

FINANCE & AUDIT COMMITTEE

Minutes of the Meeting of the Committee held on **8 February 2010** in Board Room at 14 Hounds Gate from 4.00 pm to 4.55 pm.

Present

Committee Members:

Ade Aderogba

Kevin Butt

Suhail Hashmi

Peter Linford Left at 4.50 pm

Malcolm Wood

Also in Attendance

Julie Crook - Director of Finance ICT & Governance

Peter Harrison - TIAA Limited

Lorraine Hayes - Governance Officer (Minute Taker)

David Robinson - TIAA Limited

09/15 WELCOME, INTRODUCTIONS & ANNOUNCEMENTS

The Chair of the Committee welcomed Kevin Butt and attendees to the meeting.

09/16 APOLOGIES

None received.

09/17 DECLARATIONS OF INTEREST

None received.

**09/18 MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING HELD
ON 9 NOVEMBER 2009.**

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

09/19 BUDGET 2010/2011

The Director of Finance ICT & Governance (DFIG) informed the Committee that the draft subsidy determination had been received on 10 December 2009 and the final determination had been received on 3 February 2010 which included an overall increase in resources for Nottingham of Four thousand pounds (£4k). The HRA budget was subject to approval at the Executive committee of Nottingham City Council on 24 February 2010.

The Chair sought assurance that the number of lettable void properties would be reduced. The DFIG informed the Committee that the new void management team was confident that the target number of lettable voids would be reduced to 300 by the end of the year.

The DFIG would circulate the 2010/2011 HRA budget to the Committee, which was subject to approval by the Nottingham City Council on 24 February 2010 at the earliest opportunity.

The Committee noted the report.

09/20 3rd QUARTER FINANCIAL REPORT

The DFIG presented to the Committee the third quarter financial report for the financial year 2009/2010.

The DFIG informed the Committee that the Company projected a revenue surplus of five hundred and one thousand pounds (£501k) which would be returned to the Housing Revenue Account to offset the projected overspend on repairs. The Committee was informed that within Property Services the projected expenditure on repairs was higher than estimated due to the increased volume of responsive repairs and void properties in the first half of the financial year. The Chair sought assurance that control measures had been implemented. The DFIG informed the Committee that the figures are monitored on a week by week basis.

The DFIG informed the Committee of a CR101 claim against the Company and the possible financial consequences. The DFIG would keep the Committee informed on any developments.

Within Housing Management savings against staffing costs had been consistent and that good budget management had been demonstrated.

Kevin Butt sought clarity that the Company was making best use of accommodation. The DFIG informed the Committee that the Company was currently consulting with Nottingham City Council on the imitations of the load capacity of the Hounds Gate building and the proposed increase in costs of office accommodation

Peter Linford asked had the Company considered sharing accommodation at Loxley House been explored. The DFIG confirmed that it was best practice for Arms Length Management Organisation's to have independent accommodation.

The Committee noted the report.

09/21 INTERNAL CONTROL ISSUES AUDIT REGISTER OF OUTSTANDING ACTIONS

The DFIG presented the report to the Committee. Within the current register 49 of the 64 recommendations remained outstanding and it was accepted that it was vital that responsible officers should take ownership of the actions required to ensure that the audit recommendations are fully implemented at the earliest opportunity. The Chair confirmed the requirement for the recommendations to be implemented in order that we show probity to facilitate the achievement of three stars.

Audit Ref 2

The DFIG confirmed that until the One World system that was owned by Nottingham City Council was updated or replaced service delivery issues could not be progressed until 2010/2011.

Audit Ref 5

The DFIG confirmed that budget provision had been made for the introduction of document imaging system.

Audit Ref 25

Kevin Butt sought clarity on the principle of the "Sinking Fund". The DFIG confirmed that leaseholders could pay a sum of money into the fund to cover maintenance costs. Should the leaseholder vacate the property any money previously invested was non recoverable from the fund. Should the Company and Nottingham City Council agree to the principles a full citywide consultation with leaseholders would take place.

Audit Ref 26 & 27

The Committee was informed of the progress made to date and that quarterly Health & Safety reports are in place. Kevin Butt confirmed he had received a copy of the asbestos survey report on his property.

Audit Ref 52

The DFIG confirmed the Corporate Risk Register had not been presented to the meeting and implementation would be actioned for the next meeting of the Committee by the Company Secretary & Solicitor (CSS).

The Committee noted the report.

09/22 FINAL INTERNAL AUDIT REPORTS

The DFIG informed the Committee that (TIAA Limited) had completed three internal audit reports which included a review of the sundry income arrangements, governance review of the conflicts of interest arrangements and review of the strategic governance arrangements.

09/22.1 SUNDRY INCOME ARRANGEMENTS

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

The DFIG confirmed that a meeting had been scheduled with Nottingham City Council for March 2010 to discuss the service level agreements.

09/22.2 Governance Review Of The Conflicts Of Interest Arrangements

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

The DFIG confirmed that the CSS would present within the Company Secretary report to Board in March 2010 the status of outstanding board declarations.

09/22.3 Review of Strategic Governance Arrangements

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

The Chair sought clarity on the distribution of confidential papers. The DFIG confirmed the Company was satisfied that highly confidential reports would not be distributed in advance of meetings. This was subject to further discussion with the Board.

09/22.4 Audit Strategic Plan & Annual Plan 2010/11

The DFIG confirmed that the Audit plan in agreement with TIAA had been updated and agreed. The plan included a reduction in audit days of 3 in 2009/10 and 35 in 2010/11. TIAA informed the Committee that a good working relationship and understanding of the service delivery of the Company had been achieved.

Ade Aderogba sought clarity on the terms of engagement of the internal Auditors.

The DFIG informed the Committee that TIAA had been appointed for a three year period with the option to extend by a further two years. A report would be presented to a future meeting of the Committee.

The Committee noted the report.

09/23 COMPANY SECRETARY MATTERS

The DFIG informed the Committee that there had been no matters to report since the last meeting.

09/24 ANY OTHER BUSINESS

None

09/25 FORWARD PLAN

The DFIG confirmed that the external auditors would attend the next meeting and the accounts would be presented to the Committee in August 2010.

The meeting closed at 4.55 pm

Signed **Date**