

AUDIT TERMS OF REFERENCE

Topic:	Repairs
T o R Version:	1.0
Audit Manager:	Mick Ahern
Auditor:	
Date:	13.08.2007
Background:	Audit included in Audit Plan, for completion in 2007/08
Objective:	To provide assurance to Interim Director (Technical) and the Audit Committee of NCH that the system for repairs is operating effectively.
Main Risks:	<p>Work will be undertaken to establish that adequate controls are in place to mitigate the following risks:</p> <p>Compliance with procedures:</p> <ul style="list-style-type: none"> • Procedures are not being followed; • Service Charter is not complied with; • Best practice guidance is not complied with. <p>Poor stock condition :</p> <ul style="list-style-type: none"> • Repair performance is poor • Failure to meet acceptable standards <p>Integrity and reliability of information</p> <ul style="list-style-type: none"> • Loss of income – inaccurate or incomplete charging • Performance measures are based on inaccurate information • Repairs not fully recorded against properties
Scope:	<p>The scope of this review will be to concentrate on the processes and controls in the housing repairs system operated by NCH. In particular this review will look at the procedures and controls in place to ensure that:</p> <ul style="list-style-type: none"> • Void properties are managed effectively. In that: <ul style="list-style-type: none"> • Void properties are re-let within a reasonable period. • Void repairs are subject to inspection and receive adequate approval and are supported by works orders. Final charges are as agreed

	<p>or where charges vary from original these have been approved.</p> <ul style="list-style-type: none"> • Void properties are subject to inspection for adequacy of work prior to reletting. • Where void work is required as a result of previous tenants malicious damage or unfair wear check if reclaim of costs have been attempted. This will require reference to the client side of the Housing Department and will be part of the tenancy termination process. • Responsive repairs are monitored appropriately. In particular: <ul style="list-style-type: none"> • To review the overall split of responsive and planned repairs to ensure major repair schemes receive adequate priority and planning. • Review of the repair reporting process and related recording system to ensure repair requests are logged and they receive appropriate classification. • Works where variations to original estimates are involved should be appropriately authorised and the resulting increased charges should be accurately raised and agreed. • The quality and completeness of work carried out is subject to checking by inspection. • There is adequate management of performance and adequate procedures exist for the collection and reporting of key performance information. This to include: <ul style="list-style-type: none"> • Review of the completeness and currency of performance reporting against reporting requirements and frequencies. • Review of the basis of a sample of key performance measures to ensure accuracy of reporting. • Relevant policies and procedures are adhered to.
Approach:	<p>A standard audit approach will be followed for this review which will include:-</p> <ul style="list-style-type: none"> • Discussions with appropriate employees at both NCH and NCC to determine the actual systems and controls in place and any areas of particular

	<p>concern;</p> <ul style="list-style-type: none"> • Documenting the systems in place; • Undertaking testing on a sample basis, in order that conclusions can be made as to the effectiveness of the controls in operation. <p>Note that following the initial meetings with staff the scope may be changed to reflect any issues arising from these meetings. The revised scope will be agreed with the Head of Finance at NCH.</p> <p>Following completion of the audit work a discussion draft report will be produced and will be discussed and agreed with the Head of Finance at NCH. A Final Audit Report will then be produced.</p>
Principal Auditee:	David Angus
Final Report to:	Interim Director (Technical)/Head of Finance/Audit Committee
Timescale:	Report by early December 2007