



PRESENT / IN-ATTENDANCE:

Members (Present):

- David Beckett (Chair)
- Jamie Hirst
- Ken Lee
- Steve Partridge
- Alanna Vine

Observers:

- Robin Burman

Officers (In-attendance)

- Jeremy Beatty, Governance Manager
- Jon Blackwell, Head of Investment (items 03, 08 and 09)
- Carmel Chambers, Director of Resources
- Sandra Coleing, Assistant Chief Executive
- Christian Hartley, Head of Customer Finance (item 03)
- John Kennedy, Head of Corporate Finance
- Diane Laming, Head of People and OD (item 06 and 07)
- Rob Lloyd, Performance and Improvement Manager (item 05)
- Callum Rimmer, Governance and Scrutiny Officer (minute-taker)
- Neil Smith, Health and Safety Manager (item 06)
- Jason Tighe, Head of Maintenance and Commercial Services (item 03)

- Jane Forbes, PWC
- Anna Jaffweali, PWC

01	APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST	
	There were no apologies for absence or declarations of interest.	
02	MINUTES FROM PREVIOUS MEETING 25 02 19 AND ACTION MONITOR	
	The Audit and Risk Committee approved the minutes from the meeting held 25 February 2019. Progress with items in the action monitor was noted.	
03	INTERNAL AUDIT UPDATE REPORT (DECISION)	
	<p>Jane Forbes (PWC) introduced the Legionella Report and invited the committee to ask questions:</p> <ul style="list-style-type: none"> • Jane Forbes (PWC) clarified that an improved process for monitoring actions is now in place. <p>Anna Jaffweali (PWC) introduced the Repairs, Recharges and Stores Report and invited the Committee to ask questions:</p> <ul style="list-style-type: none"> • Anna Jaffweali (PWC) explained that the risks associated with late notification were considered and the importance of processing within agreed timescales was noted. The Head of Customer Finance 	

	<p>explained that customers are not able to be on the Stockport Homes housing register, if they have £500 or more in outstanding debts. However, the Assistant Chief Executive explained that the Allocations Team take a pragmatic approach, if there are other issues to consider such as the under occupancy subsidy.</p> <ul style="list-style-type: none"> • The Head of Customer Finance confirmed that the amount of recharges has increased over the past three years. <p>Anna Jaffweali (PWC) introduced the Information Governance Report and invited the Committee to ask questions:</p> <ul style="list-style-type: none"> • Anna Jaffweali (PWC) explained that a proportionate approach is taken in relation to information governance risks. • Jane Forbes (PWC) assured the committee that the necessary internal controls are in place to manage the risk of enforcement from the Information Commissioner's Office (ICO). It was explained that it is important to respond cooperatively, if a challenge is raised. <p>Jane Forbes (PWC) introduced the Annual Report and invited the committee to ask questions:</p> <ul style="list-style-type: none"> • The Committee noted the contents of the report. 	
	RESOLVED: The Audit and Risk Committee noted the contents of the reports and approved the management actions proposed.	
04	INTERNAL AUDIT PLAN 2019/22 (DECISION)	
	<p>Jane Forbes (PWC) delivered a presentation regarding the Internal Audit Plan for 2019/22 and invited the Committee to ask questions:</p> <ul style="list-style-type: none"> • Jane Forbes (PWC) explained that the follow-up work and actions from completed internal audits are included in the Internal Audit Plan. 	
	<p>RESOLVED: The Audit and Risk Committee:</p> <ol style="list-style-type: none"> Approved the Internal Audit Plan for 2019-20 Noted the proposals for 2020-21 and 2021-22. 	
05	PREPARATIONS FOR BECOMING A 'LARGE' PROVIDER ON THE REGULATORY FRAMEWORK (INFORMATION)	
	<p>The Performance and Improvement Manager delivered a presentation, highlighting the key areas of the report. The Committee were invited to ask questions:</p> <ul style="list-style-type: none"> • The Committee noted that the report was very useful and informative. • The Committee noted that two local authorities have been recently downgraded in regulatory inspections, one of which was an ALMO. • The Performance and Improvement Manager explained that Stockport Homes will participate in a voluntary data collection pilot during 2019/20 to ensure it can meet a new requirement of the Rent Standard which is 	

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	<p>within the Economic Standard. This will involve looking at the HRA stock.</p> <ul style="list-style-type: none"> • The Performance and Improvement Manager agreed to arrange training for Board Members, to prepare for inspections from the regulator. • The Performance and Improvement Manager assured the Committee that the preparatory work that is being undertaken should mitigate future risks to the organisation e.g. financial, political and reputational. • The Head of Business Excellence explained that regulation is due to be discussed at the National Federation of ALMOs' Board Away Day. • The Committee commended officers on how early preparations had begun for the future regulatory inspection. 	RL
	<p>RESOLVED: The Audit and Risk Committee:</p> <ol style="list-style-type: none"> Noted the obligations of the “large” provider framework. Noted the preparations that are underway in advance of Stockport Homes becoming a “large” provider. 	
06	HEALTH & SAFETY ANNUAL REPORT (DECISION)	
	<p>The Health and Safety Manager introduced the report and invited the Committee to ask questions:</p> <ul style="list-style-type: none"> • The Health and Safety Manager confirmed that verbal abuse is a reportable health and safety incident. • The Health and Safety Manager explained that the increase in total incidents reported, is linked to the improved process for reporting the incidents i.e. via Cascade. The Health and Safety Manager explained that he is working with the Performance and Improvement Team to improve the statistical analysis of incidents and will look at trends in more detail. • The Health and Safety Manger agreed to look at other organisations who have tackled incidents such as verbal abuse effectively. 	NS/RL NS
	<p>RESOLVED: The Audit and Risk Committee:</p> <ol style="list-style-type: none"> Discussed the Health & Safety annual report and endorsed the planned initiatives for 2019/20. Confirmed that the range of Health & Safety works and information provided is adequate to provide the Board with assurance over the Health & Safety management within the Group. 	
07	SICKNESS PERFORMANCE MEASURES (DECISION)	
	<p>The Head of People and Organisational Development introduced the report and invited the Committee to ask questions:</p> <ul style="list-style-type: none"> • The Committee discussed the report in detail and expressed a range of views, from its focus being too managerial to it being a balanced reflection of the company’s expectations and the support that is provided to achieve these. 	

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	<ul style="list-style-type: none"> • The Committee said it is important to set targets that the organisation plans to achieve. It is important to note that an attendance target is not a measure of efficiency and productivity. • The Committee noted that further narrative regarding the sickness performance target would be useful, for example, to explain the impact of long-term sickness. • The Committee discussed the importance of managers understanding the reasons for sickness and being able to provide help. • The Head of People and Organisational Development assured the committee that the sickness performance target reflects the organisation's attitude to absence and the desire to maintain a culture of high attendance and support for staff who are unwell. • The committee noted that it was important any sickness absence target was the organisation's target and not employees. 	
	<p>RESOLVED: The Audit and Risk Committee endorsed the current approach to sickness absence monitoring and reporting within SHG. The Committee acknowledged sickness absence would continue to be used as a performance measure for the organisation, and the Committee accepted the new target proposed with the tolerance, but with a proviso that there was sufficient narrative presented in the reports to provide relevant context and make the numbers meaningful.</p>	
08	ARCHITECTURE BUSINESS PLAN 2019/22 (DECISION)	
	<p>The Head of Investment introduced the business plan and invited the Committee to ask questions:</p> <ul style="list-style-type: none"> • The Head of Investment referred to an example where Stockport Homes had advised a client that a traditional contract, requiring the employment of an architect, was the best way to meet their needs. He expressed confidence in Stockport Homes' ability to win work in this way, in competition with design and build alternatives. • The Head of Investment explained that the Architecture Team completes a portfolio of work for Stockport Homes. • The Head of Investment explained that the service is ambitious and would be willing take opportunities outside of the Borough. • The Head of Investment confirmed that the business plan proposals were well received by the Operations Committee. 	
	<p>RESOLVED: The Audit & Risk Committee approved the Architectural Services Business Plan and the emergent actions within it.</p>	
09	CUSTOMER SAFETY COMPLIANCE FRAMEWORK (DECISION)	
	<p>The Head of Investment introduced the report and invited the Committee to ask questions:</p> <ul style="list-style-type: none"> • The Head of Investment agreed to include staged targets in the new approach to customer safety compliance. This will ensure the clear monitoring of actions and progress towards targets over longer periods of time. 	JB1

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	RESOLVED: The Audit & Risk Committee agreed the new approach to reporting compliance performance and review and commented on the report.	
10	GROUP RISK UPDATE REPORT : QUARTER FOUR 2018-19 (DECISION)	
	The Assistant Chief Executive introduced the report and invited the Committee to ask questions: <ul style="list-style-type: none"> The Assistant Chief Executive explained that the detailed spreadsheet is located in the TeamEngine Board Portal, which shows the different mechanisms which provide the overall control of risks. 	
	RESOLVED: The Audit and Risk Committee: <ol style="list-style-type: none"> Approved the progress against delivery of risk control actions across the Group risk registers 	
11	TREASURY MANAGEMENT 2018/19 – ANNUAL PERFORMANCE REPORT (DECISION)	
	The Head of Corporate Finance introduced the report and invited the Committee to ask questions: <ul style="list-style-type: none"> The Committee noted the contents of the report. 	
	RESOLVED: The Audit and Risk Committee noted the contents of the Treasury Management 2018-19 Annual Performance Report.	
12	REVIEW OF RESERVES AND CASH FLOW (DECISION)	
	The Head of Corporate Finance introduced the report and invited the Committee to ask questions: <ul style="list-style-type: none"> The Head of Corporate Finance explained that there is an increased provision to anticipate any liability that Stockport Homes may share in regard to the car leasing scheme query from HMRC. The Director of Resources explained that sessions on stress testing will take place with Board Members, as this is an area where the organisation would like to improve. The Director of Resources confirmed that the setting aside of £5m for invest to save initiatives is in addition to the £2.1m which was set aside for the Melford Road development, during the Board Meeting on 18 March 2019. 	CC
	RESOLVED: The Audit and Risk Committee: <ol style="list-style-type: none"> Noted the 15 year cash flow forecast; Approved the recommended minimum level of cash balances for the Stockport Homes Group of £2.55m; and Approved the set aside of £5m for invest to save initiatives approved by the Stockport Homes Management Team. 	
13	STOCKPORT HOMES GROUP ABBREVIATED MANAGEMENT ACCOUNTS (INFORMATION)	
	The Head of Corporate Finance introduced the report and invited the Committee to ask questions: <ul style="list-style-type: none"> The Committee noted the contents of the report. 	

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	RESOLVED: The Audit and Risk Committee noted the Management Accounts to April 2019 and the successful outcomes from managing budgets effectively.	
14	FORWARD PLAN (INFORMATION)	
	<p>The Governance Manager introduced the forward plan of business and invited the Committee to ask questions:</p> <ul style="list-style-type: none"> The Governance Manager raised an item of any other business submitted by Jamie Hirst, related to the coverage of a homelessness case on social media and the reputational risks associated with this. The Governance Manger explained that he had requested a response from the Marketing and Communications Manager and will circulate this to all committee members and give opportunity for comment and further questions. 	JBe