Observer)

**229. Apologies for Absence**

Apologies for absence were received from Mr M McFee and Mr W Nicolson.

**230. Declaration of Interests**

There were no declarations of interest.

**231. Minutes of the Meeting held on 20 June 2017 and Confidential Minutes of the Meeting held on 20 June 2017**

The Minutes and Confidential Minutes of the meeting held on 20 June 2017, having been previously circulated, were approved and signed by the Chair.

**232. Business Arising from Previous Meeting**

There was no business arising from the previous meeting.

**233. Priority Items**

There were no priority items.

## 234. Performance

(i) Confidential: Key Performance Indicators – Quarter 1 (April-June 2017)

(ii) Business Strategy Tasks – Quarter 1 (Apr-Jun 2017)

The Committee received Report PAC/6(ii)/AUG/17 and a report in relation thereto from the Business Improvement Manager. The Interim Director of HR advised that the report provided a summary of progress made on existing actions.

The Chair requested further work be undertaken in respect of the current task status and next steps information as these seemed to be out-of-date in some instances. The Interim Director of HR advised that there was a reliance on staff to update relevant sections of the report and confirmed that she would relay this feedback to relevant staff.

In respect of the Progress Report the following areas were highlighted:

Task 06 – Update governance and clarify internal responsibilities to ensure regulatory requirements (employment) are met with respect of registered services – a Committee member noted concern in respect of this task being behind schedule and that Bield should be meeting regulatory requirements at all times. The Interim Director of HR advised that this task related to HR processes which required to be tightened up rather than any legislative requirements. The Chief Executive confirmed that there had been some concerns regarding SSSC registration but advised that the onus was on the individual staff member to ensure they were registered and thereafter Bield made checks as appropriate. If staff had not registered, they were given a period of time to ensure registration was in place and if this timescale was not met then they would not proceed in post. The Chief Executive confirmed that there were no staff working in a care setting outwith this timescale who were not registered.

Task 14 – Reduce the number of empty properties to 2.25% - a query was raised in respect of the reference to Whitehill Court. The Chief Executive clarified that this related to properties at the development being held vacant pending demolition rather than any works being undertaken at any cost to Bield.

Task 15 – Review and implement revised Rent and Service Charge policy by March 2018 – a query was raised as to whether any work was undertaken on this. The Director of Finance & ICT Services confirmed that he had been progressing this task and a report from external consultants was awaited.

Task 23 – Prepare the scope/brief for the delivery of a new Housing Management System – the Director of Finance & ICT Services confirmed that an outline scope had been prepared and a Project Manager put in place to take this forward. The scoping/procurement process should be completed during 2017/18 with implementation in 2018/19. This was consistent with what had been approved in the Budget in March 2017.

A query was raised in respect of how the Committee is informed as to whether those tasks which were slightly/significantly behind schedule were back on track. The Chair advised that, in some cases there were sufficient comments within the document but agreed that this was not the case for all and that it would be helpful to have this clarification. The Chief Executive explained the 'traffic light' system in place whereby anything coloured amber meant that the task was slightly behind target but there were no concerns that this target would not be met. In respect of anything coloured red and significantly behind target, he explained that these would generally require to be reviewed and revised targets set.

**The Performance & Audit Committee noted the current update for the Quarter 1, 1 April – 30 June 2017.**

(iii) Complaints Update

The Committee received Report PAC/6(iii)/AUG/17 and a report in relation thereto from the Interim Director of HR. She provided an update to the paper in respect of a complaint which was due to be heard by the First Tier Tribunal on 21 August 2017. Both the Interim Director of HR and the Communications & Marketing Manager would be attending the hearing on Bield's behalf.

A query was raised in respect of any consequences if Bield lost the case and the Chief Executive advised that the worst case scenario was that Bield could be de-registered as a factor although this was highly unlikely. The more likely consequence would be a requirement to pay compensation and issue an apology to the complainant.

The Committee noted the amount of work which had gone in to dealing with the matter and an update would be provided following the Tribunal hearing.

**The Performance & Audit Committee noted the contents of the Complaints Report for the period 1 April – 30 June 2017.**

(iv) Confidential: Development Performance Report

**235. Internal Audit**

(i) Internal Audit Reports

(a) ARC Validation

The Committee received Report PAC/7(i)(a)/AUG/17 and a report in relation thereto from the Business Improvement Manager.

The Internal Auditor confirmed that the audit had received an overall strong level of assurance and appropriate controls were in place. There was one low priority recommendation made which management had agreed with.

Discussion took place in respect of the length of the report with the majority of members agreeing that it was about right and contained relevant information. The Interim Director of HR highlighted that, although the report was perhaps longer than the previous format, there would be a reduced number of audits for discussion at Committee meetings as there were only 4 planned for the whole year.

The Chair advised that he was pleased with the outcome of the report and that Bield was reporting accurate information. The Internal Auditor agreed to take the Committee's comments on board moving forward.

**The Performance & Audit Committee approved the Audit report.**

(ii) Progress Update on Audit Recommendations Q1 (April-June 2017)

The Committee received Report PAC/7(ii)/AUG/17 and a report in relation thereto from the Business Improvement Manager.

A query was raised by the Chair in relation to some of the comments/update information being out-of-date. The Interim Director of HR advised that this could be due to the timing of the updates. However, this would be looked at more closely.

A concern was raised in respect of the number of actions which were behind schedule or not started. It was suggested that a 'heat map' be provided in respect of any risk as a result of the actions not being undertaken. It was also suggested that a note of the priority of each action would be useful together with the date of the relevant report.

The Chief Executive confirmed that this could be looked at but advised that the Internal Auditor, as part of an annual review, considered all high priority recommendations.

**The Performance & Audit Committee noted the Progress Update on Audit Recommendations listed in the report.**

**236. Policies**  
Nil

**237. Risk Management**

(i) Risk Register Q1 (April – June 2017)

The Committee received Report PAC/9(i)/AUG/17 and a report in relation thereto from the Business Improvement Manager. The Interim Director of HR advised that the report had been redesigned to focus attention on Bield's plans to manage any risks.

The Committee agreed that the report was an improvement on that presented previously.

A suggestion was made that some of the controls listed were not providing sufficient detail. For example, a meeting would not be a control, it would be the outcome of the meeting which was the control. The Interim Director of HR confirmed that the report was still being worked on and much of it had been copied over from the previous version.

It was highlighted that there was an error in the report in respect of Risk 14 – Failure to recruit and retain key staff – this was listed as ‘Tolerable’ within the report but as ‘Substantial’ in the covering paper. The correct risk rating should be ‘Substantial’.

**The Performance & Audit Committee:**

- (i) scrutinised the report and confirmed that the current controls and mitigating actions were sufficient to manage the identified risks, subject to the areas of correction highlighted above; and**
- (ii) commented and provided feedback on the new format of the Corporate Risk Report.**

**238. Any Other Business**

**(i) Retiring Committee Members**

The Chair wished to thank members of the Committee (Mrs McCormick, Mr McFee and Mr Singh) who would be retiring at the AGM in September. He confirmed that they had been a huge support to him over the past year.

The Chair advised that Mr Nicolson had also expressed his wish to retire from the Committee although he would continue on the Board. The Chair thanked Mr Nicolson in his absence for his contribution to the Committee.

**239. Date of Next Meeting**

The date of the next meeting was confirmed as Thursday 9 November 2017.