

## NOTTINGHAM CITY HOMES

### REPORT OF THE DIRECTOR OF FINANCE, ICT & GOVERNANCE

THE BOARD  
15 MAY 2008

### REVIEW OF THE COMPANY'S STANDING ORDERS & FINANCIAL REGULATIONS

#### 1 SUMMARY

- 1.1 The Company's Standing Orders have been subjected to a re-examination by the Executive Management Team, in line with the Board's requirement for an annual review.

#### 2 RECOMMENDATIONS

- 2.1 To approve the Company's new Standing Orders in 3 sections (Governance, Financial Regulations, Tender and Contract Procedure Rules).
- 2.2 To approve the amended Scheme of Delegation.

#### 3 REPORT

- 3.1 The documents for approval have been reviewed and developed by the Executive Management Team and are set out as follows (any appendices referred to in each document are not enclosed unless considered significant) –  
Annex 1 – Standing Orders Part 1: Governance  
Annex 2 – Standing Orders Part 2: Financial Regulations  
Annex 3 – Standing Orders Part 3: Tender and Contract Procedure Rules  
Annex 4 – Scheme of Delegation
- 3.2 Part 1 of Standing Orders reflects the proposed changes to the Articles of Association included in the report to Board on 13<sup>th</sup> March 2008. These deal with the Board Renewal processes.
- 3.3 The revised Financial Regulations –
- Are more accurately cross referenced to other key documents,
  - Include some additional controls,
  - Provide an updated budget virement framework,
  - Clarify arrangements for receipt of income and cash handling,
  - Include a section dealing with the Money Laundering Regulations 2007.
  - Incorporate an updated Financial Authorisation Matrix, which shows the limits, levels and limits for authorising officers.
- 3.4 It will be necessary to consult with the City Council on changes to the Financial Regulations, to ensure that there is no divergence from the

principles underlying their financial control systems. Where discussions with the City Council result in substantive, as opposed to minor amendments proposed to the Financial Regulations, then the document will be brought back to the Board for reconsideration.

3.5 The Tender and Contract Procedure Rules have been subject to major redrafting. This has been done with the aim of producing a more comprehensive document to deal with all types of procurement. They have been designed to incorporate adequate flexibility whilst ensuring that the principles of strict financial control and probity are embedded in them.

3.6 The Scheme of Delegation has been amended –

- To more accurately reflect the powers delegated to the Performance and Regulatory Committee.
- To include a section enabling the Chair of the Board to authorise actions to facilitate the efficient operation of the Company. Any actions taken under that provision will be reported to the next Board meeting.

#### **4 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES**

4.1 Effective governance arrangements are essential to enable the Company to be able to work towards achieving its objectives.

#### **5 RISK IMPLICATIONS**

5.1 Operating without governance policies and procedures that are fit for purpose exposes the Company to very great risk in many areas – financial, accountability and reputational.

#### **6 COMMENTS OF THE DIRECTOR OF FINANCE, ICT AND GOVERNANCE**

6.1 The Director of Finance, ICT and Governance is the author of this report.

#### **7 VALUE FOR MONEY & EFFICIENCY ISSUES**

6.1 Robust governance arrangements are a prerequisite for an efficient organisation.

#### **8 EQUALITY & DIVERSITY IMPLICATIONS**

8.1 Effective governance arrangements will ensure that equality and diversity matters remain a continued focus for the Company.

#### **9 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

9.1 External best practice

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