

INTERNAL CONTROL ISSUES AUDIT REGISTER

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial TargetDate	Agreed Mgt Response	Current Status	Officer (Revised Date)
VACANT PROPERTY MANAGEMENT AUGUST 2007	1	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.	COMPLETE NCH Low Demand Strategy is now complete. Refusals Action plan complete Overarching corporate disposal strategy, incorporating properties in low demand areas, being developed by NCC	Bernadette Lawley - City Lettings Manager. (Previously Sue Lomax - Allocations Co-ordinator). (End of September 2008).
	2	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. 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.	COMPLETE Long term voids and decommissioning properties reviewed jointly with the City. New proposals received from the City for a Disposal Strategy. NCH Asset Mgt Strategy to consider impact of Disposal Strategy and identify long term options for properties. Low demand procedure is now in place and strategy completed A report is complete recommending to the City that 3 identified under occupied sheltered blocks be decommissioned.	Bernadette Lawley - City Lettings Manager. (End of September 2008).
PAYROLL AUGUST 2007		Non Productive Time					
	3	Management and the Trades Union should consider streamlining and	Medium	December 2007.	This is being looked at as part of the review of costs for inclusion in	COMPLETE Reports are produced and	Mark Johnson - Acting Director of Property

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		unifying the bonus schemes with a view to creating a more level playing field and a clearer management audit trail. Down Time Classification needs to be reviewed by NCH management.			the tender. Weekly reports of downtime claims to be submitted to depot managers to identify trends.	circulated identifying any non-productive time. This information is used to identify process improvements. One Schedule of Rates is now used across all areas of Property Services and is being reviewed with the Trade Unions to remove local agreements ensuring fairness of pay across the work types.	Services. (End of October 2008).
	4	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.	COMPLETE An enhanced reporting package has been procured and trained upon enabling detailed reports to be extracted from ROCC to support the monitoring of claims.	Mark Johnson - Acting Director of Property Services. (End of October 2008).
		OneWorld Access to Payroll Data					
	5	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 user consultation and ultimately the selection of the 1-World upgrade consideration will be given to how the confidentiality of	REMOVED This recommendation has been re-raised in the subsequent TIAA PAYMENTS, PAYROLL & INCOME ARRANGEMENTS report and NCH's up to date response has been documented in 50 a) below.	Julie Crook - Director of Finance, ICT and Governance. (N/A).

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					NCH payroll data can be assured.		
		Authorised Signatories List					
	6	An authorised signatories list covering payroll should be made available to appropriate staff in Nottingham City Homes and the Council.	Medium	November 2007.	Current list of signatories to be provided. This will then be reviewed and updated following implementation of Organisational Development restructuring.	HR are currently undergoing a massive recruitment campaign which, when completed, will fill a range of team leader and supervisor vacant posts. Delays and other priorities now mean in the main this should be completed by the end December when HR, in consultation Ads and DRs, will then be in a position to provide an updated list.	Mary Mayes - Head of HR. (End of December 2008).
	7	A data sharing agreement covering the operation of HomeLink should be put in place and signed up to by all the partners.	High	January 2008	Agreed. This will also be part of the wider review of data sharing and retention across the company by the Governance Team. Specific HomeLink responsibility rests with the Allocations Manager.	Decision taken that as NCH are agents of NCC, the NCC Information Governance team is to lead on arranging all protocols. Work is progressing on these data sharing protocols with the City Council.	Jan Locker - Senior Governance Officer. (End of March 2009).
HOUSING REPAIRS		Policy					
NOVEMBER 2007	8	Ensure the revised procedures enable the policies to be consistently and effectively applied to cases of tenant damage.	High	February 08	New Company wide rechargeable repair procedure to be developed in conjunction with stakeholders **.	The Recharges Officer in the Leaseholder & Rechargeable Repairs Team is due to take over the raising and administration of all void recharges. Processes and procedures are now in place and a protocol between the LRRT, Voids and Allocations and	Samantha Else - Leaseholder and Rechargeable Repairs Manager (End of April 2009).

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						<p>Area Offices is also being established.</p> <p>The Northgate system will allow recharges to be raised but a new interface is currently being developed by ICT to allow this functionality.</p>	
		Revised/Emerging Procedures					
	9a	Establish a system of referral to associated agencies in cases of cancellation due to a social consideration. This approach may help to reduce re-occurrence of such behaviour.	Medium	February 2008	To be incorporated into new procedure as per ** above.	We need to establish a vulnerable tenant policy which will require consultation with tenants and board members. Following on from the consultation we will then need to explore if Northgate has the capability to flag up vulnerable tenants and if not how we can achieve this.	<p>Samantha Else - Leaseholder and Rechargeable Repairs Manager</p> <p>(End of April 2009)</p>
	9b	Establish a clear audit trail and control framework that will provide assurance that all recharges raised by the void inspection process progress through to the raising of a debtor invoice or an authorised cancellation. Allocate responsibility for administering this framework and establish a chasing process.		February 2008	<p>See ** above.</p> <p>The system is currently being reviewed to expand the recharge functionality in conjunction with NCC IT, Property Services, Rechargeable Repair Manager and the Technical Project Officer.</p> <p>Project plan to be developed for implementation of new system</p>	We need to establish a process working in conjunction with the Voids and Allocations Team for recognising why the recharges have been raised by the inspector. This will allow us documentary evidence and will support any case in court. We also need to establish a framework where authorisation and cancellations are approved dependant on value by the appropriate member of staff.	<p>As above</p> <p>(End of April 2009)</p>

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	9c	Devise procedures for raising recharges in cases of abandonment and eviction. These are the cases where a pre-termination visit is unlikely to take place.		February 2008	See ** above.	Devise an account within the new Northgate system that will allow this information to be stored within the system similar to Former Tenants Arrears. When a new application for housing is made any previous outstanding charges will be able to be retrieved from Northgate and charged to the tenant.	As above (End of April 2009)
	9d	Establish the role of the central debtor's team. Ensure they have adequate resources. Ensure they have robust recovery procedures. Adequate links with Legal section of NCC and the OneWorld team. Reflect any changes in the NCC SLA.		February 2008	See ** above.	The debt is currently managed by NCC. It is our intention to bring the debt in house once the SLA comes to an end. This will provide a central point to ensure consistency. We have improved the quality of evidence to maximise the chance of recovery. We have also improved our reporting methods by monitoring the recharges more frequently.	As above (End of April 2009)
RISK MANAGEMENT FEBRUARY 2008	10	The Audit Committee should receive risk management awareness training.	High	May 2008	Action agreed. Training timetable for Board to be finalised.	Training to be completed during the next Company Board Away-Day – delayed due to higher priorities and dependent on commitment and availability of training facilitators.	Julie Crook - Director of Finance, ICT and Governance. (End of February 2009).
	11	The risk project plan should recognise the need to introduce formal risk management into project management, partnerships and large contracts, aligned	Low	August 2008	Action agreed.	Project plan to be updated post consultation with Procurement and other related NCH stakeholders. Still outstanding due to delays in	Julie Crook - Director of Finance, ICT and Governance. (End of February

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		to the principles adopted for business risk management where it is appropriate to do so. It is recognised that this objective may have to be deferred until business risk management has taken a foothold.				the completion of Service Area and Directorate Risk Registers – awaiting 3 rd quarter updates due by 31 st December 2008.	2009).
ONEWORLD SECURITY AND PRIVACY FEBRUARY 2008	12	NCH should produce a medium to long term strategy, in conjunction Nottingham City Council, to ensure that the risks associated with service delivery and data privacy are addressed.	High	June 2008.	NCH is well aware of the risks highlighted. Strategy to be developed with the Council, with a preliminary timescale of agreeing the principles June 2008, subject to Council acceptance of the timescale. This will determine whether the solution is OneWorld upgrade or another option.	Continued use of the One World application is due to be assessed against NCH's future requirements, which will become clearer in the longer term. This process will include consideration of the risks associated with service delivery and ongoing data privacy issues.	Julie Crook - Director of Finance, ICT and Governance. (January 2009).
	13	In the short-term the NCH should liaise with City Council in order that a Data Sharing agreement can be drawn up.	High	May 2008	Action agreed.	To be incorporated into Application Hosting SLAs for shared applications.	Robert Allen - Head of ICT (March 2009).
ALLOCATIONS AND LETTINGS FEBRUARY 2008	14	a) The Housing Registration & Allocations Manager should liaise with the City Council to ensure that any priority they request for applicants is within the Policy.	High	March 2008	a) Policy amendment to be proposed to the City.	COMPLETE The City Council is leading on this Policy change. Consultation has taken place with NCH and policy amendment proposed.	Sue Lomax - Allocations Co-ordinator. (End of May 2008).
		b) City Councillors should			b) The City to be		This action has been

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		<p>be given the opportunity to consider whether and what priority should be given to owner occupiers selling their property as part of a regeneration scheme, and amend the Allocations Policy if necessary.</p> <p>c) The Housing Registration & Allocations Manager should ensure that Central Allocations Officers are trained in the policy.</p> <p>d) All 50 manual offers in respect of clearance schemes should be reviewed.</p>			<p>asked to co-ordinate and respond to this recommendation (through Sue Lomax).</p> <p>c) Once policy confirmed, all staff to be trained and IT procedures / policy updated.</p> <p>d) To be part of report provided to City in a) above.</p>	<p>incorporated into a wider review of the allocations procedure and policy, which is currently being examined by NCC and NCH. The allocations Policy is to be re-drafted in line with Regeneration requirements across the City. Strategic meeting NCC/NCH 3rd Dec to discuss progress.</p> <p>Once the policy is approved training will take place for appropriate NCH Officers. Implementation cannot be progressed further until NCC have made amendments to the policy (see b) above).</p> <p>COMPLETE Manual offers reviewed and 3 of these relate to owner occupiers. No further moves for owner occupiers will be arranged until the City confirm the approved policy change.</p>	<p>(NCC Officer) (End of January 2009).</p> <p>Sue Lomax - Allocations Co-ordinator. (End of January 2009)</p> <p>Sue Lomax - Allocations Co-ordinator. (End of March 2008).</p>
	15	An effective change programme should be set up to remove the counter-culture existing within the company which results in failure to place appropriate documentation on file, loss of documentation from files, misfiling, and loss of files.	High	March 2008	<p>A tenancy file audit is to take place and the results of this will be reviewed and actions implemented, taking into account the outstanding missing file issue.</p> <p>Allocations filing systems are to be</p>	<p>COMPLETE Tenancy file audits are undertaken on a rolling programme. A recent audit and report has been submitted to the AD. Further work has been identified in improving quality of files and actions are in progress to address quality.</p> <p>A fundamental review of the housing waiting list is underway.</p>	<p>Kim De Vergori – Assistant Director TEM. (End of May 2008).</p> <p>Sue Lomax - Allocations Co-</p>

Deleted: amendments to the policy.

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					reviewed and action taken to identify missing files	<p>This includes file checks of every application and any missing documentation, such as application form, etc. All review letters have now been sent out. Reminder letters and responses to be input by end of December and analysis to take place in January.</p> <p>COMPLETE A file tracking system has been implemented for allocations files at HomeLink that indicates when the file was removed, by who and date. If documents are sent out of the office then the notepad on SX3 is updated too.</p>	<p>ordinator. (End of January 2009).</p> <p>Angie Knight – Homelink Team Leader. (End of March 2008).</p>
	16	NCH should introduce a document imaging system to ensure adequate security of documentary evidence. (Recommendation 23 restated from 2006 audit report, 5.3.09 from 2004 audit report).	High	June 2008	The EDRM system budget (£130k Capital) has been approved (from Development Bid fund) and the IS Strategy, that we have awaited to help guide such large investment decisions will be involved with EDRMS, is nearing completion. Project is scheduled to be implemented this year (2008) once appropriate partner resource has been secured to project manage, procure and deliver the project.	IS Strategy is now complete. EMT has classified Corporate EDRMS as a high priority project for 2009/10. A tactical Document Imaging Solution will be considered as part of the CBL Re-implementation project prioritised to commence in first quarter of 2009.	Robert Allen - Head of ICT (2009/10).

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	17	NCH should consider removing this inconsistency and process all application changes within the Homelink office.	Low	June 2008	<p>The restructure currently being implemented will increase resources at HomeLink. A phased handover of changes of circumstances by Homelink will be implemented.</p> <p>Training is to be provided to teams with a new revision and change of circumstances checklist to be implemented.</p>	<p>Implementation to coincide with completion of the Allocations filing systems review. This target has been amended due to staffing shortages within allocations causing delays in completing the related work and reviews.</p> <p>Delays have been incurred in relation to the completion of the review.</p>	<p>Sue Lomax - Allocations Co-ordinator.</p> <p>(End of January 2009).</p>
	18a)	When NCH staff create a new waiting list application they have previously been advised by Housing ICT that they must undertake a person search of the system prior to commencing the registration process. This would solve the issue of missing application numbers from the sequence, and ensure that no duplicate applications are created, and that tenancy history is not obscured. (Updated recommendation from 2004 audit report).	Medium	March 2008	An internal test of this has taken place and it is suggested changes to the IT system are made to support the potential error. A change control request will be made.	<p>Full centralisation of the allocations service will result in a phased improvement in reducing missing application numbers. Support has been requested from NCC IT to design a prompt solution. A full solution within Northgate re-implementation has been requested but yet to be received. Target has been realigned with completion of IT re-implementation.</p> <p>CBL reimplementation project group set up and hence target for completion amended inline with Allocations Policy Review</p>	<p>Sue Lomax - Allocations Co-ordinator.</p> <p>(End of March 2009).</p>
	18b)	b) NCH should review access to the Housing	Medium	March 2008	Testing found that the person search was	Request made for change to the system. Amendments have still	Angie Knight – Homelink Team

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		System against current job roles and arrange for access to create applications to be restricted to those who create applications as part of their role. This may involve creation of a new security profile and amendment of the existing HSG_REREG profile.			being used. The IT system requires access control to avoid the impact on sequential numbering. A Change Control Request to be submitted	to be actioned by IT and further system development may be needed which will be incorporated with the wider Business Process Review of HomeLink and Allocations. Removal of Authority cannot be from present users to create applications has been delayed due to resource issues within TEM and Voids and Allocations. Delays have been incurred in relation to the completion of the overall review – see comments in 17 above.	Leader. (End of January 2009).
USE OF LAGAN FRONTLINE FEBRUARY 2008	19	In order to enforce segregation of duties the transfer of User Management to the IT Helpdesk is recommended. However, authorisation and certification of access should remain the responsibility of the relevant NCH service manager and authorisation compliance reviews need to be an integral part of the process	High	June 2008	Will agree effective process with NCC.	Currently, authorisation for additions and changes to user accounts comes from NCH Central Rents Team Manager or in his absence the Rents & Leaseholders Service Manager and Rents Admin Team Leader. The account changes are carried out by a member of the NCC Customer Services Team (NCC CST). NCH is seeking to have the process authorised by NCH as per current method; with changes being managed via the NCC ICT Service Desk as is the case for most other ICT systems (NCC CST may still actually administer the account changes). This will be embedded in the new	Rob Haque – Central Rents Team Manager supported by Robert Allen – Head of ICT (NCH). (End of March 2009).

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						SLA for Lagan system support.	
	20	Service Level agreements should be established defining the required service levels for backup and recovery, and referring to business continuity plans to manage incidents of prolonged unavailability of IT resources.	Medium	June 2008	Will establish SLA's and define service level required for backup, restore, and disaster recovery.	To be agreed as part of the new IT NCC SLA – delayed due to IT prioritisation of other programmes and work tasks.	Rob Haque - Central Rents Team Manager supported by Robert Allen – Head of ICT (NCH). (End of March 2009).
	21	A technical security evaluation of the ICT infrastructure should be undertaken to ensure that Lagan Frontline is operating in an appropriately secure environment.	Medium	June 2008	Will obtain assurances from NCC that this is part of the project.	NCH Head of ICT will ensure that security environment considerations are included as part of any new SLA for Laggan support. Physical security is by ensuring that access to the client PCs is protected by locked doors out of hours and by presence only of known staff during working hours.	Rob Haque - Central Rents Team Manager supported by Robert Allen – Head of ICT (NCH). (End of March 2009).
	22	Staff undertaking support functions should be trained in the technical platforms that they support, furthermore, a mechanism should be in place to ensure that system documentation is kept up to date and reflects current working practices.	Medium	June 2008	Will include support staff capability as part of SLA	NCH Head of ICT will include training requirement as part of any new SLA for Laggan support.	Rob Haque - Central Rents Team Manager supported by Robert Allen – Head of ICT (NCH). (End of March 2009).
PERFORMANCE INDICATORS AND MANAGEMENT INFORMATION	23	The time excluded from the void period should only be that applicable to that taken to carry out the works	Medium	8 th April 2008	Agreed, however we will be reviewing our methodology for 08/09 following HouseMark's	NCH are currently working with best value team to bench mark with other ALMOs how ART is calculated. Our IT system at	Bernadette Lawley - City Lettings Manager.

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SYSTEMS FEBRUARY 2008		covered by the exemption.			review of housing performance indicators.	<p>present would not be able to calculate the ART in such a way, hence the need for site visits to other ALMOs. Implementation is dependant on the resolution of recommendation 37 in September. Exclusion will be in line with recommendation made after consideration of Option Appraisal by EMT.</p> <p>Housemark currently carrying out a consultation exercise to ensure all ALMOs in benchmarking club calculate ART by the same method from April 09.</p>	(End of December 2008).
	24	Management review of the recalculated performance should be undertaken. The review should ensure that the adjustments had been applied in accordance with the Audit Commission advice, that the exemptions have been consistently applied by all staff and that the exemptions applied meet the overall test of reasonableness. The management review should also ensure that adequate support is available to demonstrate the work is covered by the exemption and that the number of days being excluded is accurate.	Medium	31 st March 2008	Agreed and being applied to recalculation process.	<p>The issues have been discussed with the ALMO Benchmarking club and Housemark are consulting on the issue.</p> <p>Feedback from the consultation is imminent and should be available by 30 December 2008.</p>	<p>Connie Hall – Interim Head of Performance and Business Improvement. (Reassigned in June 2008)</p> <p>(Formerly Bernadette Lawley - City Lettings Manager).</p> <p>(End of December 2008).</p>
	25	A summary of the statement	2	30 th	Work in progress.	COMPLETE	Stuart Smith –

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OF ANTI-SOCIAL BEHAVIOUR ARRANGEMENTS JULY 2008		of policies is produced.		September 2008		Summary of policies has been produced and circulated.	Policy and Partnership Officer. (End of September 2008)
	26	The confidentiality policy to make reference to whether the Company will seek complainants' permission before disclosing information to the perpetrators, their legal representatives and other interested parties.	2	30 th September 2008	Review of policies to be undertaken.	COMPLETE Confidentiality statement is now included in the Victim Support Policy.	Stuart Smith – Policy and Partnership Officer. (End of September 2008)
	27	Reference be made within the Statement of Policies to other relevant policies that specifically relate to ASB e.g. equal opportunities, tenant participation and consultation etc.	2	30 th September 2008	Work in progress.	COMPLETE Policy refers to other relevant policies.	Stuart Smith – Policy and Partnership Officer. (End of September 2008)
	28	The procedures document be amended to give clear instructions to staff on the actions to be taken when dealing with cases, to make reference to the use of multi-agency partnerships and to give details of how and when professional witness schemes should be used.	2	30 th September 2008	Currently under review.	COMPLETE Comprehensive procedure produced.	Kathy Mason – ASB Co-ordinator (End of September 2008)
	29	Reference be made in the procedures to injunctions and exclusion orders under sections 153A, 153B, 153C	2	30 th September 2008	Currently under review.	COMPLETE Reference included in procedure document.	Kathy Mason – ASB Co-ordinator (End of

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		or 153D of the 1996 and in connection with these injunctions and applications for powers of arrest.					September 2008)
	30	The use of diversionary projects for youths, such as football clubs or IT drop-in centres and reward schemes for tenants with a record of a well conducted tenancy be considered.	3	30 th September 2008	Identified as a gap at KLOE self assessment workshops to be considered as part of TEM SIP.	Diversionary project – Included in SIP –TEM 2.4. Reward Scheme – included in Customer Care SIP.	Kathy Mason – ASB Co-ordinator and Kim De Vergori – AD TEM (End of March 2009)
	31	Consideration be given to including the following costs within ASB budget: <ul style="list-style-type: none"> • Lost of rental income from voids; • Maintenance costs for void and tenanted properties; • Service cost for communal areas; • Compensation payments; • Re-housing costs; • Mediation and support services; • Staff time; • Increased insurance premiums and higher excesses. 	3	30 th September 2008	To be considered as part of TEM SIP and ASB Service Review.	Implementation of service improvement is included in TEM SIP – reference TEM 3.16.	Kathy Mason – ASB Co-ordinator and Kim De Vergori – AD TEM (End of March 2009)
APPRAISAL REVIEW OF TENANT PARTICIPATION ARRANGEMENTS	32	Regular reporting on tenant participation activity be presented to the Board or the Performance and Regulatory Committee.	2	September 2008	This has been discussed with the Governance Team and it has been agreed that the	COMPLETE Reporting undertaken through the TLC and Board meetings in September.	Jenny Dickenson – Acting Tenant and Leaseholder Involvement Manager.

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JULY 2008					reporting mechanism for tenant participation will be through the meetings of the TLC and Board which take place three times a year.		(End of September 2008)
	33	Information on tenant associations and Company budgets and actual spend with regard to Tenant Participation be provided to tenants via a monthly newsletter.	3	July 2008	This information will be published in the newsletter and on the website.	TP budget information to be presented to the TLC, Forums and Area Panels. Information collated and template set up about the budget. Once consulted upon, similar information will be publicised in the newsletter and on the internet.	Jenny Dickenson – Acting Tenant and Leaseholder Involvement Manager. (End of March 2009)
	34	Consideration be given to the rotation of the officers of tenant groups to facilitate the introduction of new members.	3	July 2008	The similar membership restrictions as adopted by the Board of NCH to be discussed by the Tenants and Leaseholders Congress. Chairs and vice chairs are elected annually at TLC, Forums, Area Panels and TRAs and AGMs are held. We will include this within the Independent Compact review so that we follow best practice in the sector.	COMPLETE Actioned at the 24 th September 2008 TLC.	Jenny Dickenson – Acting Tenant and Leaseholder Involvement Manager. (End of September 2008)
	35	Reference be made within the Tenant and Leaseholder Congress Constitution to	3	July 2008	Amendments to the Constitution to	The TLC AGM is taking place in January when the current constitution will be reviewed and	Jenny Dickenson – Acting Tenant and Leaseholder

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		whether attendance of Company staff is by invitation only.			address this will be raised at the next meeting of the Tenants and Leaseholders Congress	amended. Members of TLC will decide on officer attendance during this meeting.	Involvement Manager. (End of January 2009)
REVIEW OF THE RENT ARREARS ARRANGEMENTS JULY 2008	36	Cash handling, security and safe code access to be reviewed in the regional offices.	1	30 September 2008	Report taken to EMT on risk management in respect of cash collection (3 rd July 2008).	Implementation is ongoing. TIAA have been asked to report on cash handling for the Company and their report is due in January next year.	Kim De Vergori – Assistant Director TEM. (End of January 2009)
	37	An ongoing training programme for staff involved in allocations (Rents) be introduced to ensure staff keep abreast of the Company's procedures and any changes in legislation.	2	30 September 2008	Deemed "Rents", not "Allocations". Induction & competencies data already in place. Training plan to be devised.	COMPLETE All Rents staff have Personal Development Plans in place linked to assessed competencies for each role & Performance Management Frameworks. All staff attended a whole service training day in October.	Mark Lawson – Rents Manager and Raj Patel – Head of Change Management and Development. (End of September 2008)
	38	Consideration be given to obtaining reporting of rejected housing benefit claims.	3	31 July 2008	To discuss with NCC Benefits. Already get Pending claim details & cancellations	This is still being progressed with NCC's Benefit Service, although the Rents team are aware, through the pending claim system, of cases that are unable to proceed. NCC's Benefit Service have been asked to provide this data and are being chased to ensure the new revised target date is met.	Mark Lawson – Rents Manager (End of December 2008)
	39	Consideration be given to obtaining reporting on arrears cases passed over	3	31 August 2008	Not had collection info for some time. Will	COMPLETE Collection rate known at 7.6% as	Mark Lawson – Rents Manager

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		to Moorcroft including ages of debts and recovery percentages.			raise with Moorcroft.	is number of cases & age debt profile. This will continue to be monitored at least half yearly.	(End of September 2008)
	40	A system user manual be obtained for Northgate and Business Objects.	3	31 August 2008	Will seek both from NCC's Housing ICT team. Business Objects manual likely to be generic	<p>COMPLETE</p> <p>In view of the lack of formal user manuals, NCH has the following supplementary support mechanisms which it feels address the recommendation:</p> <ul style="list-style-type: none"> • Rent administration & arrears procedures include screen shots of how to use Northgate in line with defined processes; • Business Objects use is strictly limited to experienced & capable users; and • There is an on line help facility as well as a network of colleagues in NCH & NCC who can assist. 	<p>Mark Lawson – Rents Manager</p> <p>(December 2008)</p>
NEW RECOMMENDATIONS ADDED TO THE REGISTER I.E. THOSE INCLUDED IN AUDIT REPORTS PRESENTED AT THE AUDIT COMMITTEE IN SEPTEMBER 08							
<p>HIGH LEVEL REVIEW OF THE PAYMENTS, PAYROLL & INCOME ARRANGEMENTS</p> <p>AUGUST 2008</p>	41	<p>The Financial Regulations and procedures be amended to include reference to: -</p> <ul style="list-style-type: none"> • Payment is only made on invoices addressed to the organisation. • Supplier records are only set up when independent collaborative has been checked. 	3	End of May 2009	<p>Consideration to be given to which Internal Audit recommendations should be addressed in the Financial Regulations and which in procedural documents.</p> <p>All proposed amendments to the</p>	<p>COMPLETE</p> <p>All proposed amendments to the Financial Regulations are maintained on a summary register by the Head of Finance (Company).</p> <p>These amendments will be incorporated in the Financial Regulations when the Company's Standing Orders are reviewed</p>	<p>Darren Phillips – Head of Finance (Company)</p> <p>(October 2008)</p>

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		<ul style="list-style-type: none"> Suspense accounts are regularly reviewed and cleared 			Financial Regulations are maintained on a summary register within finance and the Company's Standing Orders will be revised in 2009.	and revised for Board approval in 2009 (already approved in 2008).	
	42	BACS transfers for net pay payments be authorised by NCH staff prior to processing.	1	End of December 2008	The City Council is responsible for processing and managing the Company's payroll and payment systems (including BACS) under a Service Level Agreement (SLA). Discussions to be held with the City Council to identify a mechanism for the Company to agree BACS net pay totals to the payroll system, and authorise them, prior to processing for payment.	COMPLETE Control to ensure the authorisation of monthly net pay in advance of being processed for BACS payment by NCC was trialled in October and in place for November payrun (20 th Nov).	Darren Phillips – Head of Finance (Company) (November 2008)
	43a)	The operation of the inter-company account be reviewed to establish confidentiality of NCH payroll data.	1	2010/11	Continued use of the One World application is due to be assessed against NCH's future requirements, which will become clearer in the longer term. This process will include consideration of the risks associated with	Awaiting outcome of agreed actions to address the ongoing One-world privacy and security issues – see recommendation 12 and related current status above.	Julie Crook – Director of Finance, ICT and Governance (TBC)

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					service delivery and ongoing data privacy issues, but will be dependent on the timetable of actions associated with the implementation of the City Council's IT Strategy.		
	43b)		1	End of September 2008	Consideration to be given to the possibility of amending the data transferred from the payroll system to the ledger to improve confidentiality.	COMPLETE Inclusion of employee names on payroll to ledger data transfer is vital for efficient and effective monitoring of payroll costs and for subsequent monitoring of individual member of staff expense claims in the future – see Ref 54 below.	
	44	Delegated powers of employees in relation to the payroll function set out in Financial Regulations or other document approved by the Board.	2	End of May 2009	Consideration to be given to which Internal Audit recommendations should be addressed in the Financial Regulations and which in procedural documents. All proposed amendments to the Financial Regulations are maintained on a summary register within finance and the Company's Standing	COMPLETE All proposed amendments to the Financial Regulations are maintained on a summary register by the Head of Finance (Company). These amendments will be incorporated in the Financial Regulations when the Company's Standing Orders are reviewed and revised for Board approval in 2009 (already approved in 2008).	Darren Phillips – Head of Finance (Company) (October 2008)

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					Orders will be revised in 2009.		
	45	<p>Documented procedures be amended to make reference to: -</p> <ul style="list-style-type: none"> • Periodic reconciliation of employees held on the HR system to the payroll system. • All amendments to standing payroll master file information are authorised. • The association's payroll procedures and computer systems programs do not permit payment to any employee unless an authorised post is recorded. • The salaries and wages payroll tabulations are approved by an authorised member of staff for all employees in receipt of an amendment to their basic gross pay resulting from agreed bonus awards and national pay award settlements. 	2	End of December 2008	The Company is currently reviewing and updating its financial policy and procedure documents. Existing or newly established documents will be updated to address the current weaknesses identified by recommendation 16.1.	Agreed management action is on course to be implemented by the agreed target date.	<p>Mary Mayes – Head of Human Resources</p> <p>(End of December 2008)</p>
	46	Timetables be established for the receipt and input of data for monthly paid employees.	3	End of September 2008	Discussions to be held with the relevant stakeholders, notably NCH HR and the City	<p>COMPLETE</p> <p>Timetables have now been established.</p>	Mary Mayes – Head of Human Resources

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					Council's payroll department, and a timetable established and communicated to managers.		(End of November 2008)
	47	Ongoing monitoring be carried out by the Finance Department to identify any significant changes in individual member of staff claims.	3	End of March 2009	The City Council is in the process of introducing the payment of all staff expenses through the payroll system. NCH is hoping to adopt a similar system which will facilitate the review of staff expenses by individual employees and enable finance to monitor significant changes.	NCH has drafted a new Employee Expenses policy and had discussions with NCC about processing all expenses through the payroll system which will enable monitoring of individual member of staff claims. Implementation is on line for the target date to be achieved.	Darren Phillips – Head of Finance (Company) (End of March 2009)
	48	Emergency payroll procedures be documented.	3	End of December 2008	The Company is currently reviewing and updating its financial policy and procedure documents. Existing or newly established documents will be updated to address the current weaknesses identified by recommendation 16.1.	Agreed management action is on course to be implemented by the agreed target date.	Mary Mayes – Head of Human Resources (End of December 2008)
	49	Documented authorities in relation to income be prepared.	2	End of May 2009	Consideration to be given to which Internal Audit recommendations	COMPLETE All proposed amendments to the Financial Regulations are	Darren Phillips – Head of Finance (Company)

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					should be addressed in the Financial Regulations and which in procedural documents. All proposed amendments to the Financial Regulations are maintained on a summary register within finance and the Company's Standing Orders will be revised in 2009.	maintained on a summary register by the Head of Finance (Company). These amendments will be incorporated in the Financial Regulations when the Company's Standing Orders are reviewed and revised for Board approval in 2009 (already approved in 2008).	(October 2008)
	50	The Financial Regulations be amended to make reference to who has overall responsibility for income.	2	End of May 2009	As above.	COMPLETE As above.	Darren Phillips – Head of Finance (Company) (October 2008)
	51	Documented procedures for income collection points in regional offices be amended to include: - <ul style="list-style-type: none"> • A receipt is issued for each income transaction received. • All income receiving points to which the public have access are secure. • Arrangements are in place to deal with any unauthorised attempts to 	3	End of December 2008	The Company is currently reviewing and improving its financial policy and procedure documents – including cash collection. Existing or newly established documents will be updated to address the current weaknesses identified by recommendation 18.3.	COMPLETE These have been included in the Bank and Cash Handling Procedures.	Darren Phillips – Head of Finance (Company) (November 2008)

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		access the area.					
REVIEW OF THE BUDGETARY CONTROL ARRANGMENTS AUGUST 2008	52	Virements made between cost codes are authorised in line with the Financial Regulations.	1	Immediate	Controls are in place and procedures for completing virement forms have been reiterated to Finance Officers.	COMPLETE	Darren Phillips – Head of Finance (Company) (August 2008)
	53	A budgetary control strategy, which is cross-referenced to the business plan and risk strategy be adopted.	2	N/A	There are sufficient controls within financial regulations and the budget holders' handbook for this document not to be necessary. If there are any specific recommendations from internal audit reports these will be included within the next review of fin regs/budget holder's handbook.	COMPLETE Recommendation was not accepted as sufficient control was already deemed to be in place by the Director of Finance, ICT and Governance.	Julie Crook - Director of Finance, ICT and Governance. (N/A)
	54	The Financial Regulations and Delegated Authorities be amended to make reference to: -The Director of Finance, ICT and Governance must ensure that detailed budgets are prepared to support the resource allocation process and that these are communicated to heads of department as soon as	2	End of May 2009	Consideration to be given to which Internal Audit recommendations should be addressed in the Financial Regulations and which in procedural documents. All proposed amendments to the Financial Regulations	COMPLETE All proposed amendments to the Financial Regulations are maintained on a summary register by the Head of Finance (Company). These amendments will be incorporated in the Financial Regulations when the Company's Standing Orders are reviewed and revised for Board approval in	Darren Phillips – Head of Finance (Company) (October 2008)

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		possible following their approval by the Board, during the year the Director of Finance, ICT and Governance is responsible for submitting revised budgets to the Board for approval.			are maintained on a summary register within finance and the Company's Standing Orders will be revised in 2009.	2009 (already approved in 2008).	
	55	The budgetary control procedures for budget holders be documented and accord with the Financial Regulations and Delegated Authorities.	2	End of December 2008	A draft Budget Book has been produced and will be reviewed and updated in light of Internal Audit recommendations.	COMPLETE Budget Book has been reviewed and updated in light of the recommendation.	Darren Phillips – Head of Finance (Company) (November 2008)
	56	The budgetary control procedures be documented for finance staff.	2		A draft Budget Book has been produced and will be reviewed and updated in light of Internal Audit recommendations.	COMPLETE Budget Book has been reviewed and updated in light of the recommendation.	Darren Phillips – Head of Finance (Company) (November 2008)
	57	The draft Annual Efficiency Savings report for the current year be approved.	2	Immediate	This report is included within the Value for Money and Efficiency Strategy which was approved by the Board in July 2008.	COMPLETE	Julie Crook - Director of Finance, ICT and Governance. (July 2008)
	58	The formulae within the Excel spreadsheet used for preparing the budget be independently checked to confirm the validity of the formulae used and protected.	3	Immediate	The format and content of the Excel spreadsheet pro-forma used for preparing the 2009/10 budget has been reviewed and cells not requiring	COMPLETE	Darren Phillips – Head of Finance (Company) (September 2008)

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					input from budget holders have been protected.		
REVIEW OF THE ALLOCATIONS AND LETTINGS ARRANGEMENTS SEPTEMBER 2008	59	The allocations function be included within the Company's risk mapping arrangements.	2	Immediate	The Risk Register for the Allocations and Lettings Service fully details the risk arrangements for the allocations function Control measures are in place to mitigate the risks, such as robust monthly scrutiny and monitoring arrangements involving the Housing Services Director and Assistant Directors and improved reporting to Performance and Regulatory Committee.	COMPLETE	Bernadette Lawley – City Lettings Manager (July 2008)
	60	Registration procedures be documented.	2	Immediate	A documented procedure for the registration process is now in place, linking into the associated process map. The procedure will be placed on the Company's intranet site as part of the ongoing update of the Northgate system.	COMPLETE	Bernadette Lawley – City Lettings Manager (August 2008)

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	61	An ongoing training programme for staff involved in allocations be introduced to ensure staff keep abreast of the Company's procedures and any changes in legislation.	2	Immediate	An ongoing training plan for staff involved in allocations has been introduced. Relevant procedures are discussed during weekly meetings.	COMPLETE Draft Training Plan Introduced. Training programme to be further developed in conjunction with staff during the 1:1 and PDR processes.	Bernadette Lawley – City Lettings Manager (July 2008)
	62	Old versions of the leaflet "A Guide to Nottingham Homelink" be removed from area offices.	2	Immediate	All old versions of the leaflet have been destroyed. Regular checks are carried out of Area Housing Office reception areas to ensure that literature is up to date	COMPLETE	Area Housing Managers – Various (July 2008)
	63	The application review undertaken at accompanied viewings be documented and signed off by the prospective tenant.	3	Immediate	A form has been developed for the prospective tenant to sign and confirm during the accompanied viewing stage that there have been no changes to the circumstances the offer of accommodation is based upon.	COMPLETE	Bernadette Lawley – City Lettings Manager (August 2008)
	64	Consideration be given to applying reasonable segregation of duties with regards to the maintenance of the waiting list and the	3	TBC	Although it is recognised that the recommendation is best practice, owing to staffing resource	Currently under consideration due to reassignment of responsibility.	Kim De Vergori – Assistant Director TEM (Reassigned)

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		allocation of the garages.			<p>levels in Area Housing Offices responsible for garage management, coupled with the surplus of garage stock available to let in most areas, this recommendation is not considered feasible at this time.</p> <p>Agreed date outstanding. Consideration given to recommendation but no further action taken at this time.</p>		<p>November 2008)</p> <p>(Formerly Bernadette Lawley – City Lettings Manager)</p> <p>(TBC)</p>
	65	Application forms be stored in house files in the area housing offices.	2	End of November 2008	<p>Application forms are sent to the Area Housing Office for filing after the tenant has signed for a property and any outstanding issues relating to the property or new tenant have been resolved. There is currently a revision exercise being carried out of all applicants on the Homelink Register. As part of this review, any applicant for whom we do not hold a current application form is sent a new</p>	<p>COMPLETE</p> <p>Application forms are sent to the Area Housing Office for filing, after a new tenant has signed up for a particular property.</p> <p>The ongoing review of the Housing Register will ensure that there is an application form for every new tenancy.</p>	<p>Bernadette Lawley – City Lettings Manager</p> <p>(End of November 2008)</p>

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					form to complete. The application forms are also to be stored at the same site as the Lettings Officers thereby reducing the risks of lost documentation.		
APPRAISAL REVIEW OF THE GOVERNANCE ANTI-FRAUD ARRANGMENTS SEPTEMBER 2008	66	The draft Anti Fraud policy be completed and approved by the Board.	2	End of December 2008	An Anti-Fraud Policy has been drafted and will be presented to the Board pending review.	Anti-Fraud and Corruption Framework provided to audit Committee members in the December meeting papers. To be subsequently reviewed and recommended to Board for approval.	Darren Phillips – Head of Finance (Company) (January 2009)
	67	Financial Regulations be amended to explicitly cover the matters identified as key risk areas of: - <ul style="list-style-type: none"> • Payments (New supplier details independently checked by Finance prior to any payments being made, Payments checked & released by person independent of the payments team, Regular bank reconciliations, Periodic check on change in payment profiles to suppliers). • Income (Significant changes in actual to expected income) 	2	End of May 2009	Consideration to be given to which Internal Audit recommendations should be addressed in the Financial Regulations and which in procedural documents. All proposed amendments to the Financial Regulations are maintained on a summary register within finance and the Company's Standing Orders will be revised in 2009.	COMPLETE All proposed amendments to the Financial Regulations are maintained on a summary register by the Head of Finance (Company). These amendments will be incorporated in the Financial Regulations when the Company's Standing Orders are reviewed and revised for Board approval in 2009 (already approved in 2008).	Darren Phillips – Head of Finance (Company) (October 2008)

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		<p>reviewed, Regular bank reconciliations).</p> <ul style="list-style-type: none"> • Payroll (Regular reconciliation to HR records, Periodic check on large adjustments (e.g. overtime). • Procurement (Periodic checks of the tendering & quotation register). ▪ ICT (Periodic checks that staff only allocated access rights to systems required for their day-to-day duties). 					
	68	The Financial Regulations be amended to refer to the Company ensuring that a procedure for whistle blowing is on place and operating effectively.	2	End of May 2009	As above.	COMPLETE As above.	Darren Phillips – Head of Finance (Company) (October 2008)
	69	<p>The a Whistle Blowing policy be amended to include reference to: -</p> <ul style="list-style-type: none"> • Staff having access to confidential advice from an independent body, • Providing for a confidential hot-line for persons to use to report concerns • Contacting a person who 	2	End of December 2008	<p>The recommendations are noted however staff to be advised to raise any issues with the Company Secretary and/or the Chief Executive in the first instance.</p> <p>If the issue is serious then there are appropriate external agencies which staff</p>	To be completed within agreed target date.	Alison Mapp – Company Secretary (End of December 2008)

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		is independent of the Company.			can contact e.g. police		
	70	<p>The disciplinary policy be amended to make reference to:</p> <ul style="list-style-type: none"> • Actions that will be taken when a member of staff is suspended (e.g. return all keys, return property held off site, not to enter premises or talk to staff other than the designated person), • That the contents of desk and files (manual and computer) may be searched subsequent to the person being suspended, • That any breach of the terms of suspension will be treated as a serious act of misconduct, • Action that may be taken to members of staff who are related to a person who is suspended, • Action that may be taken in the event of the person who is subject to disciplinary action being on sick leave. 	2	End of October 2008	The disciplinary policy is currently being revised with the trades unions. These recommendations will be incorporated into the document for final agreement.	The disciplinary procedure will not be reviewed until early next year due to other policy priorities such as Capability and Dress & Appearance. There will also have to be a lengthy process to go through the disciplinary procedure with the Trade Unions.	<p>Mary Mayes – Head of Human Resources</p> <p>(TBC 2008)</p>
	71	A risk register be produced	2	Immediate	Corporate Risk	COMPLETE	Darren Phillips –

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		and approved by the Board.			Register was approved by the Board in May.		Head of Finance (Company) (May 2008)
	72	<p>An Anti Fraud Training and Awareness Policy be produced. The following points should be considered for inclusion:</p> <ul style="list-style-type: none"> • The induction process should include the raising of awareness of the anti-fraud policy and associated policies. • Senior Managers should be given training on the action to be taken if they suspect a fraud. • Board members should be given training on their role and the opportunities to detect fraud, particularly in relation to asking for additional information and/or advising the Chair. • Have staff responsible for co-ordinating complaints been provided with training on how to assess whether the complaint may be alluding to an irregularity/fraud and if so does it include setting out 	2	End of December 2008	<p>Board members training to be organised in accordance with the Board members development training plan.</p> <p>Company awareness and training to be co-ordinated by the Head of HR (Mary Mayes)</p>	To be completed within agreed target date.	<p>Alison Mapp – Company Secretary</p> <p>(End of December 2008)</p>

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		<p>the actions they are to take on the receipt of such a complaint.</p> <ul style="list-style-type: none"> The anti-fraud and disciplinary policies are reviewed after each actual or attempted fraud. 					
	73	<p>An Access to Records Policy be produced which explicitly explains to staff that the Company reserves the right to monitor all e-mails and computer records that have been created on the Company's computer systems. Additional information, which should be considered for inclusion, is detailed below:</p> <ul style="list-style-type: none"> That in the event of being suspended pending an investigation access will be gained to lockers and work station drawers should the need arise. As a condition of employment, staff consent to the examination of the use and content of all data/information processed and/or stored by the staff member on the Company's systems 	2	End of December 2008	<p>Recommendations to be reviewed and current procedures to be reviewed and amended as appropriate (Governance Team and HR).</p> <p>To be considered on the review of the disciplinary policy – see 14.6 above).</p> <p>Also note that all employees are currently notified of monitoring and requirement to comply with Company policies, procedures and legislation on computer usage and property rights. (Acceptance of policies etc is deemed on logging on to system following on-screen reminder).</p>	To be completed within agreed target date.	<p>Alison Mapp – Company Secretary</p> <p>(End of December 2008)</p>

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		<p>as required.</p> <ul style="list-style-type: none"> • All information/data held on the Company's systems is deemed the property of The Company. • That the Company retains the right to access and view all emails sent and received by the Email system. This right is exercised solely through the ICT Department/ICT Services Provider on the instructions of a member of senior management. • That the Company retains the right to monitor Internet usage by staff. • As a condition of employment all staff consent to the examination of the use and content of their Internet activity as required. 					
	74	<p>Fraud response instructions for managers be documented. These should make reference to: -</p> <ul style="list-style-type: none"> • To whom the fraud or suspicion of fraud should 	2	End of December 2008	To be included in the Anti-Fraud Policy – see 14.1 above.	<p>COMPLETE</p> <p>Fraud response instructions have been included in the Anti-Fraud and Corruption Framework.</p>	<p>Darren Phillips – Head of Finance (Company)</p> <p>(December 2008)</p>

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		be reported in the first instance (e.g. senior managers, personnel or internal audit) <ul style="list-style-type: none"> • How the organisation should investigate fraud • How to secure evidence in a legally admissible form • When and how to contact the police. 				To be approved by Board in January subject to December Audit Committee review.	
	75	The chair of the audit committee has not been provided with advice on their role regarding: - <ul style="list-style-type: none"> • The audit committee has an important role in overseeing the reporting and investigation of suspected or actual fraud or impropriety. • To ensure that all significant losses have been properly investigated and that the Internal and External Auditors are notified. 	2	End of December 2008	Training to be provided by the Company.	To be completed within agreed target date.	Alison Mapp – Company Secretary (End of December 2008)
	76	All of the Company's staff be informed of how to view the Policies and Financial Regulations, including intranet access being extended to scheme staff	3	End of January 2009	To be completed following approval of the Anti-Fraud policy by the Board.	The Company's Intranet site is in the process of being updated. A section summarising all the Company's Frameworks, Strategies and key Policies and Procedures is under	Darren Phillips – Head of Finance (Company) (End of January)

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		and caretakers.				<p>consideration.</p> <p>There are no plans to extend intranet access to all staff, but both the production of key documents and their issuance on the Intranet is to be communicated in the Team brief. Managers to be reminded of their responsibility to ensure that all staff are aware of these key documents and to provide access to them where required, on a timely basis.</p> <p>Updating of Standing Orders on the Intranet site and responsibilities of staff were communicated in Team Brief (12th November) and by e-mail to Managers (7th November) respectively.</p>	2009)
	77	The staff member Code of Conduct Policy be amended to make reference to the Nolan Principles.	3	End of December 2008	To be completed following the review of the disciplinary policy by the Head of HR.	To be completed within agreed target date.	Alison Mapp – Company Secretary (End of December 2008)
	78	The Code of Conduct Policy be amended to include reference to action that may be taken if a member of staff fails to declare an interest or fails to complete a declaration of interest form.	3	End of December 2008	As above.	To be completed within agreed target date.	Alison Mapp – Company Secretary (End of December 2008)

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	79	Reference be included within the Code of Conduct to which posts are subject to Criminal Records Bureau (CRB) checks.	3	End of December 2008	As above.	To be completed within agreed target date.	Alison Mapp – Company Secretary (End of December 2008)
	80	The code of conduct for suppliers does not provide for a confidential hot line for suppliers to use to report concerns.	3	End of December 2008	The recommendations are noted however suppliers to be advised to raise any issues with the Company Secretary and/or the Chief Executive in the first instance.	To be completed within agreed target date.	Alison Mapp – Company Secretary (End of December 2008)
	81	Consider taking part in the National Fraud Initiative.	3	End of December 2008	Further information will be obtained and brought back to Audit Committee for them to consider	To be completed within agreed target date.	Julie Crook – Director of Finance, ICT AND Governance. (End of December 2008)
	82	Leavers be asked at exit interviews whether they are aware of any fraud, other irregularities, or controls breakdown.	3	End of October 2008	The new exit interview questionnaire will include a question asking if they are aware of any fraud within the company.	COMPLETE Exit interview process has been developed.	Mary Mayes – Head of Human Resources (End of November 2008)
	83	The audit committee to carry out a self assessment to confirm that it is satisfied	3	End of December 2008	Company Secretary in conjunction with the Director of Finance to	To be completed within agreed target date.	Alison Mapp – Company Secretary

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		<p>that the following arrangements would occur in the event that the suspected fraud was detected: -</p> <ul style="list-style-type: none"> • The board should ensure that there is a clear and well-communicated policy covering prevention, detection and reporting of fraud, and the recovery of the assets. • Management should report to the board all cases of fraud and attempted fraud, detailing the nature and extent of the fraud and any implications for the Company's internal control system. • Companies should maintain a record of all incidents of fraud and attempted fraud. The board should regularly review the register • Boards should have approved procedures in place, in case fraud or attempted fraud is discovered or fraudulent activity suspected. • When internal or external 			review procedures and make recommendations.		(End of December 2008)

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		<p>audit report instances of serious control failure/weakness it is ascertain the extent to which the Company has been exposed to the risk of material fraud.</p> <ul style="list-style-type: none"> Losses (over a predetermined financial threshold) arising from theft are reported to the audit committee in the same manner as other instances of fraud. 					
	84	All fraud issues be recorded in the fraud register.	3	Immediate	Register currently updated once reports received by the Governance Team.	<p>COMPLETE</p> <p>Fraud register has been updated and is presented Quarterly to Audit Committee,</p>	<p>Alison Mapp – Company Secretary</p> <p>(End of September 2008)</p>

APPENDIX B – INTERNAL CONTROL ISSUES AUDIT REGISTER

EXTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial TargetDate	Agreed Mgt Response	Current Status	Officer (Revised Date)
GRANT THORNTON AUDIT ISSUES MEMORANDUM JULY 2008	85	At 31 March 2008 the month end creditor balance of approximately £10m per the financial system had to be reanalysed between accruals, trade creditors and inter-company creditors. Work is needed to ensure that the financial systems reflect the accurate status of liabilities.	N/A	N/A	As part of a planned review of the ledger and associated coding structure post implementation of the Repairs Contract, consideration will be given to coding accruals, trade creditors and inter-company creditors separately on the One-World financial system.	Work is underway within the Finance department to review the recording of liabilities on the One-World system.	Darren Phillips - Head of Finance (Company) (End of December 2008)
	86	Nottingham City Homes should consider having control over its bank accounts, in particular having authority over the account.	N/A	Dec 2008	Discussions are ongoing with NCC in relation to transferring the responsibility for completing monthly bank reconciliations (currently performed by NCC as part of the finance Service level agreement) to the company. When agreement over the logistics of transferring responsibility for bank reconciliations has been reached, steps will be taken to ensure the company manages its own bank account and, subsequently, authority over the account will be sort.	Discussions with NCC are still ongoing with the aim of implementation within the agreed target date.	Julie Crook – Director of Finance, ICT and Governance. (End of December 2008)

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	87	It is recommended that the company considers adopts the 'Format 2' profit and loss account. This does not give a cost of sales figure but analyses expenses in a way which is more appropriate to the business.	N/A	April 2009	As part of the 2008/09 year-end closedown and accounts compilation process consideration will be given to amending the format of the profit and loss account. Amendments agreed will ensure that the analysis of company expense on the P&L is appropriate to the business and provides meaningful information to users of the financial statements.	To be completed within agreed target date.	Darren Phillips – Head of Finance (Company). (End of April 2009).
	88	It is recommended that the Board satisfy itself that at least one member of the audit committee has recent and relevant financial experience.	N/A	Dec 2008	The Board will review the membership of its committees at its AGM in July 2008 and is looking to strengthen its audit committee. Independent Board Members will also have some vacancies before AGM 2009 and we will look to recruit a Board Member with specific financial skills.	To be completed within agreed target date.	Alison Mapp – Company Secretary. (End of December 2008)
	89	NCH should have comprehensive back up policies and procedures in place. Linked to this a written and tested Business Continuity Plan or Disaster	N/A	March 2009	There is a lack of comprehensive documented DR policies and procedures. Disaster Recovery planning and practice,	Establishment of SLA definitions re-scheduled due to other IT priorities.	Robert Allen - Head of ICT. (End of March 2009 - Establishment of

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EXTERNAL AUDIT RECOMMENDATIONS

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		Recovery Plan should cover all critical systems. Redundant components could also be considered for back up.			options for redundant components and risk avoidance are being incorporated in the new ICT SLAs for each service element.		SLA definitions) (TBC – Date of DR procedures in place to be determined according to service criticality)
	90	IT - programming services NCH is reliant on the Council for programming services for software. NCH does not have oversight of this process. This ties in with the point re IT strategy above which recommends that IT developments should be in line with the overall objectives of NCH.	N/A	Oct 2008	ICT services managing the Housing Management System are being brought back in-house rendering control of development of this new system properly under NCH control	Application support and development services have been brought back in-house (as of 1 st September 2008) – i.e. staff have been transferred from NCC to NCH under TUPE arrangements. Still need to ensure control over key systems development is also transferred and therefore properly serving NCH's needs. – hence movement in target date.	Robert Allen - Head of ICT. (End of March 2009)
	91	NCH should develop and implement its own security policy. This should particularly focus on the set up and removal of users, password policies and usage policies.	N/A	Dec 2008	NCH users are bound by security policies currently supplied and maintained by the Council. NCH has now implemented its own User security database system (within the Council's Active Directory database). This allows NCH to set its own policies and to manage its own NCH user accounts as well as to delegate such work back to the Council	To be completed post establishment of new (underpinning) SLAs.	Robert Allen - Head of ICT. (End of March 2009)

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EXTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial TargetDate	Agreed Mgt Response	Current Status	Officer (Revised Date)
					under the terms of the renegotiated SLAs.		
	92	NCH should establish an intrusion detection system which will give early warning of any external and unwanted access to systems.	N/A	Dec 2008	Provision has been built into the ICT budget to cater for intrusion testing.	To be completed within agreed target date – revised in line with SLA implementation date. To be included as a required service in the Data Networking service SLA for 2009/10	Robert Allen - Head of ICT. (End of March 2009)