

FINANCE & AUDIT COMMITTEE

Minutes of the Meeting of the Committee held on **9 NOVEMBER 2009** in Board Room at 14 Hounds Gate from 5.00 pm to 6.30 pm.

Present

Committee Members:

Ade Aderogba

Suhail Hashmi

Peter Linford Arrived at 5.35pm

Janet Storar

Malcolm Wood

Also in Attendance

Julie Crook - Director of Finance ICT & Governance

Peter Harrison - TIAA Limited

Lorraine Hayes - Governance Officer (Minute Taker)

Alison Mapp - Company Secretary/Solicitor

09/01 WELCOME, INTRODUCTIONS & ANNOUNCEMENTS

The Company Secretary & Solicitor (CSS) welcomed attendees to the first meeting of the Committee.

09/02 APOLOGIES

None received.

09/03 DECLARATIONS OF INTEREST

None received.

09/04 MINUTES OF THE PERFORMANCE & REGULATORY MEETING HELD ON 11 AUGUST 2009

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

09/05 MINUTES OF THE AUDIT MEETING HELD ON 7 SEPTEMBER 2009

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

09/06 FORMAL APPOINTMENT OF CHAIR

The CSS informed the Committee that Malcolm Wood had been nominated as the Chair of the Committee at the Board Meeting held on 24 September 2009 and it was for the Committee to formally ratify the appointment.

RESOLUTION:

The Finance & Audit Committee approved the appointment of Malcolm Wood as the Chair.

The Chair welcomed attendees to the meeting and informed the Committee that he was keen to ensure the financial Governance of the Company was robust

09/07 TERMS OF REFERENCE & DELEGATION OF POWERS

The CSS asked the Committee to give consideration to the terms of Reference and Delegation of Powers. Janet Storar sought clarification in relation to paragraph two of the membership. The CSS confirmed that the Chair of the Board shall not be the Chair of Finance & Audit Committee. The Committee commented that the terms of reference were excellent and exemplified best practice.

RESOLUTION:

The Committee approved the Terms of Reference & Delegated powers subject to the minor amendments and recommended ratification by the Board

09/08 PERIOD 6 FINANCIAL REPORT

The Director of Finance, ICT & Governance (DFIG) presented to the Committee the second quarter financial report for the financial year 2009/10.

The DFIG informed the Committee that within the Property services trading account a deficit was forecast the main reason for this was efficiencies highlighted at the time of the repairs tender had not yet been achieved. This matter is linked to the modernisation of the repairs service.

Suhail Hashmi sought clarification on the pay award and terms and conditions clarification was given by the CSS on this point.

Ade Aderogba queried the feasibility of a rent reduction in the next financial year. The DFIG informed the Committee that we are awaiting communication on the figures.

Janet Storar sought clarity on the risk to the Company from the swine flu pandemic. The Committee was informed that there had been no significant occurrences within the Company at this time but the Company was closely monitoring the situation.

Ade Aderogba sought clarification on the equality strategy including single status. The CSS informed the Committee that single status was to align employees on different terms and conditions and in agreement and consultation with employees to consolidate terms and conditions across the Company. This would involve the evaluation of existing posts and decide upon salary bands in consultation with employees and unions.

The Chair was conscious that we need to move at a faster pace in terms of Equality and Diversity. It was noted that the Board had requested an update on the progress to date. The DFIG informed the Committee that the Director of Strategy and Partnership was working with the Head of Equality and Diversity on this.

The committee noted the report.

09/09 BUDGET 2010/11

The DFIG informed the Committee we have not received the draft subsidy determination and that we had sought clarification on its receipt. The DFIG had been informed that we should receive the draft determination in the near future.

The Committee were informed meeting would take place with the portfolio holders. The Chair requested that the Committee be fully informed of any developments.

The committee noted the report.

09/10 INTERNAL CONTROL ISSUES AUDIT REGISTER OF OUTSTANDING ACTIONS

The DFIG informed the Committee that there were sixty eight internal audit recommendations of which seventeen had been fully implemented, fifty one were outstanding and as previously advised many of the recommendations were linked to projects outside of the Company's control.

The Chair was disappointed that we had fifty one outstanding actions. The DFIG assured the Chair that the Company was actively focusing on the outstanding actions. The DFIG informed the Committee that the Audit register had been colour coded and it had been agreed that the new Housing Management and Property Services Committees shall now be responsible for reviewing and monitoring the implementation of the agreed recommendations in relation to their respective Directorate audit reports.

The Committee noted the report

09/11 FINAL INTERNAL AUDIT REPORTS.

The DFIG informed the Committee that (TIAA Limited) had completed five internal Audit reports which included a risk management review of the integrations arrangements, review of major repairs arrangements, review of budgetary control arrangements, review of the contract service payroll arrangements and a half year internal controls assurance update report.

09/11.1 INTEGRATIONS ARRANGEMENTS

The Committee was informed that the recommendations made by the Internal Auditors with the agreement of Management and responsible officers and the timescales for implementation had all been agreed.

The Committee was informed that an evaluation of reasonable assurance had been established of the overall adequacy of the internal controls.

The Committee sought clarity that we seek an annual risk appraisal report as part of the renewal of insurance policies. The DFIG informed the Committee that she would discuss this request with the Insurance and risk management officer at Nottingham City Council.

09/11.2 MAJOR REPAIRS ARRANGEMENTS

The Committee was informed that TIAA had reviewed the Company' controls and identified no recommendations or actions which they deem are required of management in order to significantly strengthen the respective control environment.

The Committee was informed that an evaluation of reasonable assurance had been established of the overall adequacy of the internal controls.

09/11.3 BUDGETARY CONTROL

The Committee was informed that TIAA had reviewed the Company' controls and identified no recommendations or actions which they deem are required of management in order to significantly strengthen the respective control environment

The Committee was informed that an evaluation of substantial assurance had been established.

09/11.4 REVIEW OF CONTRACT SERVICES PAYROLL ARRANGEMENTS

The Committee was informed that TIAA had reviewed the Company' controls and identified three recommendations or actions which needed to be addressed by management in order to further strengthen the control environment.

The Committee was informed that an evaluation of limited assurance had been established.

The Committee noted the report

09/12 AMENDED STANDING ORDERS PART 2 FINANCIAL REGULATIONS

The DFIG informed the Committee that the Company Standing Orders part 2 The Financial Regulations had been subject to a re-examination in line with the Boards requirement for an annual review.

The Committee was impressed with the quality and clarity of the financial regulations.

RESOLUTION:

The Committee approved the amended standing orders and recommended approval by the Board.

09/13 WORK PLAN

The Committee agreed the proposed work plan.

09/14 DATE OF NEXT MEETING

The Committee was advised of the future dates of the committee and it was agreed that the meetings would commence at 4.00 pm subject to other diary commitments

The meeting closed at 6.30 pm

Signed **Date**