

## Northwards Housing – Audit Sub-Committee Meeting

Hexagon Tower  
Wednesday 29<sup>th</sup> June 2016 at 6.00pm

Chair: Guy Johnson

### Present:

|                     |      |                         |
|---------------------|------|-------------------------|
| Guy Johnson         | (GJ) | Board Member            |
| Cllr Naeem Hassan   | (NH) | Board Member            |
| Hilary Vaughan      | (HV) | Board Member            |
| Olu Ogunbambo       | (OO) | Board Member            |
| Mark Leach          | (ML) | Board Member (co-optee) |
| Cllr Sandra Collins | (SC) | Board Member            |

### In Attendance:

|                |      |  |
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| Steve Finegan  | (SF) | Head of Business Effectiveness & Comms |
| Stephen Brown  | (SB) | Director of Business Services          |
| Wayne Melia    | (WM) | Health & Safety Consultant             |
| Peter Harrison | (PH) | Audit Director, TIAA                   |

| ITEM | SUBJECT  | ACTION |
|------|--|--------|
| 1    | <b>Welcome and Introductions</b>   |        |
| 2    | <b>Apologies for Absence</b><br><br>Paul Moran, Board Member   |        |
| 3    | <b>Declaration of Interests / Confidential Matters / Equality &amp; Diversity</b><br><br>None  |        |
| 4    | <b>Minutes of Previous Meeting and Matters Arising</b><br><br>Minutes of 25 <sup>th</sup> February 2016 approved as an accurate record.<br><br>Item 5 – on agenda<br>Item 6 – report has been to Board as part of ongoing investigation.<br>Item 7 – done. Audit of HR brought forward. Risk management report on the agenda.<br>Item 10 – no change and priority remains. |        |

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| <p><b>5</b></p> | <p><b>Health &amp; Safety Update Report</b></p> <p>WM presented the performance report for 2015/16. Recent highlights included a review and update to drivers policy, including internal checking of driving licences. A near miss gas safety incident was part of an ongoing investigation. An audit has been completed on the fire and asbestos service. No issues had been identified with 100% inspection rate of premises.</p> <p>The 12 days absence recorded in the accident statistics was low and related to one incident (road traffic accident). There had been four 'red alert' activations of the personal safety devices and improvements had recently been implemented to ensure HR are informed of all future activations to ensure follow up actions as appropriate.</p> <p>Clarification was sought on the fire risk assessments and WM confirmed only minor issues were identified from time to time, usually relating to capital works. Potential improvement works identified during inspections are referred for consideration and inclusion in future improvement schemes.</p> <p>ML asked about statutory training and it was confirmed that there was a three year rolling programme for all staff to receive health and safety update training.</p> <p>There was a discussion on the 'people safe' devices and how Northwards compared to other organisations.</p> <p>HV queried whether gas servicing information should be included as part of the health and safety report. It was agreed to include additional information in future, even though this information is currently reported to Operations Sub Committee.</p> <p>NH asked about the driver policy and whether tachographs and driver records are kept. WM explained that Northwards had a small fleet of vehicles and this type of monitoring was unnecessary. WM agreed to check the current procedure around named drivers and what records are kept.</p> <p>OO asked about the violent incident that had been reported. WM said it was not uncommon for such incidents and in the past action has been taken to ban certain individuals from visiting housing offices. WM agreed to report back to the next meeting on the specific details of the incident recorded.</p> <p>The sub-committee noted the report.</p> | <p><b>WM</b></p> <p><b>WM</b></p> <p><b>WM</b></p> |
| <p><b>6</b></p> | <p><b>Internal Audit Reports TIAA</b></p> <p><u>Risk Management Framework</u></p> <p>This audit was undertaken at a time when Northwards had</p>  |  |



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|          | <p>GJ asked about the annual assurance report and PH agreed to look into this and circulate in advance of the next meeting.</p> <p>Sub Committee approved the internal audit reports subject to the amendments above.</p>  | <b>PH</b>                         |
| <b>7</b> | <p><b>Risk Management Strategy</b></p> <p>SF presented the updated strategy following discussion at the last Board meeting and the Board away day. The strategy also reflected the changes agreed during the risk management audit.</p> <p>There was a brief discussion on risk appetite and business plan priorities to ensure the appetite in the strategy didn't restrict the Board from changing priorities in the future.</p> <p>The revised risk management strategy was approved.</p>   |                                   |
| <b>8</b> | <p><b>Risk Register Report</b></p> <p>SF presented a new version of the risk register report with an increased focus on internal controls and invited members to comment on their preferred format for future reports.</p> <p>There are currently three risks on the register beyond the risk appetite of the Board.</p> <p>Following a discussion the consensus was that more contextual narrative would be useful as well assessment of unmitigated risk, direction of travel and target risk, if appropriate.</p> <p>It was also suggested that the committee might want to consider a more detailed analysis of specific risks at a future meeting.</p> <p>SF agreed to redesign the report with additional information and with risk scores in descending order for the next meeting.</p> | <p><b>SF</b></p> <p><b>SF</b></p> |
| <b>9</b> | <p><b>Insurance Claims Annual Report</b></p> <p>The report provided information regarding Northwards claims history and the rationale behind the insurance cover.</p> <p>SB clarified that a claim against Northwards concerning the BAAS dispute was not possible as it was council contract and the council would be unable to make a claim against Northwards.</p> <p>Further information was sought on the number of repudiations and the trend. In addition, further assurance was needed on current insurance levels and whether these were adequate.</p>  | <b>SB</b>                         |

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|                  | <p>PH suggested Northwards insurance broker would be able to provide further details of insurance cover available to Northwards which the organisation had decided isn't necessary.</p> <p>Clarification was also sought on the indemnity for Board Members.</p> <p>A further report would be brought back to the next sub-committee meeting so members could be assured that Northwards had adequate insurance levels.</p> <p>The report was noted.</p>   | <p><b>SB</b></p> <p><b>SB</b></p> |
| <p><b>10</b></p> | <p><b>Internal Audit Action Plan</b></p> <p>SF presented the latest action plan and highlighted some of the changes since the last meeting.</p> <p>There was a discussion on actions that had an extended/revised due date.</p> <p>SF explained some of the recommendations took longer to implement, and in some instances this was a resourcing issue.</p> <p>HV was concerned about the possibility of drift and one action on IT network security that had a revised date of 12 months. SB explained this was unusual but his view was that priority had to be given to the implementation of the new HMS which presented a far greater risk to the organisation at this time.</p> <p>SB also commented that going forwards the organisation had to be pragmatic about what was achievable with regard to future internal audit recommendations.</p> |                                   |
| <p><b>11</b></p> | <p><b>Fraud and Hospitality Registers</b></p> <p>There were no new cases of fraud to report.</p> <p>The hospitality register will also be available at future meetings for review. Brief scrutiny of the register led to questions about the current policy and the limitations on the value of hospitality.</p> <p>ML suggested there should be no further acceptance of offers from Hamilton Construction.</p> <p>HV suggested the hospitality policy needed to be reviewed in line with the code of conduct and an upper limit of hospitality agreed by the sub-committee.</p> <p>PH indicated the need for some flexibility on the limits as it depended on the particular circumstances. It was very much about perception.</p>   |                                   |

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|           | <p>SB felt there ought to be a clearer distinction between receiving personal hospitality and corporate hospitality. He agreed to speak to Robin Lawler and come back to the audit sub-committee with a proposal.</p> <p>The registers were noted.</p>    | <b>SB</b> |
| <b>12</b> | <p><b>Audit Sub Committee – rolling programme</b></p> <p>The rolling programme includes internal audit reports that are scheduled at future meetings.</p> <p>There were no other changes to the programme.</p> <p>The rolling programme was approved.</p> |           |
| <b>13</b> | <p><b>Any Other Business</b></p> <p>None</p>  |           |
|           | <p><b>Date of next meeting:</b> Tuesday 20<sup>th</sup> September 2016</p>  |           |