

NOTTINGHAM CITY HOMES

REPORT OF INTERIM DIRECTOR OF FINANCE

AUDIT COMMITTEE
3 DECEMBER 2007

FINAL AUDIT REPORTS

1 SUMMARY

1.1 Attached to this report are 4 final audit reports submitted by City Audit Services:-

- Creditors
- SX3 Housing Modules
- Cash Collection
- Rents
- Sundry Income*

The following Audit reports will be presented at the forthcoming confidential Committee meeting in a separate report:-

- Payroll
- Repairs

* - to be dispatched as a late agenda item

2 RECOMMENDATIONS

It is recommended that members:-

- 2.1 Note the content of the reports; and
- 2.2 Agree the recommendations made by City Audit Services and commitments made by NCH to address all the required actions.

3 REPORT

3.1 Creditors - City Audit Services have reviewed the creditors system to provide assurance that this system is operating effectively.

In summary, they found that generally controls were operating satisfactorily. However, a sample check did reveal some duplicate payments and three actions have been agreed to deal with this Medium level priority. The other main findings were that batch headers were not being signed in line with the requirements of the financial regulations and that some orders had been raised after the date of the invoice.

3.2 SX3 Housing Modules – City Audit Services undertook an audit of the systems and controls in place with a focus on access controls, interfaces and Data Protection.

It was found that there is scope for significant improvement over Access Control and Internal Audit raised three recommendations to address the

weaknesses in this area. There are also recommendations dealing with reconciliations and Data Protection. It should be noted that of the six recommendations raised in the report two require management action by Nottingham City Council.

- 3.3 Cash Collection – City Audit Services have reviewed the controls over housing office cash collection to provide assurance that the systems are operating effectively. Testing undertaken was limited to the Bulwell and Aspley housing offices.

It was found that there is scope for improvement in both Training and Supervision Procedures and Internal Audit raised five recommendations, all assessed as medium level priorities, designed to address the weaknesses in these areas.

- 3.4 Housing Rent – City Audit Services have reviewed the key controls within the rents income system to provide assurance that the system is operating effectively.

In summary, they found that the controls within the system are good with no weaknesses requiring urgent attention by management. However, seven recommendations for system improvements were made of which two, relating to the amendment of tenancy data affecting rent charges and the evidencing of write-off report reconciliations, are prioritised as Medium risks.

- 3.5 Management responses, together with responsible officers and timescales for implementation, have been agreed with Internal Audit for all the recommendations raised in the attached reports.

4 OTHER OPTIONS

- 4.1 Not applicable.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 5.1 The consistent application of recognised control procedures will address a number of issues raised by the Audit Commission.

6 VALUE FOR MONEY & EFFICIENCY ISSUES

- 6.1 Compliance with key controls and procedures is an essential part of delivering efficiency and cost effectiveness.

7 EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 None.

8 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 8.1 City Audit Services reports attached.

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