

Northwards Housing – Resource & Governance Sub-Committee Meeting

Hexagon Tower
Tuesday 29th August at 5.30pm

Chair: Harvey Norton

Present: Ade Alao (AA) Board Member
Eric Hobin (EH) Board Member
Richard Lockwood (RL) Board Member
Harvey Norton (HN) Board Member

In Attendance: Steve Wood (SW) Director of Business Services
Alison Foster (AF) Head of Finance (for item 7)
Helen Knowles (HK) KPMG (for item 7)

ITEM	SUBJECT	ACTION
1	Welcome and Introductions It was confirmed that the meeting was quorate.	
2	Apologies for Absence Apologies had been received from Martin McKeivitt (MM) and Fionnuala Stringer (FS).	
3	Declaration of Interests / Confidential Matters / Equality & Diversity Matters Arising There were no matters for noting under this item. Equality & Diversity implications were noted on particular reports.	
4	Minutes of Last Meeting - 25th July 2006 The minutes of the previous meeting were approved and signed by the Chair.	

5	<p>Matters Arising</p> <p>a) Surpluses and Efficiencies Strategy SW reported on research done to date with other ALMOs about their approach to this particular issue and advised Sub-Committee that he hoped to bring a strategy back to the September meeting. The approach to using surpluses and efficiencies would also form a key part of the 2007 budget framework.</p> <p>b) Fraud Procedures SW reported that it was his intention to implement some Fraud Procedures and that he would keep Sub Committee advised.</p>	SW
6	<p>Governance</p> <p>SW reported that the new independent Board Member, Fatima Adamjee, had now been registered as a Director with Companies House. Arrangements were being put in hand to appoint her to Sub-Committees.</p>	
7	<p>Internal Audit Strategic and Annual Plan</p> <p>SW introduced Helen Knowles of KPMG, the Internal Auditors, to the Sub-Committee and she presented a proposed Strategic and Annual Plan for their work over a three year period.</p> <p>The approach being taken was risk based, using existing risk maps, experience of other organisations and a discussion that had taken place with the Executive Management Team.</p> <p>Three visits were planned for each year and the timetables for these would be planned to get reports through to Sub-Committee for their consideration. Each year, an Annual Report giving an opinion on the control environment will be produced.</p> <p>The Plan was set out to cover all the key risks over three years with some key items being looked at each year e.g. Governance, Risk Management.</p> <p>In looking at the detailed plans, Sub-Committee asked a few questions about health and safety and follow up of the inspection report. It was agreed that a high level review of health and safety will be incorporated into the plan for the first year and that this might take the form of an audit needs assessment. SW confirmed that it had been the Executive</p>	

	<p>Management Team's intention to include a review of following up action as a result of the Audit Commission Inspection.</p> <p>In answer to a question, it was agreed that KPMG would carry out a review of the internal controls assurance framework.</p> <p>With the two alterations to the programme, Sub-Committee approved the Internal Audit Strategic and Annual Plan and recommended to the Board that it be approved.</p> <p>Recommendation to the Board: That the Board approve the Internal Audit Strategic and Annual Plan for 2006-07 to 2008-09.</p>	<p>SW</p> <p>Board</p>
<p>8</p>	<p>Financial Statements</p> <p>a) Annual Accounts 2006 SW presented a brief report explaining the latest position with the Annual Accounts for 2006 and the likely result to date. In order to hit the timetable for an Annual General Meeting in October, it was agreed that taking the Accounts direct to the Board for approval was appropriate this year, with the added advantage in the first year of asking the Auditors to attend this meeting.</p> <p>Sub-Committee discussed briefly some of the implications that lay behind the pension disclosure from Financial Reporting Standard 17 and SW would discuss the presentation of this issue with Robson Rhodes prior to the meeting.</p> <p>Sub-Committee noted the report.</p> <p>b) Accounting Policies SW presented a report detailing the accounting policies that had been adopted in the company's first years off accounts. He talked through a couple of the key items briefly presenting to Sub-Committee the approach taken.</p> <p>Sub-Committee approved the recommendation that the accounting policies as set out in the report and the accounts were appropriate for the business and should be the basis for the financial statements 2006.</p>	
<p>9</p>	<p>Accounts</p> <p>a) Monthly Budget Report - July SW presented the latest monthly budget report and highlighted a number of the key issues that had been</p>	

	<p>incorporated into a review of this period's accounts. With reference to questions asked at previous meeting, he outlined the position on income to date and confirmed that there was no overspend on the Shout TMO management fee.</p> <p>Sub-Committee note that further work was still required in relation to the outturn figures where it was not clear whether trends with spend to date on salaries and agency staff and repairs and maintenance would continue for the rest of the year.</p> <p>SW agreed to come back to Sub-Committee with more detail on repairs and maintenance, tracking where the figures were going and also to confirm the basis of the service level agreements for general community and multi-storey security.</p> <p>SW confirmed in answer to a question from the Chair that it was his intention to include a cash flow report in the accounts in due course.</p> <p>Sub-Committee noted the accounts to the end of July.</p>	<p>SW</p> <p>SW</p>
<p>10</p>	<p>Monitoring</p> <p>a) Performance Management The most recent performance information on rent collection and finance had been circulated with the agenda and Sub-Committee reviewed performance to date.</p> <p>Sub-Committee noted the performance in the first quarter but reflected that it did not appear that the organisation was moving towards improvement and that the performance indicators showed a static position. It was agreed that strategies needed developing to bring about some improvement in performance.</p> <p>In relation to the weekly cost quarterly targets, SW explained the basis of calculation for the targets that had been set back in June and that these needed realigning now with the cost base of the organisation. Sub-Committee agreed to look at these revised targets once they had been calculated.</p> <p>It was agreed that Sub-Committee needed to carry out a detailed piece of work over rent performance and arrears and that some time should be put aside at a future Sub-Committee to examine this area in more detail. SW</p>	<p>SW</p>

	explained that it was his intention to do this at the October meeting and Sub-Committee agreed that this was appropriate.	
11	Fraud Register SW presented the Fraud Register for review by Sub-Committee and it was noted that no entries had been made since the last meeting.	
12	Training Requirements It was noted that a training session for Board Members on Risk was being arranged for two hours, possibly ahead of the Board Meeting in September.	
13	AOUB There was no further business for the Sub-Committee to consider.	
14	Date of next meeting The next meeting of the Sub-Committee would take place on Tuesday 26 th September - 5.30 pm at Hexagon Tower. With thanks to everyone, the Chair closed the meeting at 7.20pm.	