

INTERNAL CONTROL ISSUES AUDIT REGISTER

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	Recommendations	Priority	Initial Target Date	Agreed Management Response	Current Status	Responsible Officer (Revised Date)
SUNDRY INCOMES (NCBW)	Undertake a full review of procedures and controls for prompt raising and accounting for agreed invoices/charges. Identify and implement process and efficiency improvements.	High	29 th June 2007	Sundry Income procedures need to be aligned to the existing mainstream income processes, which in turn need to be assessed and improved. Systems to be fully documented and findings actioned.	<p>As part of an overall review of how the ROCC, 1-World and i-World (or SX3) systems are integrated and used the finance team is currently in the process of reviewing the procedures and controls for raising and accounting for agreed invoices/charges as well as ensuring that these are adequate documented.</p> <p>During this work consideration will be given to relevant issues raised by Internal Audit and subsequently the actions required to improve working practices and align procedures will be identified and implemented.</p>	<p>Steve Everson - Interim Director of Finance and John McKenzie Smith - Assistant Director Technical Services.</p> <p>(End of December 2007).</p>
ALLOCATIONS FOLLOW-UP AUDIT SEPTEMBER 2006	A simple reconciliation should be introduced to ensure that all allocations are recognised and monitored by management e.g. All successions plus all mutual exchanges plus all CBL and manual allocations should equal the number of new tenants on SX3. This will support other reconciliations and highlight allocations	High	30 th September 2007.	Reconciliation will also need to include creation of tenancies as well as allocations.	Reports have been created to reconcile tenancy creations for those going through Allocations Panel, Northgate (inc all successions, mutual exchanges, etc) and Tenancy Management Panel. <i>NCH are currently awaiting confirmation and clarification from Audit Services that these reports will act as measures to fulfil the reconciliations required, therefore</i>	<p>Simon Marlow - Performance Manager.</p> <p>(December 2007).</p>

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	<p>which management should investigate further.</p> <p>A policy should be introduced that requires all staff to declare any interests they have (e.g. friends and/or family members on the waiting lists, relationships with other members of staff, board members or elected members, etc.).</p> <p>Also details of disciplinary procedures to be followed as a consequence of not completing the register should be documented.</p>	High	31 st October 2007.	Re-housing protocols established and distributed to the relevant persons. To be included in the induction process.	<p><i>completing the recommendation.</i></p> <p>All declarations from existing staff should be returned by a fixed date. Any not received by that date should be subject to disciplinary action. Current progress with obtaining returns is summarised below:</p> <p><u>Housing Operations</u> 87.7% - All employees</p> <p><u>Property Services</u> 58.7% - Weekly paid. 74.3% - Monthly paid.</p>	<p>Mary Mayes - Senior HR Advisor. (January 2008).</p>
	Emergency allocations should be governed by formal procedures.	High	30 th September 2007.	Agreed. Development of Specialist Accommodation Service scheme will ensure consistency and control over allocations of temporary emergency accommodation. Manual offer procedures and monitoring provides controls over	<p>COMPLETE.</p> <p>Sue Lomax confirmed that related training was completed in June 2007.</p> <p>SAS guidelines and procedures are to be placed on the knowledge management system in the near future.</p>	<p>Sue Lomax - Central Allocations. (N/A).</p>

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				emergency manual offers.		
REPAIRS (REPAIRS SPLIT BETWEEN PLANNED & RESPONSIVE) MARCH 2007	NCH should devise a clear strategy to move towards a more acceptable split of the repair budget.	Medium	October 2007.	Asset management team to review and implement strategy.	COMPLETE. Draft Strategy completed September 2007. Consultation period -Sept to Dec 2007. Strategy to be presented to NCC Executive Board on Dec 18 th 2007.	Mark Johnson - Assistant Director Property Services. (N/A).
	Management should review the possibility of recording this information (a quality control check) on the SX3. This will provide a full history and complete the audit trail.	Low	1 st August 2007.	Process to be established along with the SX3 team.	Draft process has been established by the SX3 team. New software has been purchased to facilitate the process and the SX3 team are currently preparing a weekly report of all completed orders, for mailing to Tenants. Consideration will be given to how this information can be brought back into the Northgate system in the future.	Kevin Hurst – NCC IT Manager (SX3). (January 2008).
	Management should review the categories of repairs not being recorded on SX3 and consider if there should be any changes made to procedures - Accuracy of	Medium	1 st July 2007	The IT project Group Chaired by Andy Farnsworth is working to get all HRA, and Capital works input into Northgate.	Work on this is progressing through the IT Project group. The lead officer is now Tim Shirley. Once the following elements are input into Northgate;	Timothy Shirley Service Manager – Asset Management. (1 st January 2008).

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	repair history recorded on SX3 should be a major consideration.			<p>Listed in the Current Status column are the HRA elements that we are working to set up in the system.</p> <p>All sections are working together to implement these improvements and the following officers have agreed the revised date.</p> <p>Tim Shirley NCH Pete Smith NCH Jason Straw NCH Chris Rosenthal NCC Northgate Team</p>	<ul style="list-style-type: none"> • Homewatch • Solid fuel servicing • Cyclical painting • Periodic tests <p>The ability to report the planned / responsive HRA split will be able to be worked through the use of Business Objects reports.</p>	
PURCHASE CARDS - VAT & PLUMBLINE LTD MARCH 2007	NCH should investigate why the NatWest reports do not include VAT for Plumblime Ltd transactions and rectify the problem so future reports will state an accurate VAT figure.	High	30 th April 2007.	Agreed. NCH as a Company is not registered for VAT thus cannot report VAT until this has been rectified.	NCH cannot directly remedy this problem as it involves Plumblime branch / Natwest system interfaces. NCH Finance team have contacted Plumblime & Natwest numerous times over the past year to request them to improve these interfaces. However, both companies have not as yet acted upon this request. Initial interrogation of Financial records indicate NCH trading with Plumblime ceased in	Simon Martin - Senior Finance Manager (Property Services). (N/A).

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					April 2006. Therefore, the problem will rectify itself through time. Request that this action be removed.	
HOUSING RENTS MAY 2007	<p>Housing Rents - General</p> <p>Management should review the involvement of NCH staff in the Council's meetings.</p>	Low	31 st May 2007.	This will be raised with the Council again. That said, time involved has reduced to a minimum and there are positive benefits in engaging directly with Members on a regular basis.	<p>COMPLETE.</p> <p>Following the election in May-07, NCH no longer present to Appeals Panel A.</p>	<p>Mark Lawson - Central Rents Manager.</p> <p>(N/A).</p>
	Rent Debit					
	<p>A - Requests for changes in the tenancy commencement date or the removal of an "element", should be consistent, properly approved and should be subject to periodic management review (for quality/ performance monitoring).</p> <p>B - The Financial Delegation</p>	Medium	30 th June 2007.	<p>Following analysis of the report supplied, new policies and procedures will be agreed and disseminated to managers. This will include a method of highlighting and reporting exceptions.</p> <p>Levels of delegated</p>	<p>COMPLETE.</p> <p>Quarterly Tenancy Amendment Report listing value & type of changes actioned and exception cases is passed to the Head of Area Operations - Income Management for signature. A full listing of all identified cases is retained by the Rents Manager.</p> <p>The Head of Area Operations - Income Management is introducing a system where "exceptions" from the approved criteria for changes are referred to him or the Rents Manager for</p>	<p>Mark Lawson - Central Rents Manager.</p> <p>(N/A).</p> <p>Mark Lawson -</p>

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	<p>Framework should be amended to include this area.</p> <p>C – Management may wish to use the report requested from Housing IT which lists all cases where the tenancy commencement date was changed in a given period.</p>	<p>Medium</p>	<p>30th June 2007.</p>	<p>authority will be agreed.</p> <p>Agreed as helpful, but there is a need for additional reports & monitoring.</p>	<p>approval before being actioned.</p> <p>NCH's Standing Orders and Financial Regulations are to be reviewed and updated to ensure that they are fit for purpose and aligned to NCH's new structure. This review will include the Financial Delegation Framework.</p> <p>A procedure document for approval of changes is currently being drafted. Area Housing Managers were briefed on the new processes on 16th November 2007.</p>	<p>Central Rents Manager.</p> <p>(Implemented – September 2007).</p> <p>Steve Everson - Interim Director of Finance.</p> <p>(End of December 2007. Revised Standing Orders and Financial Regulations to be presented to Board for approval in January 2008).</p> <p>Mark Lawson - Central Rents Manager and Steve Everson - Interim Director of Finance. (30th November 2007).</p>

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	Income					
	We consider that the balance on the Rents Suspense Account is significant and suggest that Management consider a policy for dealing with aged items in suspense and the possibility of removing some of these items from the Rents system.	Low	October 2007.	Agreed. NCC will be kept informed of all actions taken in respect of suspense account items.	As part of SLA costs NCH pays for support from NCC's Sundry Debtor team in collecting our funds. This has not proved very effective so far. Further challenge is required on a more continuous basis (new starter now engaged) and assessment of the VFM benefit of using NCC team required. Discussions with NCC are still in progress.	Steve Everson - Interim Director of Finance. (December 2007).
	Arrears					
	The total of write-offs on the lists produced by the Central Rents Team should be reconciled to the total of write-off in the i-world system.	Medium	31 st May 2007.	Procedures will be put in place for 2007/08 to reconcile FTA write offs input to iworld totals.	COMPLETE. Routines have been created to reconcile write off's completed to transactions in iWorld.	Mark Lawson - Central Rents Manager. (N/A).
	Write-offs should be reported to the Board or Committee during the year. At least on the basis of every six months.	Medium	31 st May 2007.	Format and frequency of write offs reporting to be agreed, but likely to be quarterly based for 2007/08 onwards.	COMPLETE. Year End report presented to Performance & Regulatory Committee & will be done so quarterly; 1 st quarter to go to September due to no meeting in August 2007.	Mark Lawson - Central Rents Manager. (N/A).
STOCK AUDIT MAY 2007	Stores Management should expedite the introduction of perpetual stock takes.	High	August 2007.	Agreed – Work is in progress with Finance to ensure that stocks are checked on a rolling	The Stores Audit process has had to be curtailed due to the previously reported lack of a Stores Auditor (Aug - Oct	Simon Martin - Senior Finance Manager (Property Services).

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	The total physical stock (depots & vans) should be reconciled to the total amounts per the ROCC system, at least at the year end.	High	August 2007.	basis.	<p>reports). The role has been vacant since July (albeit with the individual officially absent without permission for 2 of those months). Permission was then given for the role to be recruited for. However, it had to be offered internally first (with no applicants) and secondly, externally where none of the four applicants have proven appropriate.</p> <p>A pilot programme has been created whereby Finance and Procurement resource has been seconded to perform a stock take (organised for the weekend commencing 17th November).</p> <p>Initially this pilot was proposed as a temporary stop gap but given the lack of quality candidates and the company re-structure the results of this pilot will be reviewed in the context of continuing to use existing resource for this position and backfilling a lower grade position for overspill of general admin duties.</p> <p>Once this assessment has been made the audit recommendations</p>	<p>(January 2008).</p> <p>Simon Martin - Senior Finance Manager (Property Services).</p> <p>(January 2008).</p>

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					will be incorporated into the process.	
	The Stock auditor should carry out spot checks on a sample of randomly selected operatives/vans and reconcile findings to the spreadsheet record. The spreadsheet should be amended to show which stock items are allocated to which operative.	High	August 2007.	Agreed - We are part way to implementing some of these recommendations and will instigate the rest of them as soon as possible.	See Comments above.	Simon Martin - Senior Finance Manager (Property Services). (January 2008).
	Operatives should be required to certify that the stocks held on their vans agree to the imprest level set at year end. A spot check should be done on a random sample of returns to verify stocks held.	High	August 2007.	As above.	As part of agreed van stock monitoring a target of 25 vans per rolling 12 months basis will be randomly selected to have their stocks audited. Team Leaders will be given the responsibility for stock levels of their team's vans and will include this check as part of the current van safety checks. Initial expectation was September 2007. However, due to recruitments issues and the pilot stop-gap programme (see comments above); these actions need to be enacted.	Simon Martin - Senior Finance Manager (Property Services). (January 2008).
	A formal process should be devised by the Stock Auditor for the transfer of Stocks where there is a change of responsible operative.	Medium	August 2007.	As above.		Simon Martin - Senior Finance Manager (Property Services). (January 2008).
	Stores management need to review the transparency of stock codes, to minimise the confusion.	Medium	August 2007.	Ongoing. Will be undertaken by the Perpetual Stock Keeper.	Full implementation of the recommendation is being restricted by ongoing problems with Stock Auditor recruitment – see comments above.	Simon Martin - Senior Finance Manager (Property Services).

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						(January 2008).
	NCH Finance should ensure that where there are stock items in store valued at the old cost price, all new purchases of the item should be valued at the old price until all of the old items have been consumed.	Medium	August 2007.	A system review in regards to the valuation of stock will be undertaken and where possible system changes will be made to meet finance requirements.	This action will be completed as part of the ROCC upgrade and in place for the new financial year. Ongoing and to be aligned to ROCC IT enhancement project.	Peter Smith and Simon Martin Senior Finance Manager (Property Services). (July 2008 – resolution revolves around responsive repairs tender award and the ROCC upgrade). Andy Farnsworth Service Manager – Repairs. (1 st April 2008).
	NCH finance should seek to summarise the findings of the Stock Auditor and report them to management, for consideration.	Medium	June 2007.	Agreed – There is need for an agreed programme of work to be undertaken and findings to be reported in a standard format. Also, the required action needs to be made more transparent. Finance will prepare regular written reports to the	Streamlined “action required”, “action complete”, “findings & recommendation” reports for completion by Stock Auditor were proposed at last Stores Audit Process Review meeting. Full implementation of the recommendation is being restricted by ongoing problems with Stock Auditor recruitment – see comments above.	Simon Martin - Senior Finance Manager (Property Services). (November 2007).

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				management team.		
VACANT PROPERTY MANAGEMENT AUGUST 2007	Process Analysis The whole systems analysis should be revisited, to provide focus to necessary changes required to secure improved performance.	Medium	October 2007.	See Allocations, Lettings and Voids Service Improvement Plan 2007/8. A central team for voids and lettings will be implemented and all procedures will be reviewed including roles so that inefficiencies are addressed.	A high level base process has been implemented that monitors key stages of the void, with challenging targets set. All procedures relating to void property management now have a programme of review in place with the highest impact and priorities being targeted for implementation earlier in the timetable.	Darrell Smith - Decommissioning and Service Improvement Manager. (March 2008).
	Management Structure and Performance Management. Senior management should be visibly committed to this change (HOAO assumes overall responsibility for all aspects of vacant property) in the organisation as it is inevitable that significant changes will be required in practices to improve performance. Procedures should be reviewed with particular emphasis on how various activities fit together to allow processes as a whole to flow	Medium	Immediately.	Strategic Board and EMT approved the interim restructure and this included the formation of a combined team including housing mgt, technical, emergency accommodation and decommissioning. Procedures and roles are now being reviewed to ensure they are fit for purpose.	COMPLETE. An interim central team is in place. A restructure is currently in progress and from 26 November 2007 a 30 day formal consultation period will take place. Performance is reviewed by an Executive Performance Management Team Meeting every month.	Sue Taylor - Head of Operations. (N/A).

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	efficiently.					
	Targets should be critically reviewed and managers made properly accountable for their performance.	Medium	August 2007.	Challenging targets per month have been set and individuals will be performance managed to ensure that targets are achieved.	COMPLETE. A Performance Management Framework is now implemented, including individual targets monitored through regular Performance Development Reviews.	Sue Taylor - Head of Operations. (N/A).
	Consideration should be given to the use of suited keys, the installation of external key safes, or daily collections runs to all housing offices, to the extent that entry by the Technical division could be achieved on the day of vacation or the following day.	Medium	September 2007.	The first stage of the void process has a target of 1 day – Keys to Technical. Line Managers are accountable for this performance target. Suited keys for all void properties is being rolled out to ensure that same day or following day Void Inspections can become consistent.	COMPLETE. Suited keys are now in use across all voids.	Bernadette Lawley - City Lettings Manager. (N/A).
	Service Standards					
	The service standard published on the website should be updated.	Low	October 2007.	The website for voids and lettings is to be reviewed.	A Service Charter review for all services is taking place involving tenants and leaseholders and workshops, including empty properties, is being held on 26 November 2007.	Bernadette Lawley - City Lettings Manager. (January 2008).
	Termination of Tenancy and Inspections					

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	Pre termination visits should be conducted consistently across all areas of the city.	Medium	October 2007.	Pre-termination visits are now the responsibility of the central team. The Lettings Managers are responsible for stepped Quarterly improvements. In May 2007 (pre the setting up of the team, only 55% was being achieved).	COMPLETE. Pre-termination visits have now increased to 82% as at 29 October 2007. The target for November is 95% and 100% by March 2008.	Bernadette Lawley - City Lettings Manager. (N/A).
	Pre termination visits should only be conducted prior to vacation by the tenant.	Medium	Immediately.	The procedure for pre-term visits is prior to the property being void and to reinforce to the outgoing tenant the condition the property should be left in and checks on final rent payments.	COMPLETE. The procedure has been reviewed and implemented.	Bernadette Lawley - City Lettings Manager. (N/A).
	Recharging procedures should always be applied where appropriate and systems should ensure that this is done.	Medium	October 2007.	The Lettings Managers, through the Lettings HPMS and Void Inspectors, are responsible for ensuring that rechargeables are applied consistently. Procedures, linking with the housing office and	COMPLETE. The procedure has been reviewed and implemented.	Bernadette Lawley - City Lettings Manager. (N/A).

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				Rechargeable Officer, are being reviewed.		
	Consideration should be given to conducting empty property inspections, especially in "higher risk" areas.	Medium	October 2007.	A programme of weekly void inspections is to be implemented including a 'catch up` of garden maintenance and clearing of fly tipping.	A programme is now in place for routine voids but due to the scale of the backlog not all voids have been maintained. Discussion is to take place with NCC about voids awaiting decision by the City to agree how these potentially long term voids can be inspected and maintained.	Wayne Smalley - Technical Project Manager. (January 2008).
	Consideration should be given to conducting regular periodic tenancy checks.	Medium	September 2007.	Part of the Tenancy and Estate Management Service Improvement Plan.	COMPLETE. Biannual tenancy visits in operation. 25% completed to date with target of 50% by 31/3/07. Programme covers all tenants with whom no personal contact made through other types of home visit in last 12 months.	Margaret Coward - Head of Operations Tenancy and Estates Management. (N/A).
	Exit Surveys					
	Exit survey procedures should be reviewed, and surveys completed with the tenant prior to vacation.	Medium	March 2008.	The review of the void procedures, pre-termination process and lettable standard will include an examination of exit surveys and termination reasons.	A review of void procedures is currently in progress.	Bernadette Lawley - City Lettings Manager in liaison with the Neil Barks - Head of Performance and Best Value. (March 2008).

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	Repairs and Cleaning Prior to Ready to Let					
	Based upon top quartile relet performance the service needs to ensure that resources are available to complete repair work within a maximum of 10 working days.	Medium	October 2007.	The targets for the void process have been reviewed and are more challenging. Stepped targets have been set to reduce the ART.	COMPLETE. Resources available to meet 10 day target.	Wayne Smalley - Technical Project Manager. (N/A).
	A more consistent approach across all areas to pre termination inspections, at which the tenant is reminded of his responsibilities, together with confirmation in writing immediately prior to departure, might reduce the amount of clearance work necessary. Also greater volumes of pre termination inspections would assist in work scheduling, as specialist repairs, as well as obvious non specialist repairs and potential external cleaning could be identified earlier.	Medium	October 2007.	The pre-termination process is being reviewed so that it is implemented with training to relevant Officers, to ensure it is more effective and consistent. Joint pre-terminations will be tested to consider if void works and programming can be started pre-termination.	COMPLETE. As stated above.	Bernadette Lawley - City Lettings Manager. (N/A).
	The causes for failure (of the post completion inspection) should be analysed to identify and eliminate recurrent	Medium	October 2007.	The recording systems for post inspections are being reviewed so that properties failing are	COMPLETE. Recording Systems for Post	Wayne Smalley - Technical Project Manager.

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	causes. Procedures should be reviewed.			monitored and included as part of the Void Inspectors performance management.	Inspections are now in place.	(N/A).
	The lettable standard (subsequently reviewed after the scrutiny exercise by the Tenant Services Inspection team) requires further revision.	Medium	October 2007.	A full review of the current lettable standard is underway including a pilot of a sample of properties to be used as "this is the lettable standard" so that crafts, cleansing and void inspector teams are properly trained and then performance managed. Tenants will be involved in this pilot and EMT will inspect the pilot voids to sign off the standard. A wider review involving more tenants will continue to December 2007. Average costs will be analysed.	COMPLETE. New Lettable Standard agreed and satisfaction and costs to be reviewed in December 2007.	Darrell Smith - Decommissioning and Service Improvement Manager. (N/A).
	The causes for failure (i.e. tenants are not universally satisfied with the quality of repairs and cleaning) should be analysed to identify and eliminate recurrent causes.	Medium	October 2007.	A programme of garden maintenance to voids will be carried out. The review of the lettable standard will	New standard being rolled out citywide from November 2007 and customer satisfaction to be analysed monthly and post inspection failure rates monitored and tackled weekly.	Bernadette Lawley - City Lettings Manager. (December 2007).

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	Procedures should be reviewed.			include Quality Assurance procedures to ensure standards are achieved consistently and will include gardens and cleaning standards.		
	The iWorld system should be consistently correctly updated.	Medium	October 2007.	The formation of the central team will ensure that procedures are applied consistently and that SX3 is updated real time to enable accurate monitoring of progress.	Progress has been made but more consistency is required and improvements are being tackled with staff being held directly accountable.	Bernadette Lawley - City Lettings Manager. (December 2007).
	Ready to Let Properties					
	The reasons for why the number of working days taken at stage 6 of the vacant property process, shows considerable variation between Housing Office areas should be analysed. A more proactive approach across all areas of the city is required.	Medium	October 2007.	Performance targets per Quarter have been implemented and will be monitored with exception reporting on those outside target.	Exception reporting for those exceeding targets per the high level base process, implemented.	Bernadette Lawley - City Lettings Manager. (November 2007).
	Resources should be directed towards reducing and then maintaining the time taken to register application forms.	Medium	October 2007.	There has been a consistent under performance in the registration process. The process was	There is no longer a backlog of applications awaiting registration. The % logged within 5 days has increased to 82% and further improvement to 90% is set by	Sue Lomax - Allocations Co-ordinator. (December 2007).

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				centralised to improve turnaround and quality. Quality has improved but backlog of registrations have increased. More robust management and monitoring systems have been implemented to improve upon the inefficiencies identified.	December 2007.	
	Information collected on why applicants refuse properties should be fed back into letting processes to improve letting performance.	Medium	March 2008.	A system to effectively monitor and analyse refusal rates and reasons will be implemented so that service improvements are identified.	System implementation is in progress.	Bernadette Lawley - City Lettings Manager. (March 2008).
	Properties should be advertised on Homelink during the notice period. The co-operation of the tenant should be sought to allow access at reasonable times to show prospective	Medium Medium	October 2007. October 2007.	A marketing strategy for CBL is to be implemented. Most properties will be advertised from the receipt of notice, with the exception of some properties or band 1.	A pilot is in place to test advertising properties at notice to quit stage. The pre-termination visits will be used to gain agreement from the outgoing tenant to allow accompanied viewings to take place by prospective tenants in the notice period.	Sue Lomax - Allocations Co-ordinator. (January 2008). Bernadette Lawley - City Lettings Manager.

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	<p>tenants around the property during the notice period.</p> <p>Prospective tenants should be shown around the property during ongoing repairs whenever possible.</p>	Medium	October 2007.	An accompanied viewing pre-RTL procedure has been agreed and will consistently applied.	Back to back lettings and accompanied viewings pre – RTL are now tackled weekly and targets are to be set to increase performance.	<p>(January 2008).</p> <p>Bernadette Lawley - City Lettings Manager.</p> <p>(January 2008).</p>
	More effort is needed to reduce the appearance of blight. For example, the use of netting rather than steel screens in empty properties, the reduction in graffiti and litter etc.	Medium	October 2007.	A new security contractor has been appointed. Monthly targets of screens in use are to be established and targets for netting and alarms monitored.	Targets per month per area have been set but these need to be monitored more effectively to achieve the required impact.	<p>Darrell Smith - Decommissioning and Service Improvement Manager.</p> <p>(January 2008).</p>
	Hard to Let Properties					
	Strategies need to be developed to make Hard to Let properties easier to let.	Medium	October 2007.	The first review of the Low Demand Register and systems is to be undertaken, this will include actions identified to tackle those properties defined as low demand.	Review of the Low Demand Register and systems is in progress.	<p>Sue Lomax - Allocations Co-ordinator.</p> <p>(March 2008).</p>
	Separate re-let standards should be developed for Hard to Let Properties.	Medium	October 2007.	Pilot initiatives are part of the Allocations, Lettings and Voids Service Improvement Plan 2007/8.	COMPLETE. Re-let standards for different types of properties are part of the Lettable Standard.	Darrell Smith - Decommissioning and Service Improvement Manager.

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	Long-term options appraisal for stock which is consistently hard-to-let or not fit for purpose should be undertaken and consideration should be given to decommissioning property that is not fit for purpose.	Medium	March 2008.	A decommissioning review is to take place with recommendations made to NCC.	Recommendations made to NCC – In progress.	Bernadette Lawley - City Lettings Manager. (March 2008).
		Medium	October 2007.	A Sheltered Housing Strategy is currently being drafted and this will include sheltered voids that have no demand or are not deemed to be fit for purpose.	Drafting of the Sheltered Housing Strategy is currently in progress.	Rod Stair - Supported Housing Manager. (December 2007).
	Performance Monitoring					
	If any aspects of the existing methodology are maintained internally, the compliant methodology must be used for external reporting. It is clearly essential that internal and externally reported figures are properly reconciled and any externally reported figures for previous years restated where used for comparative purposes.	Medium	Immediately.	The ART reporting has been amended so that it complies with the Audit Commission guidance.	COMPLETE. Action implemented in April 2007 and revised in October 2007.	Neil Barks - Head of Best Value and Performance. (N/A).
	For internal purposes only it would be beneficial to	Medium	Immediately.	The performance management	COMPLETE.	Neil Barks - Head of Best Value and

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	segment performance to quantify the effect of vacant property over 6 months, lets of sheltered accommodation and other HTL properties and thereby highlight underlying performance of vacant property re-lets.			established provides an overall ART but underlying trends are monitored on general needs or excluding sheltered or excluding long term voids.	Action implemented in July 2007.	Performance. (N/A).
	The performance information (maintained by the Performance and Best Value team) should be published internally.	Medium	August 2007.	The performance information for Voids and Lettings has been reviewed and an agreed framework established.	COMPLETE. Action implemented in August 2007.	Neil Barks - Head of Best Value and Performance. (N/A).
VALUE ADDEDD TAX (VAT)	Central					
AUGUST 2007	A Taxation Assistant is trained in all aspects of the VAT process to ensure that there are adequate contingency arrangements and separation of duties.	Medium	November 2007.	Currently there are insufficient resources to cover this type of work. This has been brought to the attention of management and it is hoped that in the future a Taxation Assistant will be appointed and this will be incorporated in their duties.	A temporary secondment for 6 months has been arranged ending in Feb 08. A bid has been put into the revenue budget for additional resources but this is pending budget approval.	Tina Adams - NCC Taxation Advisor. (Revenue Budget agreed - Feb 2008).
	Periodic visits should be made to ensure that reliance can be placed on the controls in place and that VAT is being accounted for correctly at NCH at the point of input and	Medium	November 2007.	The Taxation Advisor is to introduce a series of mini audits once the above has been addressed.	This is an area that affects not only NCH but all departments within NCC and cannot be undertaken until the additional resources have been approved.	Tina Adams - NCC Taxation Advisor. (Programme will be arranged pending budget approval -

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	to verify the tax liability to NCH source systems.					Feb 2008).
	A VAT file should be maintained that contains details of all VAT returns and details of how they are prepared, copies of any correspondence / notes of telephone calls made in relation to VAT and an up to date certificate of VAT registration.	Low	Implemented.	Agreed.	COMPLETE. This has been in place since NCH incorporation.	Tina Adams - NCC Taxation Advisor. (N/A).
	Copies of the quarterly VAT returns should be provided to NCH so that they may separately confirm the VAT liability.	Medium	Implemented.	Copies of the VAT returns are now being provided to NCH.	COMPLETE Copies are sent to NCH on a quarterly basis, by the end of the month following the end of each quarter.	Tina Adams - NCC Taxation Advisor. (N/A).
	The Taxation Advisor should liaise with NCH staff to identify any possible areas for training.	Medium	End of December 2007.	Agreed.	A programme of VAT training sessions is being arranged for early 2008, one of which will focus on NCH (pending numbers).	Tina Adams - NCC Taxation Advisor. (March 2008).
	NCC staff should check at the point of input of invoices that VAT has been accounted for correctly.	Medium	August 2007.	Appropriate journal entries will be processed.	This will be addressed as a series of mini audits, but as stated above cannot commence until the resource issue is addressed.	Tina Adams - NCC Taxation Advisor. (Programme will be arranged pending budget approval - Feb 2008).
	Necessary action should be	Low	Implemented.	There is a monthly	COMPLETE.	Tina Adams - NCC

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	taken on OneWorld to rectify this miscoding (2 minor errors noted during Internal Audit review).			income reconciliation process now in place and this will highlight any discrepancies.	Items like this are also more likely to be picked up once the mini audits are in place.	Taxation Advisor. (N/A).
	An independent check should be carried out to ensure the manual invoice reflects the SX3 report and this should be evidenced.	Low	Implemented.	There is a monthly income reconciliation process now in place and this will highlight any discrepancies.	COMPLETE. This is carried out by NCH staff, but NCC are checking that Doodaps adjustments are being put through each month.	Tina Adams - NCC Taxation Advisor. (N/A).
	It has been recommended that the City Council supply copies of the VAT returns to NCH, which we understand is now occurring. On receipt, NCH staff should verify that the VAT liability is correct and if not should liaise immediately with the Taxation Advisor to identify any problems.	Medium	Immediately.	Agreed.	COMPLETE. Copies of returns are being sent to NCH, I have not had any correspondence to indicate any issues.	Tina Adams - NCC Taxation Advisor and NCH Staff. (N/A).
	The City Council's Taxation Advisor and NCH staff should liaise to ensure HMRC are informed of the error and to ensure that the necessary action is taken to correct the accounting records.	Medium	August 2007.	Agreed.	HMRC have been notified of the error, however this cannot be corrected in the VAT return until they have processed the initial voluntary disclosure. The issue was raised with HMRC in October who have informed us that they have been having trouble with this voluntary disclosure and will aim to resolve ASAP.	Tina Adams - NCC Taxation Advisor. (January 2008).

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	NCH should provide details to the Taxation Advisor of the potential value of work, carried out within 14 days of completion, and the reasons why the invoice cannot be raised within the 14 day period so that this can be assessed. If necessary the Taxation Advisor can then contact HMRC who may allow a concession.	Medium	August 2007.	Agreed.	HMRC will most likely grant a concession. Tina Adams (Taxation Advisor) is to liaise with NCH Finance, as regards the relevant information, and put forward an argument based on the information requested.	Tina Adams - NCC Taxation Advisor. (January 2008).
PAYROLL	Changes to the Bonus Scheme					
AUGUST 2007	All changes to pay and conditions should be reported either to the Board or Human Resources Committee.	Medium	December 2007.	All fundamental changes to be reported to the Human Resources Committee.	COMPLETE. Management response has been fully adopted and implemented.	Jo Wileman - Director of Organisational Development and Director of Property Services.
	All changes to pay and conditions should be reported to the Board. The Board of NCH should approve a Scheme of Delegation which would then provide specific Directors to undertake the pay and conditions negotiations	Medium	December 2007.	Fundamental changes to the bonus agreements to be delegated to the Director of Technical Division (Property Services), supported by the Director of Organisational Development or their nominated	COMPLETE. Fundamental changes are now to be reported to the HR Committee. Minor changes are now to be dealt with by the Director of Property Services in accordance with the Scheme of Delegation. NCH's Standing Orders and Financial Regulations are to be	Jo Wileman - Director of Organisational Development. (N/A).

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				representative. Minor changes for implementation purposes are delegated to the director of Property Services and need not be reported to the HR Committee. The Scheme of delegation is under review and includes delegation to undertake pay and condition negotiations.	reviewed and updated to ensure that they are fit for purpose and aligned to NCH's new structure. The Scheme of Delegation will be considered during this work	Steve Everson - Interim Director of Finance. (End of December 2007. Revised Standing Orders and Financial Regulations to be presented to Board for approval in January 2008).
	Signed final versions of the agreements (with Trade Unions over the Bonus scheme) should be lodged with the Director of Organisational Development and copies passed to the Wages Section to enable appropriate amendments to be made within ROCC.	Medium	September 2007.	Signed Final copies now held by all relevant parties.	COMPLETE. The agreed management response has now been implemented.	Jo Wileman - Director of Organisational Development. (N/A).
	Non Productive Time Management and the Trades Union should consider streamlining and unifying the bonus schemes with a view to creating a more level playing	Medium	December 2007.	This is being looked at as part of the review of costs for inclusion in the tender. Weekly reports of downtime	Awaiting confirmation of the invitation to tender and award date.	David Angus - Director of Property Services. (March 2008).

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	field and a clearer management audit trail. Down Time Classification needs to be reviewed by NCH management.			claims to be submitted to depot managers to identify trends.		
	A monitoring report should be developed to enable the review of hours worked (i.e. to ensure that all operatives exceeding the average of 48 hours within a 17-week period have signed to opt out of the working time directive).	Medium	December 2007.	Being reviewed as part of the tender process.	Awaiting confirmation of the invitation to tender and award date.	David Angus - Director of Property Services. (March 2008).
	The reporting facility on ROCC should be enhanced to enable more reports that would improve the monitoring of claims made.	Medium	December 2007.	As part of the overall process review, consideration is being given to upgrading the ROCC system across board to tailor it more to the organisation's requirements.	Undertaking to coincide with ROCC upgrade.	David Angus - Director of Property Services. (March 2008).
	OneWorld Access to Payroll Data					
	The operation of the inter-company account should be reviewed to establish confidentiality of NCH payroll data.	Medium	December 2007.	Review is in progress as regards upgrading the 1-World system and Workshops to obtain the input of users have been planned for January 2007. During the review, the	Ongoing discussions held with NCC to identify system options for improving confidentiality. System changes to be considered as part of ongoing 1-World consultation with NCH Finance staff and associated	NCC Finance and IT. (July 2008).

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				user consultation and ultimately the selection of the 1-World upgrade consideration will be given to how the confidentiality of NCH payroll data can be assured.	changes/upgrades.	
	Recruitment Request Forms					
	A Recruitment Request form should be used to control all vacancies/ recruitment, including senior posts. All forms should be filed with Human Resource Admin for completeness.	Medium	December 2007.	Review is in progress – it is anticipated that during normal recruitment, individual forms will be required for all posts. However, during the period of restructuring (July – November 2007) a fortnightly summary of posts agreed by the Executive Management Team will be maintained rather than individual forms.	COMPLETE. The agreed management response has now been implemented.	Jo Wileman - Director of Organisational Development. (N/A).
	Mobile Support Officers					
	Actual contracted hours should be set up in DELPHI with the additional training hours recorded as additional work (overtime) and paid	Low	December 2007.	Review is in progress.	Process being reviewed for implementation.	Mary Mayes - Senior HR Advisor. (February 2008).

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	through a completed overtime sheet.					
	Financial Authorisation Framework					
	The Financial Authorisation Framework should be amended to reflect the practicalities of certifying timesheets.	Low	December 2007.	It is not unreasonable to expect managers to know the average costs of hours put on timesheets.	NCH's Standing Orders and Financial Regulations are to be reviewed and updated to ensure that they are fit for purpose and aligned to NCH's new structure. This review will include the Financial Authorisation Framework.	Steve Everson - Interim Director of Finance. (End of December 2007. Revised Standing Orders and Financial Regulations to be presented to Board for approval in January 2008).
	Authorised Signatories List					
	An authorised signatories list covering payroll should be made available to appropriate staff in Nottingham City Homes and the Council.	Medium	End of November 2007.	Current list of signatories to be provided. This will then be reviewed and updated following implementation of Organisational Development restructuring.	Process of reviewing and updating the signatures list has been delayed by the respective delay in the announcement and implementation of the new Company structure.	Mary Mayes - Senior HR Advisor. (January 2008).

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Baker Tilley 2006/07 Final Audit Findings Report June 2007	The old balances (jobs which have yet to be invoiced to the City Council) should be reviewed on a regular basis and all amounts invoiced as soon as possible.	B	July 2007.	N/A – no initial Management Response was agreed with the External Auditors.	COMPLETE. Jointly working with Simon Martin (Finance) has been undertaken to establish slicker working practices to reduce WIP and speed up the invoicing process.	Andy Farnsworth - Repairs Service Manager. (N/A).
	A system of review, authorisation and reporting should be implemented so that: <ul style="list-style-type: none"> • Losses are minimised; and • The amounts written off, and the reasons for the write offs, are highlighted, so that appropriate actions can be derived to minimise future write offs. 	B	July 2007.	N/A – no initial Management Response was agreed with the External Auditors.	This is now monitored on a monthly basis using financial information provided by financial section.	Andy Farnsworth – Repairs Service Manager. (N/A).
	A Key performance indicator should be used to monitor the timeliness of invoicing of repair work (noted in the prior year audit).	A	July 2007.	N/A – no initial Management Response was agreed with the External Auditors.	A new performance indicator is being developed around targets to clear work in progress.	Andy Farnsworth – Repairs Service Manager. (December 2007).
	Whilst the transfer of data should be complete, a system of reconciling the three systems (systems for recording and	A	July 2007.	N/A – no initial Management Response	COMPLETE Systems – the manual reconciliation is already in	Robert Allen - Head of ICT.

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	<p>invoicing work in progress) on a monthly basis should be implemented to ensure that this is the case.</p> <p>In the longer term, an IT strategy should be developed and the systems reviewed to assess whether they provide suitable platforms for NCH in the longer term.</p>	A	December 2007.	was agreed with the External Auditors.	<p>place and has been since September 06. It was this that identified the VAT error originally. Implemented since September 2006.</p> <p>In the longer term the IT strategy, due to be completed in December 2007, will address the lack of integration.</p>	<p>(N/A).</p> <p>Robert Allen - Head of ICT.</p> <p>(December 2007).</p>
	<p>NCH should explore, with the City Council, whether a separate company can be set up on the Council's system.</p> <p>In the longer term, an IT strategy should be developed to support NCH's future development. As part of this strategy, consideration should be given as to whether it remains appropriate to continue to use the City Council's systems.</p>	B	December 2007.	N/A – no initial Management Response was agreed with the External Auditors.	Timescales will be accelerated by the publication of the Delivery Plan and by the NCC Group ICT Strategy Study.	<p>Robert Allen - Head of ICT.</p> <p>(December 2007).</p>