

Northwards Housing – Resource & Audit Sub-Committee Meeting

Hexagon Tower
Tuesday 22nd April 2008 at 5.30pm

Chair: Harvey Norton

Present: Harvey Norton (HN) Board Member
Rachel Christie (RC) 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
Steve Aggett (SA) KPMG
Helen Knowles (HK) KPMG

ITEM	SUBJECT	ACTION
1	Welcome and Introductions It was confirmed that the meeting was quorate.	
2	Apologies for Absence Apologies for absence had been received from Martin McKeivitt and Mark Hackett.	
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 and confidential minutes from the last meeting held on 4 th March were approved and signed by the Chair.	
5	Matters Arising a) Average Salary Costs Further to a question at the previous meeting, SW presented a paper detailing the average salary costs for each team within the organisation and the calculated percentage increase. This highlighted a number of key variances in particular teams and SW explained the background to these. The Sub-Committee noted the report.	

<p>6</p>	<p>Internal Audit – Visit 3 2007-08</p> <p>SA and HK from KPMG presented the latest five internal audit reports following work done in January and February 2008. The four main reports were graded as satisfactory, the fifth report being a complete review of the follow up of previous recommendations.</p> <p>The report on Asset Management and Stock Condition had raised three recommendations which were discussed by Sub-Committee. PS asked a question about real time updating on the Promaster system and SW agreed to check exactly where this process was up to as this was a key issue for the Audit Commission.</p> <p>Reactive and planned maintenance had been a key review in the last visit and had provided management with some useful feedback in terms of policies and procedures. A review of post inspections had now been completed but it had been agreed that this area would be revisited during 2008-09 in order to ensure that the new systems were properly embedded.</p> <p>The review on corporate governance had included a meeting with Board members which had been found to be very useful. The recommendations included a proposal to carry out a skills audit and to complete the Board member appraisals. HK also noted that all previous recommendations had been fully implemented.</p> <p>The main recommendation from the review of risk management was for a merit scoring system to be introduced for risks. Management had agreed to look at this at the same time as implementing a new system for recording risks electronically. The organisation has also been asked to look at the implications sections on all Board and Sub-Committee papers and this was briefly discussed. One previous recommendation in relation to staff training on risk had not yet been followed through.</p> <p>In relation to the follow-up report, the auditors had concluded that there was 64% implementation and in answer to a question, they confirmed that this was around the benchmark that they would expect.</p> <p>HN asked about a previous recommendation in relation to budgeting on decent homes work and measuring costings and SW agreed to follow this through and report back. There had been partial completion in the areas of disaster recovery, payroll, service level agreements and performance management. The completed areas related to health and safety monitoring compliance and back up testing.</p> <p>With thanks to KPMG for attending the meeting, Sub-Committee noted the internal audit reports.</p>	<p>SW</p> <p>SW</p>
----------	--	---------------------

<p>7</p>	<p>Internal Audit</p> <p>a) Annual Report 2007-08</p> <p>SA introduced the Annual Report for the work completed during 2007-08 by KPMG which would contribute towards the Sub-Committee's consideration of it's Internal Controls Assurance.</p> <p>The auditor's overall conclusion was that there were satisfactory arrangements in place for the organisation to properly controls it's policies and procedures. Sub-Committee commented that in the following year, they would like to see some more good reports rather than just satisfactory.</p> <p>SA outlined weak areas from the previous year which had been General IT Controls, Voids and Lettings and Budgetary Control. The auditors conclusion after review was that General IT had definitely moved forward during the year, although there was still some outstanding work, Budgetary Control had been re-audited and now was graded satisfactory and there had been significant work carried out in the area of Voids and Lettings. RC noted that the good reports during the year were all in relation to tenant facing services which was extremely positive.</p> <p>Contained within the annual report was a measure of KPMG's performance which had been satisfactory, other than the delivery of one set of reports which had been delayed. This process had been reviewed by management, together with the auditors.</p> <p>HN asked the auditors about how much contact they had had with external audit and SA explained the level of contact to date. It was agreed that management would follow this up with Grant Thornton LLP.</p> <p>With a couple of further questions, Sub-Committee approved the annual report from KPMG for 2007/08.</p> <p>b) Operation Plan 2008-09</p> <p>HK presented the proposed internal audit operational plan for 2008/09 which had been agreed with management.</p> <p>Sub-Committee asked about a few of the areas where days had been allocated including, in particular, HR and SW explained the reason for the proposed review. HN asked about work on health and safety and it was agreed that this would be kept under review during the year, possibly by using an alternative consultant.</p> <p>In what was the third year of the original plan, it was agreed that the 57 day programme was appropriate for the organisation and Sub-Committee approved the report.</p>	<p>AF</p>
-----------------	---	------------------

8

Strategic Issues

a) ICT Services

SW presented a paper on proposals in relation to the ICT services currently procured through a Service Level Agreement with the Council's corporate technology unit (CTU).

The report set out both the way the current systems on ICT were provided by the Council and some options for the future. SW explained that the option that was now being discussed with the Council, was for Northwards' to have a separate network which will be linked to the Council system with a direct line. This would involve moving the servers but users would see little or no difference. All corporate applications would still be made available.

Sub-Committee asked a number of questions, not of all which could be answered at the present time. However, it was noted that with in principle approval by Sub-Committee the officers would continue to work with the Council on a specific project plan and costings and present an options paper back to Sub-Committee in due course. It was agreed that this was appropriate and **Sub-Committee noted the report.**

b) Insurance Review

SW presented a report summarising the problems the organisation was having with the Insurance and Risk Group at the Council with regard to getting insurance information and in respect of premiums. The charge for insurance in relation to 2007-08 had only become available shortly before the end of the year at a figure which was in excess of budget and over which Northwards had no control.

SW was proposing to bring in a consultant to carry out a review of the insurance arrangements which would help determine whether or not the current arrangements were both efficient and effective as well as being value for money but which if appropriate should also pull together all the information that would be required for the organisation to go out to tender for it's insurance.

Sub-Committee agreed with the approach and approved the proposals for an insurance review.

c) Freedom of Information Publications Scheme

SW presented Sub-Committee with a report on the Freedom of Information Publications Scheme which had been put together by the Head of Business Support and his team.

Sub-Committee felt that this was an extremely comprehensive document. RC asked how many requests had been received to

	<p>date and SW confirmed that there had been only one official freedom of information request to his knowledge, although, Business Support were keen to capture what were in effect other requests that had just been dealt with by local offices.</p> <p>Sub-Committee noted the contents of the report.</p> <p>d) Sub-Committee Work Plan</p> <p>A work plan for the Resource & Audit Sub-Committee was presented to Sub-Committee for their consideration. It was noted that together with the timing of internal audit visit presentations on both ICT and rent recovery were also timetabled in as in previous years.</p> <p>Sub-Committee approved the Work Plan.</p>	
9	<p>Accounts – Monthly Budget Report</p> <p>AF presented the Monthly Budget Report for the latest information available, which was as at the end of period 12 in March. The figures were prior to final audit and account adjustments which would be done over the following month to create the final accounts.</p> <p>AF referred the Sub-Committee to previous questions in relation to spend on CCTV and Heat Meters and explained where the costs in relation to those budgets were coming through the accounts.</p> <p>The key issue in relation to the March accounts was that in relation to repair spend and AF explained the outcome of her discussions with Manchester Working Ltd in relation to a number of the key variances. HN asked whether there were any figures available for the voids spend per re-let given that there was a large overspend on voids at the end of period 12. The officers agreed to look at this further.</p> <p>In relation to the rest of the accounts, AF highlighted a number of the other key variances that were shown up within the report. In particular the increase in rates expenditure was highlighted and HN asked whether or not Northwards was eligible as a social business for an 80% reduction. SW agreed to take a look at this.</p> <p>RC asked about the weekly cost per unit and SW explained that the target was set via the budget.</p> <p>After a couple of further of questions Sub-Committee noted the accounts.</p>	<p>AF</p> <p>SW</p>
10	Inspection Action Plan (2006)	

	<p>The full Inspection Action Plan as it related to the remit of the Sub-Committee had been enclosed with the agenda and was discussed briefly by Sub-Committee. Progress on the remaining outstanding items now involved significant pieces of work but it was agreed that Sub-Committee would keep this under review.</p> <p>The 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>There was no further business for the Sub-Committee to consider.</p>	
13	<p>Date of next meeting</p> <p>The next meeting would be on Tuesday 27th May at 5.30pm at Hexagon Tower. RC gave her apologies for this meeting.</p>	
	<p>With thanks to everyone, the Chair closed the meeting at 7.05pm.</p>	