

Northwards Housing – Resource & Audit Sub-Committee Meeting

Hexagon Tower
Tuesday 5th February 2008 at 5.30pm

Chair: Martin McKeivitt

Present: Harvey Norton (HN) Board Member
Rachel Christie (RC) Board Member
Martin McKeivitt (MM) Board Member
Paul Seymour (PS) Board Member
Michelle Carmichael (MC) Board Member

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

ITEM	SUBJECT	ACTION
1	Welcome and Introductions In the absence of HN at the beginning of the meeting, Martin McKeivitt took the Chair. The Chair welcomed MC and PS to their first meeting of the Sub – Committee. It was confirmed that the meeting was quorate.	
2	Apologies for Absence No apologies for absence had been received.	
3	Declaration of Interests / Confidential Matters / Equality & Diversity Matters Arising There were no matters for noting under this item. Equality and Diversity implications were noted on particular reports.	
4	Minutes of Last Meeting The minutes of the last meeting held on 27 th November were approved and signed by the Chair.	
5	Matters Arising a) IT Provision for Area Panels SW reported that the Board has approved the report from Sub-Committee.	

	<p>b) On Call Involvement in Arrears Work</p> <p>AF reported on the reviews that were ongoing with both On-Call and the Rents Team itself and commented on the need to continue to look at improved ways of collecting rent.</p> <p>Sub-Committee noted the ongoing work.</p>	
<p>6</p>	<p>Internal Audit</p> <p>HK from KPMG presented the latest five Internal Audit reports following work done in November 2007. All five reports were graded as 'satisfactory'.</p> <p>The report on the follow up work against the Audit Commission's Inspection Action Plan contained recommendations about the completion of actions and revising deadlines. In addition it noted a number of good practice items.</p> <p>On Budgetary Control and Cash Flow there were recommendations about budget profiling and the ability to accurately set the year end repairs accrual. AF commented that significant work had taken place already in this area and she would report with the accounts on an accurate year end forecast.</p> <p>Further recommendations related to a form for virement not being properly authorised and the need to formalise variance analyses. The officers agreed to report back on the amount of the unsigned virement. SW outlined to Sub-Committee the process in place over budget discussions with Managers.</p> <p>In relation to Strategic Planning it was agreed that Performance Reporting had been an issue during the year but that this was now improving. HN asked about the internal controls over performance and HK confirmed that there was no particular concern in this area, only over the production of reports. The number of corporate performance indicators had also been questioned and Sub-Committee agreed that this should form part of a further discussion with the Board.</p> <p>The report on General Ledger made recommendations for some further work on Journal reviews and Finance Procedures. These were already being implemented by the Finance Team.</p> <p>The final report concerned a review of Information Technology and the services provided by the Council. SW explained the approach to the report which had been done as a review of how to get more value from the Service Level Agreement rather than a review of particular procedures and controls.</p> <p>There followed a discussion with Sub-Committee about the IT service being provided by the Council, the revised SLA which was being proposed and the costs. SW explained the background</p>	<p>AF</p>

	<p>to recent discussions. Sub-Committee felt that there was a number of risks related to this issue and that some assurance needed to be given. SW agreed to keep Sub-Committee informed and prepare a full report in due course.</p> <p>With thanks to KPMG for attending the meeting Sub-Committee noted the Internal Audit Reports.</p> <p>The final set of reports for the year would come to Sub-Committee on 1st April together with an Annual Report and plan for 2008-09. SW also suggested that at this meeting Sub-Committee should take the opportunity to meet with Auditors without the officers present and this was agreed.</p>	SW
7	<p>Re-Inspection</p> <p>a) Update on KLOE Work</p> <p>SW provided Sub-Committee with an update on plans for Re-Inspection and reported on the KLOE reviews that were taking place in relation to Value for Money and Income Management.</p> <p>It was agreed that written update reports including first drafts of the Self Assessment would be presented to the Sub-Committee in April.</p> <p>b) Incentive Scheme</p> <p>Sub-Committee considered proposals for the introduction of a Tenant's Incentive Scheme which was one of the considerations following the previous Audit Commission Inspection.</p> <p>Sub-Committee asked a few detailed questions including some about what other organisations had spent money on. SW confirmed that the proposal was to start the scheme and see how it grows. There was potentially the ability to look at incentive payments for performance to fund additional scheme requirements in time.</p> <p>Sub-Committee approved the next stage of development for the scheme including consultation with tenants and making an in principle commitment to setting up a scheme.</p>	SW/AF
8	<p>Business and Delivery Plan 2008-2013</p> <p>Sub-Committee gave some thought to the Future section of the Business and Delivery Plan which had been circulated prior to the meeting.</p> <p>Suggestions for reflection in the Plan included new properties, other sources of income, future regulation by OfTenant, Social</p>	

	<p>Enterprise and the need to include Performance Management in the Service Improvement Plan.</p> <p>It was agreed that there would be a further opportunity to comment on the Plan before it was finalised and that Sub-Committee could reflect easier on the section on the Plan once the revised one had been drafted.</p>	
9	<p>Monthly Budget Report</p> <p>AF presented the nine month accounts to 31st December 2007 and drew Sub-Committee's attention to a number of key issues.</p> <p>Since the last Sub-Committee a lot of work had taken place looking at the position with invoicing on repairs which had confirmed that whilst there was a projected overspend on general responsive repairs, this would be compensated by under spend on planned. The out turn position was likely to be on budget.</p> <p>Sub-Committee noted the accounts.</p>	
10	<p>Items for Noting</p> <p>a) Inspection Action Plan</p> <p>SW presented the update report on progress with items under the Sub-Committee's remit against the Inspection Action Plan.</p> <p>Sub-Committee noted the report.</p> <p>b) Internal Audit Action Plan</p> <p>SW presented the update on the Internal Audit Action Plan which showed completion of 93% of recommendations.</p> <p>Sub-Committee noted that the follow up work would be carried out by KPMG during the year to review these figures.</p> <p>Sub-Committee noted the report.</p>	
11	<p>Fraud Register</p> <p>There were no items which had been added to the register since the last meeting.</p> <p>Sub-Committee noted the report.</p>	
12	<p>Any Other Business</p> <p>a) Greater Manchester Pension Fund</p>	

	<p>SW presented a letter which had just been received from Greater Manchester Pension Fund confirming new contribution rates to the scheme for Northwards of 13.3% (increased from 12.6%) despite the fact that the scheme was 102% funded.</p> <p>SW responded to a couple of questions confirming that he would prepare a full report for the Board in due course.</p> <p>Sub-Committee noted the report.</p>	
13	<p>Date of the next meeting</p> <p>The next meeting will be on Tuesday 4th March at 5.30pm at Hexagon Tower and would be mainly around the presentation of the draft budget for 2008-09.</p>	
	<p>With thanks to everyone, the Chair closed the meeting at 7.00pm</p>	