



## AUDIT PERFORMANCE & RISK COMMITTEE

19 February 2025

At 4 pm via Teams

### MINUTES

#### Attendance

<b>Board Members:</b>	David Leaf, Chair Graeme Russell Isabel McGarvie Katie Smart
<b>Officers:</b>	Debbie Collins, Interim Chief Executive Officer Nikki Ritchie, Director of People & Organisational Development Tracey Howatt, Director of Customer Experience Drew Moore, Director of Assets Jim Aird, Interim Director of Finance Rikki Young, Head of Assurance and Business Planning Michelle Breen, Governance Officer (Minutes)
<b>In Attendance:</b>	David Archibald, Internal Auditor - Henderson Loggie David Aitken, External Auditor – RSM ( <i>Items 1 to 5.1</i> )

ITEM	NOTE	ACTION
<b>1</b>	<b>Apologies for Absence</b>	
	None.  The Chair noted thanks to Margaret Moore on behalf of the Audit Performance & Risk Committee, for her input over the years after resignation from the Board.	
<b>2</b>	<b>Declarations of Interest</b>	
	None.	
<b>3.1</b>	<b>Approval of Confidential Minutes of Meeting held on 14 November 2024</b>	
	The Minutes were approved as an accurate record.  Committee queries pre the meeting to be appended to the - redacted Minutes.	
<b>4</b>	<b>Business Arising</b>	
<b>4.1</b>	<b>Confidential: Redacted</b>	

	The Committee noted the action list.	
<b>5.</b>	<b>Internal Audit and External Audit</b>	
5.1	Draft External Audit Plan for Year Ended 31 March 2025	
<b>REPORT SUMMARY</b>	<p>This report set out the External Audit Plan from Bield's external auditors RSM for consideration by the Audit, Performance &amp; Risk Committee.</p> <p>RSM prepared the draft External Audit Plan for 2025. The plan identified the planned scope, timescale, materiality, key audit risks and the planned approach to these. Timescale of the audit is for the planning stage in early May 2025, with field work carried out during June 2025 and findings presented to Audit Performance &amp; Risk Committee (APR) and Board in August 2025.</p>	
<b>DISCUSSION</b>	<p>David Aitken, RSM, presented the draft External audit plan to APR. The materiality number will be confirmed in an updated report in May, subsequent to receiving financial information. The materiality is not expected to change from previous years.</p> <p>RSM covered the identified key risks; 1. management override of controls; 2. impairment of long term voids; 3. valuation of defined benefits pension scheme; 4 cut off planned maintenance costs; and 5. income recognition.</p> <p>A Committee member queried how impairment is defined. The interim Director of Finance advised all Bield stock was valued in late 2023 and confirmed there is no requirement for a formal valuation each year. Management consider if anything has been done out-with the valuation to ascertain if a property has been impaired. Only properties with a known potential reduction on the value will be assessed.</p>	
<b>DECISION</b>	<p>The Audit Performance &amp; Risk Committee <b>approved</b> the External Audit Plan for 2025 .</p> <p>David Aitken left the meeting at 4.16 pm. The Chair thanked RSM for their efforts in preparing the Report.</p>	
<b>5.2</b>	<b>Confidential: Redacted</b>	
<b>5.3</b>	<b>Confidential: Redacted</b>	
<b>6</b>	<b>Finance</b>	
<b>6.1</b>	<b>Confidential: Redacted</b>	
<b>6.2</b>	<b>Confidential: Redacted</b>	
<b>6.3</b>	Financial Planning assumptions for 5 & 30 Year Plans	
<b>REPORT SUMMARY</b>	<p>This report set out the main planning assumptions that underpin the 5 and 30 year Financial Plans.</p> <p>These assumptions will shape the plans that will be submitted to the Board in March 2025 for final approval.</p>	
<b>DISCUSSION</b>	<p>It was confirmed to Committee the Scottish Housing Regulator set the duration for Registered Social Landlord's financial plans of 30 years and Bield use 6% for the NPV calculation.</p> <p>The Interim Director of Finance stated the assumptions that underpin the business plan, can be changed. The Allia C&amp;C</p>	

	estimates were used for actual inflation and their Report was used by Bield as a starting point.	
<b>DECISION</b>	Audit Performance & Risk Committee <b>approved</b> the financial planning assumptions.	
<b>7</b>	<b>Board Assurance</b>	
<b>7.1</b>	<b>Q3 Business Health Performance Report 2024/25</b>	
<b>REPORT SUMMARY</b>	<p>This report provided the APR Committee with an overview of Bield’s performance to the end of Quarter 3 (April to December 2024), for Business Health Key Performance Indicators. These indicators and accompanying targets reflect those agreed by the Board in June 2024.</p> <p>At the end of the quarter, nine indicators were assessed as amber and subject to enhanced monitoring, or red with targeted improvement activity underway to understand and address performance in areas where performance is not meeting target.</p>	
<b>DISCUSSION</b>	<p>The Head of Assurance &amp; Business Planning highlighted the following:-</p> <ul style="list-style-type: none"> <li>• 6 indicators on average; 3 indicators on amber; and 6 below target or level that requires improvement.</li> <li>• All indicators continue to be monitored and managed</li> <li>• Indicators that are amber and red are subject to enhanced monitoring;</li> <li>• Performance escalation project has been below target for 2 quarters;</li> <li>• Attendance levels have been red over 3 reporting periods. There is an ambitious target in this area and Bield do perform above the Scottish average;</li> <li>• Sickness absence due to mental health has been at red for two reporting periods, although there is a slight improvement;</li> <li>• Indicator percentage of properties meeting SHQS is 51.6% compliant.</li> </ul>	
<b>DECISION</b>	The Audit Performance & Risk Committee <b>considered</b> the Business Health performance to the end of the third quarter of the 2024/25 reporting year.	
<b>7.2</b>	<b>Confidential: Redacted</b>	
<b>7.3</b>	<b>Confidential: Redacted</b>	
<b>7.4</b>	<b>Confidential: Redacted</b>	
<b>7.5</b>	<b>Care Income Management Policy</b>	
<b>REPORT SUMMARY</b>	This report presented the new Care Income Management Policy to Committee which was recommended by our previous Internal Auditors (TIAA). This policy set out how we will manage our care income. As per the cycle of review for Business Critical Policies, the Policy will be reviewed every 3 years.	
<b>DISCUSSION</b>	The previous Internal Auditors highlighted there was a gap and recommended Bield introduce a care income management policy.	
<b>DECISION</b>	The Committee <b>approved</b> the new Care Income Management Policy.	
<b>8.</b>	<b>Confidential: Redacted</b>	

<b>9.</b>	<b>Date of Next Meeting – Wednesday 28 May 2025, at 4 pm.</b> Committee agreed to schedule future meetings to 4 pm. <b>Meeting ended at 5.42 pm.</b>	
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