

**AUDIT COMMITTEE**

**Minutes** of the Meeting of the Committee held on **9 MARCH 2009** in Board Room at 14 Hounds Gate from 5.00 pm to 7.05pm.

**Present**

**Committee Members:**

Anne Dean (Chair)

Harry Everington

Peter Linford

Valerie Schneider

**Also in Attendance**

Julie Crook - Director of Finance, ICT & Governance

Karen Jamieson - TIAA Limited

Janet Locker - Senior Governance Officer (Minute Taker)

Alison Mapp - Company Secretary/Solicitor

David Robinson - TIAA Limited

**08/21 WELCOME, INTRODUCTIONS & CHAIRS ANNOUNCEMENTS**

The Chair welcomed attendees to the meeting.

**08/22 APOLOGIES**

None received.

**08/23 DECLARATIONS OF INTEREST**

None received.

**08/24 MINUTES OF THE MEETING HELD ON 8 DECEMBER 2008**

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

**08/25 FINAL INTERNAL AUDIT REPORTS.**

The Director of Finance, ICT & Governance (DFIG) informed the Committee that (TIAA Limited) had completed 6 internal Audit reports which included an evaluation of the effectiveness of the risk mitigation arrangements, in the main the reports received an evaluation of reasonable assurance.

**Payments**

The Committee was informed that the Internal Auditors had made seven recommendations, six of which had been agreed with management and responsible officers and one had not. The timescales for implementation of the agreed recommendations was also agreed. One recommendation had already been completed.

## **Risk Management**

The Committee was informed that the Internal Auditors had made seven recommendations, one of which had been partially agreed with the agreement of Management and responsible officers and one had not. The timescales for implementation had all been agreed. Three recommendations had already been completed.

The Committee was informed that the training in relation to risk management would be delivered at the next Board Away session.

## **Contract Services – Service Delivery Arrangements**

The Committee was informed that the Internal Auditors had made four recommendations all with the agreement of Management and responsible officers, one of which had already been implemented that had been classified as 'Operational Effectiveness Matters'. The timescales for implementation had also been agreed for the remaining three recommendations.

The Committee discussed a matter relating to the Operatives' use of the vehicles, the DFIG advised the Committee there were a number of matters concerning work practices and that ongoing discussions with the Trade Unions are being held.

## **Contract Services – Purchasing Arrangements**

The Committee was informed that the Internal Auditors had made seven recommendations, four had been agreed with Management and responsible officers and three had been classified as 'Operational Effectiveness Matters' and remained under consideration.

The TIAA representative informed the Committee that consideration needed to be given to the staff discount scheme in that there could be a potential breach of Schedule 1 of the Housing Act under the proposed new regulator (TSA), which currently does not apply to ALMO's.

## **Governance Review – Half Year Assurance Update**

The Committee was informed that the Internal Auditors had made two recommendations, one for immediate implementation and the other by end of March 2009.

The Chair of the Committee commented on a risk that had been highlighted within the report with regard to the failure to issue Energy Performance Certificates (EPCs). The TIAA representative confirmed that prior to 1 October 2008 EPCs only related to private landlords but they now included social landlords. The Company Secretary & Solicitor advised that enquiries would be made and reported back to the Committee.

## **Follow Up Review**

The Committee was advised that all the areas of work that Nottingham City Council (NCC) had undertaken during financial year 2007/08 had been reviewed. There was thirty-three recommendations, twenty-one of which had been implemented, ten were in the process of being implemented, one not applicable and one not implemented. The recommendation not implemented to date related to document retention in housefiles and in particular loss of documentation, misfiling and loss of files. The matter had been highlighted as a training issue.

## **RESOLUTIONS:**

### **The Committee:**

- 1. noted the reports; and**
- 2. agreed the recommendations made by TIAA and the respective Management comments made by Nottingham City Homes responsible officers.**

### **08/26 INTERNAL CONTROL ISSUES – AUDIT REGISTER OF OUTSTANDING ACTIONS**

The DFIG advised the Committee that there were some outstanding issues. The matter had been discussed with the Directors and arrangements have been put in place to examine the register with officers where there was no progress being made.

The DFIG asked the Committee to consider the removal of items from the register where the Company was unable to influence the implementation of the recommendations linked to NCC. Following a discussion it was agreed that the two items would remain on the register until July 2009.

The Committee recognised that there was a lot a work to be completed by March and April 2009.

## **RESOLUTIONS:**

### **The Committee:**

- 1. reviewed the report and commented on the current status of the Audit Register Summary and Audit Register; and**
- 2. approved that items 7 and 26a would remain on the Audit Register until July 2009.**

### **08/27 AUDIT PLAN 2009/10**

The DFIG advised the Committee that TIAA (Internal Auditors) had prepared the Audit Plan for 2009/10.

The DFIG gave an update on progress made against the 2008/09 Audit Plan and advised that the progress on the Service Level Agreements (SLAs) had been slow, this had been mainly due to NCC not knowing the cost of their service and some costs had been allocated on a historical basis. It was reported that NCC Internal Auditors had been relying on some of the Company's audit work to carry out checking. The TIAA representative confirmed that some of their work would impose on NCC.

## **RESOLUTIONS:**

### **The Committee:**

- 1. approved the 2009-2010 Audit Plan; and**
- 2. noted the progress to date on the Audit Plan for 2008/2009.**

**08/28 FORWARD PLAN**

The Committee noted the forward plan.

**08/29 DATE OF THE NEXT MEETING**

The Committee was advised that the date of the next meeting is scheduled for 11 May 2009 in the Board room at 14 Hounds Gate, Nottingham, NG1 7BA at 5.00 pm.

The meeting closed at 6.55 pm

Signed ..... Date .....