

 <p>Northwards Housing North Manchester's Council Homes</p>		Report to: Northwards Housing Board 27 January 2015		Item No: <h1>11b</h1>	
Title:		Governance Audit Report			
Date:		17 December 2014			
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Confidential:		No			
For: (Please tick action required)		NOTING ✓		DISCUSSION	
		APPROVAL			
PURPOSE OF REPORT					
To inform the Board of the outcomes of the recent internal audit on the effectiveness of governance at Northwards.					
RECOMMENDATION					
The Board are asked to note the report and be aware of the recommendations that have been agreed to further improve the effectiveness of governance arrangements. It is also recommended that the Board establish a Task & Finish Group to develop the skill matrix for incorporation into the appraisal process.					
IMPLICATIONS					
Risk Management		RR08 Effective Governance			
Regulatory & legal compliance		To be compliant with the NHF code Northwards must carry out regular audits to ensure the effectiveness of internal controls in governance arrangements.			

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	Yes	Audit Sub-Committee	23.10.14
Area Panel:	N/A		
Task Groups:	N/A		
Ward Councillors:	N/A		

Governance Audit Report

1.0 Background

- 1.1 In line with the HNF code of governance, Northwards must carry out regular internal audits on the effectiveness of its governance arrangements
- 1.2 BDO, Northwards' internal auditors, carried out an audit on governance arrangements in July 2014. As part of the internal audit they interviewed Northwards' CEO, Director of Business Services and the Governance Support Manager
- 1.3 As part of the audit, BDO also carried out a survey with all Board members to seek their feedback on Northwards' approach to governance

2.0 Governance Audit Feedback and Recommendations

- 2.1 On completion of the internal audit, a report was produced by BDO and presented to the Audit Sub-Committee on 23 October 2014. A full copy of this report is available on sharepoint.
- 2.2 Overall the auditors reported that it good measures have been taken by the organisation to introduce a robust governance process. They also said that it was clear that strong communication links are present between the Board and the Sub-Committees. Feedback from the surveys also showed a high level of satisfaction and confidence from Board members in Northwards approach to governance.
- 2.3 As such the auditors concluded that the controls in place provide substantial assurance of the system objectives being met, and moderate assurance over the effectiveness of these controls.
- 2.4 The auditors did make some recommendations for improvement, and these have been agreed by managers. This includes:
 - Northwards have agreed to incorporate a Board skills matrix into the appraisal process
 - On completion of the skills matrix for the Board, Northwards will extend the skills matrix to ensure the appropriate skills are in place for individual sub-committees
 - Northwards will ensure that appraisals are formally signed off by the appraiser and appraisee, not just by e-mail confirmation
- 2.5 It is suggested that the Board establish a Task & Finish Group to help with the development of the skills matrix and incorporate this within the appraisal process.

3.0 Recommendation

- 3.1 The Board are asked to note the report and be aware of the recommendations that have been agreed to further improve the effectiveness of governance arrangements. It is also recommended that the Board establish a Task & Finish Group to develop the skill matrix for incorporation into the appraisal process.