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'Under One Roof' The newsletter of BG Audit & Consultancy

Chinese New Year...

Having spent much of the last 18 months at Tung Sing Housing Association, the usual new year festivities passed Bill by but Chinese New Year has occupied his thoughts the last few weeks. As we enter the Year of the Dog, thoughts turn to changes in the recent past and future opportunities. BG Audit & Consultancy has certainly seen plenty of changes with a significant interim management contract under its belt and a host of new contacts. This newsletter looks in more detail at some of these changes and also opportunities for the future.



Interim management

The interim management experience has certainly been unconventional for an internal auditor. The old adage that internal auditors have to understand all parts of the business has never been truer. Although, ultimately it comes down to management, the excellent grounding that internal auditors receive in

the detailed practices and procedures of a RSL can enable them to empathise with the day to day operations carried out by the officers. Whilst their strategic grasp of the business gained from such activities as risk management, give them a superb overview of all activities.

So in some respects this is a plug for internal auditors to be given the opportunity to have some line management experience. But what do the auditors get out of it? From Bill's recent experience there can not have been a more varied position within the housing sector and he has been incredibly fortunate to be in that position.

An initial project based assignment became a fully-fledged management role with the Association being placed in supervision and an interim Chief Executive being appointed. The post of Head of Housing Services covered housing management and supporting people but Bill also took on the management of the Association's Equality & Diversity Unit.

With two operational managers bearing some of the brunt of the day to day operations, Bill has been able to be involved in numerous projects:

- Selection of a group partner;
- Establishment of a service improvement framework;
- Re-negotiation of Supporting People contracts: including provision of detailed costings, preparation of accreditation

evidence and management of all the service reviews;

- Revision of the performance indicator reporting;
- Establishment of a policy and procedure review matrix.

It's a novel position for an auditor to be involved in developing something rather than reviewing it and the situation has not been without its benefits.

For future internal assignments, a better understanding of operational pressures will be a pre-requisite. The level of detailed knowledge obtained from day to day management of operations will provide a level of expertise that will be hard to match within certain key areas. This experience has certainly highlighted the possible benefits for more job-swaps between auditors and operational managers. The whole issue of 'gamekeepers turned poachers' springs to mind but that is an easily surmountable problem that is far outweighed by the prospective benefits.

Supporting People

Many RSLs have struggled with Supporting People and if recent articles in Inside Housing are to be believed, they still do but the environment in which it operates seems to be getting worse for everyone.

After a recent presentation at a HAIAF General Meeting entitled 'Supporting People – The Nightmare Continues', the housing press has been littered with stories of doom and gloom. The presentation also highlighted the serious lack of detailed knowledge within the internal audit fraternity of this complex area.

Bill's involvement with renegotiating eight separate SP contracts, worth over £200k and covering both sheltered and floating support has taught him that SP teams know their stuff and you need to be at the top of your game to deal successfully with them.

There is also the knowledge that bleating about cuts does not do either RSLs or the sector any favours, although there are

numerous examples of blanket cuts which are totally unfair and contrary to ODPM guidance. What we require are novel approaches to delivering the service. Supported Housing has not changed much in the recent past and so an overhaul is needed.



The real issue is the variety and complexity of supporting people provision, which makes benchmarking a minefield, despite the recent SITRA/Housemark project, and makes reasonable comparisons awkward.

Bill is carrying out further internal audit work around this subject, so if you would like to review the management of risk within your Supporting People team or have your procedures reviewed in line with the QAF, please contact BG Audit & Consultancy.

Conferences and training

The NHF Finance Conference is upon us again. Mergers within the sector are still very much a hot topic of conversation. The recent spate of articles in Inside Housing testify to this fact. Bill will be presenting a session on Mergers with David Mullins of the Centre for Urban and Regional Studies. We understand that's its proving to be one of the more popular sessions so please come along to what should be a provocative event. It is such a sensitive subject for some people but it should also be entertaining, especially with Bill building on the Shakespearean title, 'To merge or not to merge', by peppering his presentation with various quotes from the Bard's best work.

Bill will not be getting off lightly, as he is also running a workshop with Sally Hunter from Aspire Housing around the subject of Business Assurance. With Bill's recent experiences on the front-line, a new approach may be taken over the value of audit and assurance within an organisation. The session will certainly be different, with this one containing a whole host of references to fairytale stories. If you want to find out what they have to do with business assurance, you will have to go along and find out!

Validations and inspections

BG Audit & Consultancy has joined forces with Mitchell Charlesworth Chartered Accountants to offer a quality and cost effective PI Validation service to RSLs.

We are also happy to carry out re-validations that were originally completed by other organisations.



RSLs are bearing an increasing burden of inspection and regulation. In an attempt to help keep the cost of this down, especially for smaller RSLs, we have teamed up with Mitchell Charlesworth and our Associate, Sarah-Jane Brown, to offer a range of services around service improvement reviews and pre-inspection health-checks.

For more details on our full range of services, please visit our website. For details on Mitchell Charlesworth's Business

Assurance team, please visit their website at http://www.mitchellcharlesworth.co.uk/about/os_busassurance.html.

Internal audit research

BG Audit & Consultancy was asked to carry out some free research into internal audit functions within the RSL sector. A short questionnaire was circulated among members of the Housing Association Internal Audit Forum (HAI AF). The key finding from the research is that internal auditors are not very forthcoming with information as only six members responded.

The interesting point for internal auditors trying to gain more resources is that it is not always the largest RSLs that have the biggest departments. The research also highlighted the variations in salaries but positively the general trend appears to be that internal auditors are better remunerated now than they have been in the past. With Heads of Internal Audit expecting to earn in excess of £40k.

The research has been kept within the group of respondents but if the HAI AF would like to have a more extensive piece of research carried out within the group, we would be happy to carry this out.

Website

The BG Audit & Consultancy website has been updated with more information.

A pdf version of this newsletter is available, plus details of our services, clients and Associates. A pdf version of Sarah-Jane Brown's CV is now available on the site. An updated version of Bill Gill's will be going on shortly. Please browse the site and email us with any comments that you may have.

A last thought....

Bill recently attended a session run by the NHF that looked at the possible impact of 'Affirmative Enquiry' on the inspection process. This is an approach developed in

the United States, which has its foundation in Neuro Linguistic Programming (NLP).

The main premise of the approach is to focus on the positive and use the innate power of the mind to deal with problems.

In the business world, NLP can be used to model intuitive talents and skills and pass those skills onto other people. NLP's models of communications and behaviour can be used to improve customer relationships, increase the effectiveness of people, help managers and leaders to become more purposeful and empathic and help anyone in a business be more effective at what they do.

Of course, NLP isn't about being nice to people - it's about getting results. In business, many of the tools created by NLP have a direct application that will help people be more effective, solve problems easily and achieve the personal and organisational goals they set.

In particular, there is a resonance with internal audit. The way in which auditors attempt to identify improvements, ensure risks are managed and make recommendations could really benefit from NLP.

Any manager will immediately testify to the potential benefits of positive approaches and attitudes in the work place. As workloads increase and pressure intensifies, the coaching and mentoring style of management becomes ever more required over the old fashioned 'command and control' style. It is disappointing that research in the sector and experience tells us that many senior managers still operate in this manner. It is most prevalent among chief executives who believe that a 'macho' approach to management is the key to achieving the growth that many organisations are seeking.

Maybe my New Year wish as we enter the Year of the Dog is for greater understanding at management level and a more compassionate approach to achieving business excellence.



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