

Northwards Housing – Audit Sub-Committee Meeting

Hexagon Tower
Thursday 15th January 2015 at 6.00pm

Chair: Guy Johnson

Present:

Guy Johnson (GJ) Board Member
Cllr Anna Trotman (AT) Board Member
Madeline Mendy (MM) Board Member
Cllr Naeem Hassan (NH) Board Member
Mark Leach (ML) Co-optee

In Attendance:

Steve Finegan (SF) Head of Business Effectiveness & Comms
Stephen Brown (SB) Director of Business Services
Chris Rhodes (CR) BDO Internal Auditors
Larry Patrick (LP) Director of Property Services (item 11a)

ITEM	SUBJECT	ACTION
1	Welcome and Introductions	
2	Apologies for Absence Paul Moran, Board Member Karen Blakeley, Co-optee	
3	Appointment of Chair SB opened the meeting and invited nominations for the chair. GJ was nominated by AT and seconded by NH. GJ reappointed as chair unopposed.	
4	Declaration of Interests / Confidential Matters / Equality & Diversity None	
5	'In Camera' session with internal auditors Not required.	

6	<p>Confidential Minutes of Previous Meeting on 23rd October 2014</p> <p>Minutes agreed as an accurate record. No matters arising from the confidential minutes.</p>	
7	<p>Minutes of Previous Meeting and Matters Arising</p> <p>Item 7c The Health & Safety Policy had been updated.</p> <p>Item 8a CR explained that the existing reports were difficult to change as they would require manual manipulation. AT said they were still difficult to view on iPads. CR agreed to take this back for further consideration.</p> <p>Item 8b Members could not recall if they had received the email from the Head of HR. SF agreed to progress or arrange for the email to be reissued.</p>	<p>CR</p> <p>SF</p>
11	<p>Internal Audit Reports</p> <p>a) Gas Servicing</p> <p>CR summarised the audit findings confirming a number of areas of good practice. There was effective reconciliation between the housing management system and the gas servicing schedule. A few areas for potential improvement had been identified. There was some discrepancy following the audit in August about the level of risk and a follow up audit confirmed that all areas had been addressed and there was 100% with the issue of gas safety certificates. There were two medium level recommendations and an overall assurance level of 'substantial' design and 'moderate' operational effectiveness. The latter would probably increase in a few months to 'substantial' had the auditors tested over a longer period.</p> <p>LP commented on the increase in Housemark upper quartile performance across the sector and Northwards performance now reflected this same level.</p> <p>AT asked about the possibility of moving from an 11 month to a 10 month servicing cycle. LP explained that the price per property agreed with MWL had been calculated on an eleven month cycle but that the work starts at 10 months. A report on this issue is due to be presented to the Operational Sub Committee in March for consideration.</p> <p>GJ queried the delay in the Audit Sub Committee not receiving the report until January and said he would rather know when a report is due at the audit sub-committee as members need to be aware of the status of any draft reports. CR explained there were a number of issues around the factual accuracy of the original report agreed an interim report</p>	

	<p>to the sub-committee would be appropriate in future.</p> <p>b) Progress Report</p> <p>CR presented the report. The arrears management report was in draft and awaiting a response from management with a moderate/moderate level of assurance. The IT network has a scoping meeting in March and both reports will be presented to the next meeting.</p> <p>The reports were approved.</p>	CR
8	<p>Risk Management Strategy Annual Review</p> <p>SF presented the organisation's risk management strategy for annual review. There had been no changes since the last time the strategy had been approved by the Board in January 2014.</p> <p>The strategy was approved for a further year.</p>	
9	<p>Internal Audit Action Plan</p> <p>The internal audit action plan contains all outstanding recommendations agreed with the internal auditors, including the most recent recommendations from the gas servicing audit. The number of overdue actions had been reduced by three since October 2014 and there are currently twelve live actions, although none of these are high risk.</p> <p>GJ raised concern about the level of drift given that a number of actions had repeatedly revised forecast dates and highlighted PKF-IA-HR04(R4) staff handbook as now forecast as 31st December 2015 without any explanation.</p> <p>SF raised that point that although a number of actions have revised dates, the majority of actions are showing significant progress and managers are always challenged about their commentary. In addition several actions had been superseded by events.</p> <p>SB stated that there was a tension between the value of some of the actions completing with operational priorities and it was important to get the right balance between those actions which might be detrimental to the organisation if they are not implemented and those which are not important.</p> <p>AT specifically felt an A4 summary report on each action was required at the next meeting as well as an accurate indication of which of the forecast dates are likely to be met.</p> <p>It was agreed that each of the overdue actions should be reviewed with BDO and a management report setting out a</p>	

	<p>proposed solution would be presented to the next meeting. The report from management and BDO would provide assurance for any actions which should be removed from the action plan.</p> <p>The report was approved.</p>	SB/SF
10	<p>Risk Register Report</p> <p>SF presented the latest risk register report. Since writing the report the budget position had changed and at least one risk around the re-procurement of the repairs and maintenance contract was heading towards a red position.</p> <p>The failure to comply with DPA was primarily about the risk of not using email encryption appropriately and refresher training for staff.</p> <p>SB explained that a report on the budget position was being planned for issue to the board next week. The risk on re-procurement was a risk for the council as the existing contract was due to end and an interim contract carried a risk of greater costs.</p> <p>The sub-committee noted the report.</p>	
12	<p>Health & Safety Update Report</p> <p>SF presented the update report prepared by Spectra. There were only three scheduled audits outstanding at year end. Documents and evidence existed for all the completed audits. Lone worker training was in progress and was due to be completed in the next few weeks.</p> <p>The number of accidents to report remains low and there is further work to be done to encourage reporting, including reports of near misses.</p> <p>The Asbestos Management Plan had been updated and is due to be presented to the next meeting.</p> <p>Board members attended health and safety training recently and from the feedback this appears to have been well received.</p> <p>An exercise to monitor visits by the public to Hexagon Tower has resulted in some further work to improve communication so that people visit a more appropriate office.</p> <p>Since the last meeting Spectra had been reappointed as the health and safety consultants. An exercise to test the market had been completed and Spectra were by clearly the most suited. SB, ML and SF were involved in the selection process. The new contract includes a service schedule with key performance indicators and is a more formal contract than previously.</p>	

	<p>SB thanked ML for his additional work in drafting the new legal contract with Spectra which now provided a more robust framework.</p> <p>AT asked about PAT testing kettles and fire safety in each office. SF confirmed this was the role of the health and safety lead in each office.</p> <p>The report was noted.</p>	
13	<p>Fire Safety Management Plan</p> <p>SF presented the plan which had recently be signed off by EMT.</p> <p>GJ asked for similar reports to include a summary report of the key elements that had been updated. SF explained that the report had not previously been considered by the sub-committee.</p> <p>The report was approved.</p>	
14	<p>Business Continuity Plan Annual Exercise</p> <p>SF gave a brief summary of the report which had been primarily a test of management knowledge and use of the plan in the event of an incident being called.</p> <p>SF said that there is increasing awareness and understanding around the use of the plan.</p> <p>The report was noted.</p>	
15	<p>Fraud Register</p> <p>There were no new cases to report.</p>	
16	<p>Audit Sub Committee – Rolling Programme</p> <p>This was noted.</p>	
17	<p>Any Other Business</p> <p>None</p>	
	<p>Date of next meeting: Provisional date 16th April 2015</p>	