

Northwards Housing – Audit Sub-Committee Meeting

Hexagon Tower
Thursday 22nd April 2010 at 5.30pm

Chair: Sue Ratchford

Present: Sue Ratchford (SR) Board Member
Fatima Adamjee (FA) Board Member
Michelle Blakeley (MB) Board Member
Guy Johnson (GJ) Co-optee

In Attendance: Steve Finegan (SF) Head of Business Improvement
Stephen Brown (SB) Director of Business Services
Nicola Higginbottam (NH) PKF
David McKintyre (DM) PKF

ITEM	SUBJECT	ACTION
1	Welcome and Introductions The meeting was quorate.	
2	Apologies for Absence Apologies for absence had been received from Michelle Carmichael and Martin McKevitt	
3	Declaration of Interests / Confidential Matters / Equality & Diversity Matters Arising There were no items for noting under this heading.	
4	Minutes of Previous Meetings The minutes from the meeting held on 21 st January 2009 were approved as an accurate record.	
5	Matters Arising Item 8 Risk Management. SB confirmed work was progressing and a proposal would be presented to the next Audit Sub Committee in July. Item 10 Any other Business. The Fraud Register is a standing item on the agenda.	SB
6	Internal Audit Reports NH and DM presented the reports. The Governance Audit had been completed and was awaiting a final management response	

	<p>to the recommendations. This report would be presented at the next meeting.</p> <p>a) Recharges: Repairs and Gardening Costs An 'Adequate' level of control is concluded. Recommendations have been agreed by management. There are three medium and one low priority recommendations.</p> <p>b) Construction Procurement The level of control was found to be 'Adequate' with two recommendations agreed by management (one medium and one low). GJ asked for the updated Procurement and Value for Money Strategy on the website.</p> <p>c) Follow Up Arrangements The level of control was found to be 'Adequate except for..' the need to re-establish a formal framework for the monitoring of the implementation of agreed recommendations. Five recommendations had been agreed by management (three medium and two high).</p> <p>There was discussion about previous arrangements for the monitoring of progress against recommendations and how this should be improved. Concern was expressed about the timescale for completing the two high level recommendations. It was accepted that although the deadline was October 2010 this related to the review and implementation of a new performance management framework. A key element of the recommendations had in fact been implemented as indicated with immediate effect (Item 7a on the agenda). SF explained that the revised Performance Management Framework would be presented to the Sub Committee at a later date.</p> <p>The Sub Committee noted the reports and the proposed actions.</p>	SF
7	<p>Action Plans</p> <p>a) Internal Audit Action Plan</p> <p>SF gave an overview of current risks identified across all outstanding audit recommendations and requested approval for an extension of time to complete the risk management actions and two of the ICT audit actions.</p> <p>It is proposed that the report is a standing item on future meetings so progress against recommendations can be closely monitored by the Audit Sub Committee.</p> <p>The report contained 7 old audit actions that did not necessarily reflect the current position. The remaining actions were all recent recommendations made by PKF.</p> <p>There was a discussion about the requirement for managers to</p>	

	<p>update the report in a timely manner, in particular before the audit committee meeting for the report to accurately reflect the current position.</p> <p>SF invited the committee to request a report, or attendance of the relevant manager responsible for a progressing a particular recommendation, if more detailed reassurance on progress was required, including completed actions.</p> <p>Audit Sub Committee agreed the removal of the old actions from the current action plan, but asked for a separate report back on the old actions. PKF would also review these areas in due course as part of the current audit strategy.</p> <p>The extension of time for the risk management and two ICT audit actions was agreed.</p> <p>The completed actions were approved and will not appear on the next report.</p> <p>b) Re-inspection Action Plan</p> <p>The current plan is 96% completed. SF requested more time to complete the recommendation REIS29 'Ensure Covalent is accessible to all staff.' This was due to the current review of the performance management framework that was taking place. A decision needed to be made regarding the value of making it accessible to all staff.</p> <p>In addition SF explained that the actual recommendation did not come directly from the re-inspection report and was a summary of several low level statements in the report on how performance could be improved. On that basis he recommended its removal from the action plan so as not to impact on any future short notice inspection as it could be misleading in its current form.</p> <p>The Sub Committee agreed the transfer of the outstanding recommendation on Covalent to the Business Improvement Team's action plan.</p> <p>Assurance was sought that REIS13 in relation to gas safety did not impact on safety. SB confirmed this was a system issue to improve the efficiency and was not about safety.</p> <p>An update on the remaining outstanding actions will be brought back to the next meeting.</p>	<p>SF</p> <p>SF</p> <p>SB</p>
<p>8</p>	<p>Proposed new structure for management of health and safety</p> <p>SB presented a report on the proposed new arrangements for the management of health and safety in the organisation. The aim</p>	

	<p>was to achieve a clearer management responsibility on the ground for the delivery of health and safety, including accountability for premises, monitored through regular audits. Compliance would be reported to the Audit Sub Committee as part of a change in governance arrangements, subject to Board approval.</p> <p>The recommendations were agreed.</p>	
9	<p>Data Protection Audit</p> <p>An in-house audit carried out by the Business Improvement Team on compliance with the Data Protection Act at the end of 2009 had identified two areas: Data retention and data security that were not fully compliant. A data retention policy was currently being developed for implementation and actions following on from the audit in relation to security were being carried out. The concerns related to manual rather than electronic data; no highly sensitive data was involved.</p> <p>The planned internal audit had consequently been put back. Subject to the approval of the Audit Committee, it was felt that an internal audit later in 2010 would be of greater benefit in providing assurance that actions had been implemented.</p> <p>The Sub Committee noted the report.</p>	
10	<p>Three Year Audit Strategy Update</p> <p>PKF presented the updated three year strategic audit programme that had been agreed with Northwards Executive Management Team, including the plan for 2010/11.</p> <p>The strategy was approved.</p>	
11	<p>Fraud Register</p> <p>There was one new case reported. This is the subject of an investigation.</p>	
12	<p>Any other Business</p> <p>There were no outstanding issues.</p>	
	<p>Date of next meeting</p> <p>The next meeting is Thursday 22nd July 2010 at 5.30 pm at Hexagon Tower.</p>	