

Northwards Housing – Resource & Audit Sub-Committee Meeting

Hexagon Tower
Tuesday 29th May 2007 at 5.30pm

Chair: Harvey Norton

Present:

Ade Alao (AA)	Board Member
Rachel Christie (RC)	Board Member
Richard Lockwood (RCL)	Board Member
Martin McKeivitt (MM)	Board Member
Harvey Norton (HN)	Board Member

In Attendance:

Steve Wood (SW)	Director of Business Services
Alison Foster (AF)	Head of Finance
Wendy Burton (WB)	RSM Robson Rhodes (for item 6)

ITEM	SUBJECT	ACTION
1	Welcome and Introductions It was confirmed that the meeting was quorate.	
2	Apologies for Absence There were no apologies to be received at the meeting.	
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 - 27th March 2007 The minutes of the previous meeting were approved and signed by the Chair.	
5	Matters Arising a) CTU SLA Review SW confirmed that discussions were continuing with the Council CTU team in order to progress the review of the SLA. Progress was now being made in relation to sorting out daily back up procedures. b) Civica SW presented an update on current issues with Civica. Issues that remained in terms of properly implementing the system were now being dealt with at a relatively high level in order to resolve	

	<p>outstanding matters. The major current problems related to re-housing and reporting.</p> <p>Sub-Committee noted the report.</p> <p>c) Internal Audit Following discussion with KPMG, it was apparent that whilst there had been some testing of data quality around performance measures in the last internal audit visit, there was still further work to be done in this area. SW reported that work on completing the new Performance Management Framework and Northwards' own reporting should help to provide some assurance over data quality and performance indicator validation in the future.</p> <p>Sub-Committee noted the report.</p>	
6	<p>Accounts</p> <p>a) External Audit Strategy and Progress Report</p> <p>WB presented the report from RSM Robson Rhodes covering their strategy for the audit and including the auditors responsibilities and their process and approach.</p> <p>In the planning, a key part of the work to date had been assessing elements in the accounts between high and low risk items.</p> <p>The final audit, in respect of the year ended 31 March 2007 was planned as one week commencing 4th June 2007.</p> <p>In answer to a question from AA, WB confirmed that the balance of the planned work and approach was similar to that for other organisations. She also confirmed that there were no immediate concerns out of any work that had been carried out to date with Northwards' accounts.</p> <p>With thanks to WB for her attendance at the meeting, Sub-Committee noted the strategy and progress to date.</p> <p>SW reported that RSM Robson Rhodes would be present at the June Sub-Committee meeting to present their report in respect of the Annual Accounts and this would be the major item on the agenda.</p> <p>b) Accounting Policies</p> <p>SW presented a report detailing the Accounting Policies that it was proposed to apply in preparing the Annual Accounts for Northwards.</p> <p>There was some brief discussion around the treatment of fixed</p>	

	<p>assets and SW explained expenditure that had taken place during the year and why this was being treated as revenue, rather than capital.</p> <p>Sub-Committee approved the Accounting Policies as set out in the report as appropriate for the business.</p> <p>c) External Audit Action Plan</p> <p>SW updated Sub-Committee on progress in respect of the previous year's action plan which showed that efforts have been made in all areas to ensure that items were not repeated.</p> <p>AF explained the issues in respect of resolving balances with the Council and Sub-Committee noted work that had taken place.</p> <p>Sub-Committee noted the report.</p>	
<p>8</p>	<p>Financial Policies</p> <p>a) Financial Regulations</p> <p>SW presented an annual review of the Financial Regulations.</p> <p>In addition to making factual changes for the names of Sub-Committee's, the only proposed amendment to the Financial Regulations was the increase of the amount written off for sundry debts to £1,000 and that decisions in this regard should be made by Resource & Audit Sub-Committee and not the Board.</p> <p>Sub-Committee approved this recommendation, noting that this would require approval by the Board.</p> <p>Sub-Committee approved the Financial Regulations for 2007 subject to the Board approving the amendment.</p> <p>Recommendation to the Board: That the Board approve an amendment to the Financial Regulations to increase the amount for sundry debt write off to £1,000 and giving authority to Resource & Audit Sub-Committee to make such write offs.</p> <p>b) Fraud Policy</p> <p>SW presented the annual review of the Fraud Policy. No changes had been considered necessary.</p> <p>Sub-Committee approved the Fraud Policy for 2007.</p> <p>c) Treasury Policy and Procedures</p> <p>SW presented the annual review of the Treasury Policy and Procedures.</p>	

The outstanding piece of work remained the preparation of a cash flow forecast model and SW briefly explained some of his thinking in respect of getting this prepared.

Sub-Committee approved the Treasury Policy and Procedures for 2007.

d) Value for Money Strategy

SW presented an annual review of the Value for Money Strategy. No amendments were proposed to the Strategy and the only changes that had been made were to reflect things that had moved on in the year.

Sub-Committee discussed the issue of embedding Value for Money within the organisation in order to ensure that all staff are able to tell the story. It was noted that Board training was taking place on this item on 12th June and SW was sure that more ideas would come out of those discussions.

HN queried the use of external consultants to carry out review work and SW assured Sub-Committee that this would be looked at properly at the appropriate time before incurring any costs. AA noted that it was important to continue to give managers and staff some form of incentive to identify efficiencies.

Sub-Committee approved the Value for Money Strategy for 2007.

e) Annual Efficiency Statement

SW presented the work that had been done to date in drafting the Annual Efficiency Statement for 2007 and updated Sub-Committee on what the outturn position for 2006/07 now looked like and what potential efficiencies could be identified for the following year.

Sub-Committee noted that the completed report was not available as year end financial information was still awaited and performance information for March 2007 was still outstanding in some areas due to Civica.

SW reported that he hoped to be able to bring a completed statement to the June Sub-Committee meeting.

Sub-Committee noted progress to date.

f) Internal Controls Assurance Framework

SW reported on the annual review of the Internal Controls Assurance Framework which only included some small factual changes in the year.

	<p>HN asked if the Officers had had any areas of concern from any of the evidence categories and SW reported that if there was any concern at all, it probably came from the reporting and communication between Managers. AF confirmed that this too would be her concern in relation to the appropriate flow of financial, operational and risk information.</p> <p>Sub-Committee approved the Internal Controls Assurance Framework for 2007.</p> <p>g) Risk Management Strategy</p> <p>SW presented the annual review of the Risk Management Strategy.</p> <p>As a result of the Board training in April 2007, it had been proposed to ask Board members to take a more active part in the Risk Assessment in the current year and as a result, it was proposed that the current list of risks for each Sub-Committee be sent to them for confirmation and / or identification of risks that were not listed or were of no concern anymore.</p> <p>Sub-Committee approved the process for agreeing the Risk Management Strategy for 2007 and asked the officers to make the appropriate arrangements for consideration of the report by relevant Sub-Committees.</p>	
<p>9</p>	<p>Performance Management Framework</p> <p>SW reported that there was no Performance Management Framework report that was available for presentation to Sub-Committee as the year end data from Civica was not available for some of the Performance Indicators.</p> <p>AF reported on rent collection for the year at 98.6% and Sub-Committee discussed briefly the overall performance in this area.</p> <p>SW reported that it was hoped that performance information would be back on track in the next month and that reports would begin to come through Sub-Committees again.</p> <p>Sub-Committee noted the report.</p>	
<p>10</p>	<p>Inspection Action Plan</p> <p>SW presented a progress report for items under the Sub-Committee's remit and Sub-Committee noted the overdue items. Once again, the majority of work that was still outstanding but being progressed in a variety of ways linked to progress with the implementation of Civica and things that were dependent upon it.</p> <p>Sub-Committee noted progress to date.</p>	

11	<p>Fraud Register</p> <p>The Fraud Register was presented to Sub-Committee and SW reported that there were no additional fraud issues to report at this time.</p> <p>Sub-Committee noted the report.</p>	
12	<p>AOUB</p> <p>There was no further business for Sub-Committee to consider.</p>	
13	<p>Date of next meeting</p> <p>The next meeting of the Sub-Committee would be on Tuesday 26th June 2007 at 5.30pm at Hexagon Tower.</p> <p>With thanks to everyone, the Chair closed the meeting at 6.35pm.</p>	