

NOTTINGHAM CITY HOMES

REPORT OF DIRECTOR OF FINANCE, ICT AND GOVERNANCE

**AUDIT COMMITTEE
8 DECEMBER 2008**

FINAL AUDIT REPORTS

1 SUMMARY

1.1 Attached to this report are 2 internal audit reports submitted by TIAA Ltd:

- Compliance Review of Gas Safety Arrangements; and
- Review of the Rent Collection Arrangements.

1.2 TIAA give an evaluation of the effectiveness of the risk mitigation arrangements for each audit completed. The table below gives the evaluation for each of the reports on this agenda

Report	Evaluation
Compliance Review of Gas Safety Arrangements	Reasonable Assurance
Review of the Rent Collection Arrangements	Limited Assurance

1.3 There are four possible evaluations of the effectiveness of risk mitigation arrangements:

- Substantial Assurance
- Reasonable Assurance
- Limited Assurance and
- No Assurance

And the definitions of each of these are contained within each audit report.

2 RECOMMENDATIONS

It is recommended that members:-

2.1 Note the content of the reports; and

2.2 Agree the recommendations made by TIAA and commitments made by NCH to address all the required actions.

3 REPORT

3.1 Compliance Review of Gas Safety Arrangements – TIAA have reviewed the gas safety arrangements and the following significant matters were identified which need be addressed in order to strengthen further the control environment:

- All outstanding overdue gas safety visits be identified and planned into the schedule;
- All completed gas service dates be accurately recorded on the system; and
- Landlord certificates be accurately filed.

Of the 4 recommendations raised by TIAA in their audit report, the 3 above were rated as 'Important' priorities and 1 other recommendation was rated as a 'Routine' priority.

3.2 Rent Collection Arrangements – TIAA have reviewed the NCH's rent collection arrangements Allocations & Lettings Arrangements and the following fundamental weaknesses in the Company's control environment were identified which need to be addressed urgently;

- The safe combination at the St Anns area housing office should be changed; and
- A full review of the users with access rights to the rents system be undertaken.

Of the 13 recommendations raised by TIAA in their audit report, the 2 above were rated as 'Urgent' priorities, 8 were raised as 'Important' priorities and 3 other recommendations were rated as 'Routine'.

3.3 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. Management actions designed to adequately address weaknesses in the related control environments for 7 of the 17 audit report recommendations had been implemented by the related responsible officers in advance of the reports being finalised.

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 TIAA Ltd reports attached.

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