

AUDIT COMMITTEE

Minutes of the Meeting of the Committee held on **14 July 2008** in Board room at 14 Hounds Gate from 5.40 pm to 7.15 pm.

Present

Committee Members:

Anne Dean (Chair)

Harry Everington

Valerie Schneider (left at 7.10pm)

Also in Attendance

Julie Crook - Director of Finance

Karen Jamieson - TIAA (left at 7.00pm)

Julie Jones - Grant Thornton UK LLP (left 6:15pm)

Lorraine Hayes - Governance Officer (Minute Taker)

Alison Mapp - Company Secretary/Solicitor

David Robinson - TIAA (left at 7.00pm)

07/49 WELCOME, INTRODUCTIONS & CHAIRS ANNOUNCEMENTS

The Chair welcomed attendees to the meeting.

07/50 APOLOGIES

Apologies were received from Margaret Pugsley.

07/51 DECLARATIONS OF INTEREST

None received.

07/52 MINUTES OF THE MEETING HELD ON 10 JUNE 2008

The minutes were adopted as a true and accurate record of the meeting.

07/53 DRAFT ANNUAL FINANCIAL STATEMENTS TO 31 MARCH 2008.

The Director of Finance requested that the Committee approve the financial Statements to be presented to the Board on 24 July 2008. There are two outstanding Actions to be resolved prior to the accounts being signed off;-

1. Letter of Comfort from Nottingham City Council.
2. Confirmation from Shoosmiths of amount included in provisions.

The external auditors informed the Committee that the accounts presented a true and fair view of the Company's current position. Nottingham City Homes as no fixed assets but has creditors for repairs and net pension liabilities. This is entirely consistent with other Arms Length Management Organisations (ALMOS).

The Committee sought assurance that the Directors have been indemnified against the pension deficit. The External auditor confirmed that by obtaining the letter of comfort from NCC that would give the Directors the assurance they sought.

The Committee sought assurance that debts due from NCC are being expedited. The Committee was informed that the Company was hoping to change the accounting basis to invoice weekly and to have our own bank account during 2008/09.

The Committee fully supported the necessity of NCH having our own bank account and the Directors would be responsible in ensuring that the account was managed responsibly. The Director of Finance proposed to progress the creation of our own bank account outside the NCC suite of bank accounts post July 2008, it was recognised that an action plan would need to be drawn up prior to the handover.

The external auditors confirmed that there are no major control weaknesses, subject to obtaining the letter of comfort from NCC.

RESOLUTION:

The Committee approved the draft financial statements to be presented to the Board subject to the outstanding documentation being received and to be presented to the next Audit Committee meeting.

07/54 FINAL INTERNAL AUDIT REPORTS

The Internal auditors (TIAA Limited) informed the Committee that there had been an audit of Governance anti fraud arrangements completed in the first quarter which had necessitated a joint response this audit would be presented to the next meeting. The Committee were informed that the Internal Auditors had carried out an audit review on Tenant Participation Arrangements, Anti Social Behaviour Arrangements and Rent Arrears Arrangements.

The Committee was informed by TIAA that the reports had been presented in a new format and would welcome comments from the Committee members on its layout and contents.

Tenant Participation Arrangements

The Committee were informed that there were four recommendations made by the Internal Auditors and with the agreement of Management and responsible officers the timescales for implementation had all been agreed. The Chair informed the Committee that there had not been an ASB reference group meeting for some time and was there any reason for this. A response would be forwarded direct to the chair. The Committee asked did TIAA benchmark the audit reports. The Internal Auditors informed the Committee they did not benchmark audit reports but did share best practice with other ALMO'S. The Committee welcomed the recommendation that tenant participation would be monitored and reported to the Performance & Regulatory Committee and the Board.

Anti Social Behaviour Arrangements

The Committee were informed that there were nine recommendations made by the Internal Auditors and with the agreement of Management, responsible officers and the timescales for implementation have all been agreed. It was recognised that Kim De Vergori Assistant Director of Tenancy & Estate Management welcomed the review and was pleased to receive the recommendations.

Rent Arrears Arrangements

The Committee were informed that there were a number of recommendations made by the internal Auditors. It was highlighted that it was a key priority for the Company to review cash collection arrangements from its offices in light of recent incidents. The Committee fully supported the review to ensure the Health and Safety for our customers and employees.

RESOLUTION:

The Committee approved the report subject to the management action plan being amended to include job titles rather than named officer.

07/55 AUDIT COMMITTEE ANNUAL REPORT 2007/08

The Director of Finance informed the Committee that the Committee was accountable to the Board for the fulfillment of the responsibilities delegated to it under the Terms of Reference and all Committee members share responsibility for its decisions. The Committee Was asked to satisfy itself that the contents of the report reflected the works of the Audit Committee during 2007/08 and to approve the work plan for 2008/09. The Committee recognised the need to have a member with specific financial expertise and it was proposed to address this be revising the membership for 2008/09.

The Committee was informed by the Company Secretary/Solicitor that training for Committee Members was being reviewed and a training programme would be circulated at the Board Away day.

The Committee terms of reference would be presented at the next meeting.

RESOLUTION:

The Committee approved the report and work plan for 2008/09.

07/56 NCC INTERNAL AUDIT SERVICES

The Committee wanted to place on record their thanks to Mick Ahern at NCC for his continued support to the Committee. The Director of Finance would draft a letter of thanks to be signed by the Chair.

07/57 FORWARD PLAN

The Committee noted the forward plan

07/58 DATE OF THE NEXT MEETING

The Committee was advised that the date of the next meeting is scheduled for 15 September 2008 in the Meeting Room C, 3rd Floor, 14 Hounds Gate, Nottingham, NG1 7BA at 5.30pm.

The meeting closed at 7.15 pm

Signed **Date**