

Northwards Housing – Audit Sub-Committee Meeting

Hexagon Tower
Thursday 23rd October 2014 at 6.00pm

Chair: Guy Johnson

Present:

Guy Johnson (GJ) Board Member
Cllr Anna Trotman (AT) Board Member
Madeline Mendy (MM) Board Member
Paul Moran (PM) Board Member
Mark Leach (ML) Co-optee
Karen Blakeley (KB) Co-optee

In Attendance:

Steve Finegan (SF) Head of Business Effectiveness & Comms
Christian Price (CP) BDO Internal Auditors
Hamid Ghafoor (HG) BDO Internal Auditors

ITEM	SUBJECT	ACTION
1	Welcome and Introductions	
2	Apologies for Absence Cllr Mark Hackett, Board Member Stephen Brown, Director of Business Services	
3	Declaration of Interests / Confidential Matters / Equality & Diversity See confidential minutes.	
6	Minutes of Previous Meeting on 17 th July 2014 Agreed as an accurate record.	
6	Matters Arising GJ thanked acknowledged everyone's support and thanked AT for standing in as chair during his absence. Item 12. This had been actioned and remains a live action.	

<p>7</p>	<p>a) Health & Safety Update Report</p> <p>SF presented the up to date information on health and safety. Audit and inspections are being completed and on schedule. Lone worker safety training is being planned for later in the year for relevant staff. Accidents remain very low.</p> <p>The report was noted.</p> <p>b) Gas Near Miss Incident</p> <p>SF presented the report of a near miss incident at one property as part of the Walker Road Phase 2 External Works scheme in Higher Blackley. Manchester Working is the responsible contractor and an investigation has been carried. The Health and Safety Executive had also been informed. This was a potentially serious incident and the report details the lessons learned and the actions that have been taken.</p> <p>In answer to a question from ML. SF confirmed that Spectra had been advised and they have since seen a copy of the report.</p> <p>The report was noted.</p> <p>c) H&S Policy and Safety Management System</p> <p>SF explained that the document is updated annually and in future it is intended that only the changes are presented to sub-committee for approval.</p> <p>GJ asked if it was possible for the covering report to highlight the key points when the sub-committee are asked to review a long report.</p> <p>SF said that one of the key sections for board members was in the section clarifying the roles and responsibilities of board members, executive managers, operational managers and all employees.</p> <p>There were two suggested changes from GJ and AT. The word “endeavour to” to be removed from the training section at 3.3.1 and for clarification the inserting of the word “executive” director under accident reporting in 5.1.1.</p> <p>AT commented that Robin Lawler had already signed the document. However, there are no material changes to the document.</p> <p>The policy and safety management system was approved.</p>	<p>SF</p>
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Internal Audit Reports

a) Corporate Governance

CP presented a summary of the report which focused board recruitment, succession and development. Testing was carried out around the board appointment process; minutes of meetings reviewed, appraisal documentation etc. As part of the audit a questionnaire was also completed by board members and the information received was positive and is included in the appendix of the report. A lot of good practice was identified and detailed on page 80 of the sub-committee papers.

CP referred to the nine year maximum rule for serving. AT sought clarification that this didn't apply to council nominated members.

Overall there are sound systems in place and moderate operational effectiveness with design substantial. There were several low priority recommendations.

There was a discussion on the layout and style of the BDO audit reports. Suggestions included a portrait style report to make it easier to view on a tablet; black text; different size font. CP agreed to go away and review the document and circulate a proposed template for future reports.

The report was approved.

b) Training & Development

This is an advisory rather than an assurance report, as management had previously identified where controls could be improved. The report is intended to support the EMT by carrying out benchmarking, looking at systems and taking forward controls. There were a number of suggested improvements around training records, team structure, outstanding appraisals and performance management.

MM commented on an excellent report. She felt it exposed the organisation to added risk in the event of future redundancies.

In answer to a question from GJ it was confirmed that appraisals had not been carried out, it wasn't simply that they hadn't been recorded.

SF confirmed that as this is an advisory report, future progress against improvements would not normally be tracked via the internal audit action plan which deals with audit recommendations.

CP

	<p>SF explained that there had been a number of changes within the HR team recently and this included the outsourcing of training and the disestablishment of the in-house training and development role.</p> <p>ML commented that the existing staffing levels within HR appeared to be about right based on the information in the report.</p> <p>Members of the audit sub-committee asked for an update and further feedback on progress against suggested improvements in the report, specifically any actions that are overdue. It was agreed the Head of HR should email members with further detailed information.</p> <p>The report was noted.</p> <p>c) Progress Report</p> <p>HG gave a brief update on the progress of internal audits against the operational plan.</p> <p>The report was noted.</p>	SF/SH
9	<p>Board Attendance (Quarter 2) July '14 to Sept '14.</p> <p>The current performance report for quarter 2 was presented to the sub-committee. It was noted that the majority of attendees are above 80%.</p> <p>The sub-committee noted the report.</p>	
10	<p>External Audit Findings Memorandum</p> <p>The report was being presented for information and had already been considered and approved by the Resources Sub-Committee.</p> <p>GJ reminded members of their duty to consider the risks identified in the external audit report.</p> <p>The report was noted.</p>	
11	<p>Risk Register Report</p> <p>SF presented the risk report and summarised the high level risks.</p> <p>The report highlighted the key risks facing the organisation which were considered at a Risk Review Group meeting on 15th</p>	

	<p>October 2014. A number of new or emerging risks were identified by senior managers such as the reduction elsewhere in public sector funding and the subsequent impact this could have on Northwards resources as well as wider community and social cohesion.</p> <p>Other key risks included the projected deficit in the budget for 2015/16, the reduction in supporting people funding; welfare reform and a lower risk of data protection training and compliance.</p> <p>ML asked whether there was any merit in issuing guidance to staff about data protection compliance. SF said in his experience the planned e-learning was a better way forward and would address the outstanding issue of email encryption.</p> <p>The sub-committee noted the report.</p>	
12	<p>Internal Audit Action Plan</p> <p>SF presented the internal audit action plan report summarising the ongoing actions from previous internal audits. Since the last meeting there had been six completed actions.</p> <p>New internal audit recommendations following the Governance Audit had been added and a number of health and safety audit recommendations that had been added since the last report had since been completed.</p> <p>The audit sub-committee approved the completed actions.</p>	
13	<p>Fraud Register</p> <p>There were no new cases to report.</p>	
14	<p>Audit Sub Committee – Rolling Programme</p> <p>This was noted.</p>	
15	<p>Any Other Business</p> <p>None</p>	
16	<p>‘In camera’ session with the internal auditors</p> <p>No meeting required this time.</p>	

	Date of next meeting: TBC January 2015	
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