

Northwards Housing – Audit Sub-Committee Meeting

Hexagon Tower
Thursday 17th July 2014 at 6.00pm

Chair: Anna Trotman (standing in for Guy Johnson)

Present:

Cllr Anna Trotman (AT) Board Member
Madeline Mendy (MM) Board Member
Cllr Naeem Hassan (NH) Board Member
Cllr Mark Hackett (MH) Board Member
Paul Moran (PM) Board Member
Mark Leach (ML) Co-optee

In Attendance:

Steve Finegan (SF) Head of Business Effectiveness & Comms
Stephen Brown (SB) Director of Business Services
Christian Price (CP) BDO Internal Auditors
Sandra Hill (SH) Strategic HR Partner (part of meeting)

ITEM	SUBJECT	ACTION
1	Welcome and Introductions	
2	Apologies for Absence Guy Johnson, Board Member Karen Blakeley, Co-optee	
3	Declaration of Interests / Confidential Matters / Equality & Diversity One confidential item on the agenda. MH declared his current role as chair of Manchester City Council's Audit Committee. He had taken informal advice and given that the audit sub-committee has no direct responsibility for pecuniary issues it wasn't considered to be a conflict of interest.	
4	Minutes of Previous Meeting on 17 th April 2014 Agreed as an accurate record.	

<p>5</p>	<p>Matters Arising</p> <p>Item 11 relates to a completed action in the internal audit action plan that had not been approved at the last meeting. SH attending the meeting to address this point. Since the last meeting the organisation's people strategy, which had been delayed to allow consultation with managers, was now approved.</p>	
<p>6</p>	<p>Health & Safety Update Report.</p> <p>SF presented the report on behalf of Spectra. The current health and safety policy is due for an annual review and is being updated. A new model for health and safety management has been introduced to simplify and encourage behaviour change. This will be reflected in the new policy which will be presented for approval at the next audit sub-committee meeting.</p> <p>The new lone working pilot is ongoing and will report back on due course.</p> <p>The schedule of audit and inspection of multi storey communal areas and retirement schemes is progressing and is on target.</p> <p>The report was noted.</p>	
<p>7</p>	<p>Internal Audit Reports</p> <p>CP took time to explain the new format of the audit sub-committee report. Focus is on reporting key points and by exception.</p> <p>a) Health and Safety</p> <p>The audit scope was to provide independent assurance on the effectiveness of the work of the consultant; the contract management arrangements and the relationship between Northwards and the consultant. Overall this is working well and there are areas of good practice identified. The findings include enhancement to performance management arrangements and the need to have confidence in work being completed. Northwards had not followed its own procurement rules (three quotes) when appointing Spectra. However, this finding was not an indication that the current arrangements did not provide value for money.</p> <p>SB explained that due to the difficult circumstances surrounding the initial appointment there was a need to appoint a consultant quickly outside the normal procurement rules.</p>	

	<p>In answer to a question from ML, SF confirmed the more robust performance management arrangements that had been put in place since the audit report and that he had reviewed all the individual property audit reports.</p> <p>In answer to questions about training and retendering, SF confirmed that retendering would test the market and a new contract would commence in 2015. All statutory training was up to date and issues raised in the observations section of the report about training related to HR and a separate advisory report which is due to be shared with the audit sub-committee at the next meeting. In answer to a question from NH, SF explained that Spectra do not provide all health and safety training and other specialist training is outsourced.</p> <p>MM asked about the feasibility of an in-house appointment for Health and Safety Officer. SB explained that the current arrangements are not intended to be an interim solution as the current arrangement offers better value.</p> <p>The report was approved.</p>	
8	<p>Board Attendance (Quarter 1) April '14 to June '14.</p> <p>The current performance report for quarter 1 was presented to the sub-committee.</p> <p>The sub-committee noted the report.</p>	
9	<p>Final Strategic Audit Plan 2014-/15</p> <p>The plan was considered and approved at the last meeting. Amendments to the plan had been carried out as requested.</p> <p>The sub-committee noted the final version of the plan.</p>	
10	<p>Risk Register Report</p> <p>SF presented the risk report and summarised the high level risks. There had been no risk review group meeting since the last audit sub-committee meeting, but the narrative included in the report gave up to date information on the current issues and controls.</p> <p>The sub-committee noted the report.</p>	
11	<p>Re-procurement of internal audit services – see confidential</p>	

	minutes.	
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>The cancelled action relating to the budget timetable was the subject of further discussion. The current timetable is not within Northwards control making planning difficult. MH queried whether there were any actions that could be taken to support an agreed timetable. SB explained that the difficulty was in not knowing until late in the day the agreed management fee for the year, and in effect Northwards planned a shadow budget with the board pending the approval of MCC city treasurer. It was acknowledged that the current process made the prospect of monitoring a timetable extremely difficult. On balance the sub-committee felt some kind of timetable would still be useful, albeit it would not be within the control of Northwards who could not therefore be held accountable if the timetable changed.</p> <p>Sub-committee felt it was important to raise the issue formally with MCC and endeavour to move to a improving the current arrangement because of the impact on planning.</p> <p>CP reinforced the view that the risk involved planning the budget in a timely way. SB stated that the budget was planned, just not agreed to a timetable.</p> <p>The sub-committee decided to keep BDO-IABC01(R1) as a live action whilst recognising that the timetable is not within Northwards control. All competed actions were approved by the sub-committee.</p>	SB
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	'In camera' session with the internal auditors No meeting required this time.	
	Date of next meeting: Thursday 16 th October 2014	

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