

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
PAYROLL AUGUST 2007	1	Authorised Signatories List 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.	A Task Group has been formed and all members of the Group will be requested to sign up to a Memorandum of Understanding where the members agree in principle to share data where the provisions of the Data Protection Act 1995 permits data sharing in particular circumstances. As at 17 June 2009, the MOU was being drawn up by the chair of the Group for circulation and agreement in principle by end of July 2009. The Chair of Group is currently awaiting details of all nominated information officers within the respective partner organisations before circulating the agreement for signature. Estimated completion date has been revised to end of September 2009.	Alison Mapp – Company Secretary. (End of September 2009).
ONEWORLD SECURITY AND PRIVACY FEBRUARY 2008	2	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	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	Service delivery and security issues cannot be addressed until the OneWorld system is either updated (schedule for 2010/11) or replaced. As the OneWorld system is owned	Julie Crook - Director of Finance, ICT and Governance. (2010/11).

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		addressed.			June 2008, subject to Council acceptance of the timescale. This will determine whether the solution is OneWorld upgrade or another option.	<p>by the City Council and only accessed by NCH through the terms of an SLA, further progress is unlikely to be made with the recommendation until 2010/11.</p> <p>Replacing the system would not currently provide VFM and doing so is deemed to be a 'high risk' to the Company.</p> <p>For these reasons it is proposed that the recommendation is removed from the Audit Register.</p>	
	3	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.	<p>Robert Allen - Head of ICT</p> <p>(End of September 2009).</p>
<p>ALLOCATIONS AND LETTINGS</p> <p>FEBRUARY 2008</p>	4	<p>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.</p> <p>b) City Councillors should 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</p>	High	March 2008	<p>Policy amendment to be proposed to the City.</p> <p>The City to be asked to co-ordinate and respond to this recommendation (through Sue Lomax).</p>	<p>COMPLETE</p> <p>The City Council is leading on this Policy change. Consultation has taken place with NCH and policy amendment proposed.</p> <p>Further analysis is being carried out before recommendation for changes are submitted to Executive Board. NCH leading on the analysis.</p>	<p>Sue Lomax - Allocations Co-ordinator.</p> <p>(End of May 2008).</p> <p>Pat Greenwell (NCC Officer)</p> <p>(End of March 2010).</p>

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		<p>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>			Once policy confirmed, all staff to be trained and IT procedures / policy updated.	Once the policy is approved training will take place for appropriate NCH Officers. Target date revised in line with b) above.	<p>Sue Lomax - Allocations Co-ordinator.</p> <p>(End of March 2010).</p>
	5	<p>NCH should introduce a document imaging system to ensure adequate security of documentary evidence.</p> <p>(Recommendation 23 restated from 2006 audit report, 5.3.09 from 2004 audit report).</p>	High	June 2008	<p>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.</p>	<p>IS Strategy is now complete. EMT has classified Corporate EDRMS as a high priority project. A tactical Document Imaging Solution will be considered as part of the CBL Re-implementation project.</p> <p>Project delayed – awaiting outcome of Allocations Policy Review.</p>	<p>Robert Allen - Head of ICT</p> <p>(Outcome of APR – End of August 2009. Target for recommendation implementation TBC post completion of APR).</p>
	6	<p>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</p>	Medium	March 2008	<p>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</p>	<p>CBL reimplementation target for completion has been amended to reflect changes needed as part of Allocation Policy Review. In the meantime security and access has been restricted which should</p>	<p>Sue Lomax - Allocations Co-ordinator.</p> <p>(End of April</p>

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		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).			change control request will be made.	minimise the accidental creation of application numbers.	2010).
APPRAISAL REVIEW OF TENANT PARTICIPATION ARRANGEMENTS JULY 2008	7	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.	Consultation has yet to take place. Budgets have been devolved down to forum level. Newly appointed T&LI Manager to review the process and ensure this is included on the website and in newsletter. TLC is currently under review and the inclusion of the budget breakdown is to be incorporated into this review.	Carole Donnelly Tenant and Leaseholder Involvement Manager. (End of Sept 2009)
	8	Reference be made within the Tenant and Leaseholder Congress Constitution to whether attendance of Company staff is by invitation only.	3	July 2008	Amendments to the Constitution to address this will be raised at the next meeting of the Tenants and Leaseholders Congress	TLC have advised that they want a full days consultation event to be held to review all constitutions, terms of reference and codes of conduct. Newly appointed T&LI Manager to arrange an away day for August, review the constitution at this event and subsequently contact Governance to check and agree the new format. Proposed to be signed off at Sept TLC meeting.	Carole Donnelly Tenant and Leaseholder Involvement Manager. (End of Sept 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
HIGH LEVEL REVIEW OF THE PAYMENTS, PAYROLL & INCOME ARRANGEMENTS AUGUST 2008	9	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 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.	See recommendation 5 and related current status above.	Julie Crook – Director of Finance, ICT and Governance (2010/11)
	10	Documented procedures be amended to make reference to: - - 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	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 actions have been delayed and new target date established. Work underway on these actions which will be completed by end of September	Mary Mayes – Head of Human Resources (End of September 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		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.					
	11	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 will be completed post consultation with the Unions.	Darren Phillips – Head of Finance (Company) (End of September 2009)
	12	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	Agreed management actions have been delayed and new target date established. Work is now underway.	Mary Mayes – Head of Human Resources (End of September 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
					current weaknesses identified by recommendation 16.1.		
REVIEW OF THE ALLOCATIONS AND LETTINGS ARRANGEMENTS SEPTEMBER 2008	13	Consideration be given to applying reasonable segregation of duties with regards to the maintenance of the waiting list and the allocation of the garages.	3	TBC	Although it is recognised that the recommendation is best practice, owing to staffing resource 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.	Currently under consideration due to reassignment of responsibility. A draft garage strategy has been produced for NCC, no further action can be taken re: this recommendation until the outcome of this is known.	Kim De Vergori – Assistant Director TEM (TBC)
APPRAISAL REVIEW OF THE GOVERNANCE ANTI-FRAUD ARRANGMENTS SEPTEMBER 2008	14	The a Whistle Blowing policy be amended to include reference to: - <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 is independent of the Company. 	2	End of December 2008	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. If the issue is serious then there are appropriate external agencies which staff can contact e.g. police	Currently being reviewed by NCH and NCC. Reporting lines may need to be re-considered so as to ensure no conflict between Company Secretary and Company Solicitor roles. Progress on this review has been delayed as the NCC lead officer has since left and no replacement officer nominated to date.	Alison Mapp – Company Secretary (End of November 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
	15	The disciplinary policy be amended to make reference to: <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.	Agreed management actions have been delayed and new target date established.	Mary Mayes – Head of Human Resources (End of November 2009)
	16	An Anti Fraud Training and	2	End of	Board members	Board Training Programme	Alison Mapp –

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		<p>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 the actions they are to take on the receipt of such a complaint. 		December 2008	<p>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>	<p>currently under review with the Organisational Development and Learning Team.</p> <p>Risk management training was delivered to all Company Manager's and Board Members in May 2009.</p> <p>Fraud awareness training to be delivered by an external consultant for Company Managers and the Board.</p> <p>To be co-ordinated by the Company Secretary and the Acting Head of Change Management & Development.</p>	<p>Company Secretary (End of November 2009)</p>

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		<ul style="list-style-type: none"> The anti-fraud and disciplinary policies are reviewed after each actual or attempted fraud. 					
	17	<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 as required. 	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 21 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>	Target date and scope to be agreed in conjunction with the Director of Organisational Development.	<p>Alison Mapp – Company Secretary</p> <p>See 16 above.</p>

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		<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. 					
	18	<p>The chair of the audit committee has not been provided with advice on their role regarding: -</p> <ul style="list-style-type: none"> • The audit committee has 	2	End of December 2008	Training to be provided by the Company.	The Chair of the Audit Committee is scheduled to retire from the Board at the next AGM on 24 September 2009.	Alison Mapp – Company Secretary

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		<p>an important role in overseeing the reporting and investigation of suspected or actual fraud or impropriety.</p> <ul style="list-style-type: none"> To ensure that all significant losses have been properly investigated and that the Internal and External Auditors are notified. 				<p>In addition, the Company Committee structure has been revised creating a Finance and Audit Committee.</p> <p>The Chair of that Committee will be appointed at the next AGM on 24 September 2009</p>	(End of September 2009)
	19	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 agreed, in conjunction with the Director of Organisational Development.	<p>Alison Mapp – Company Secretary</p> <p>(End of November 2009)</p>
	20	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 agreed, in conjunction with the Director of Organisational Development.	<p>Alison Mapp – Company Secretary</p> <p>(End of November 2009)</p>
	21	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 agreed, in conjunction with the Director of Organisational Development.	<p>Alison Mapp – Company Secretary</p> <p>(End of November 2009)</p>

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
							2009)
	22	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.	Any concerns regarding procurement or contractors are currently referred to the Procurement Manager, the Director of the appropriate Service Area or to the Company Secretary for consideration.	Alison Mapp – Company Secretary (End of November 2009)
GOVERNANCE - HALF YEAR ICA UPDATE REPORT FEBRUARY 2009	23	The risks highlighted in this report be considered at the review of the Company risk register.	3	End of March 2009	The Corporate Risk Register is reviewed quarterly by the Audit Committee. In advance of the March Audit Committee meeting the Corporate Risk Officer will consider the aforementioned risks and update the register as required.	COMPLETE Further review of the Register has been referred to EMT by Director of Finance and Company Secretary.	Alison Mapp – Company Secretary (August 2009)
RISK MANAGEMENT REVIEW FEBRUARY 2009	24	Risk be included as a standing agenda item on all team meetings.	3	End of May 2009	Partially Agreed It is not proposed to introduce risk as a standing agenda item for service area team meetings. However, consideration is to be given to introducing risk as a standing agenda item on Directorate Team	To be discussed during Risk Management Panel.	Julie Crook – Director of Finance, ICT and Governance (End of September 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
					Meetings – where this is not already the case.		
REVIEW OF CONTRACT SERVICES – PURCHASING ARRANGEMENTS FEBRUARY 2009	25	The Financial Regulations be amended to make reference to the basis on which stock is held at the end of the year-end is to be valued.	3	End of September 2009	Agreed.	COMPLETE Actioned in the revised Financial Regulations – to be approved by Board as part of the 2009 revised Standing Orders.	Simon Martin – Head of Finance (Property Services) (August 2009)
	26	The Company's terms and conditions be amended to include: - <ul style="list-style-type: none"> • The Company's terms and conditions prevail over the suppliers; • The order must stipulate the quantity and description of the goods and services required; • All goods and services will be at the agreed quality; • The price shown is fixed and includes carriage. 	3	End of June 2009	Agreed.	Changing of 'Term's and Conditions' will be undertaken in line with the review of the Standing Orders. Orders contain the quantity and description. The quality is covered by the specification. Agreed quality also is covered by the specification and not required to be stipulated on every order. Prices are as agreed, carriage where appropriate is included on orders as a separate line.	Pete Smith – Procurement and Operational Support Manager (September 2009)
REVIEW OF CONTRACT SERVICES – SERVICE DELIVERY ARRANGEMENTS FEBRUARY 2009	27	A van stock be completed and documented for the gas section operatives.	2	End of June 2009	Agreed	A full review will be completed as part of the Better Practice Review and linked to the Mobile Data Project. Also forms part of the Materials Management Report.	Pete Smith – Procurement and Operational Support Manager (December 2009)
	28	It be documented that	3	End of	Agreed	COMPLETE	Simon Martin –

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		Drivers have been given permission to take vehicles home to comply with the requirements of the insurance policy.		September 2009		Fleet Manager has revised the drivers handbook.	Head of Finance (Property Services) (August 2009)
NEW RECOMMENDATIONS ADDED TO THE REGISTER I.E. THOSE INCLUDED IN AUDIT REPORTS PRESENTED AT THE AUDIT COMMITTEE IN JULY 2009							
REVIEW OF SERVICE CHARGE ARRANGEMENTS JUNE 2009	29	A full reconciliation be performed in conjunction with the Legal Services department at Nottingham City Council to ensure that all flats sold have been included on the leasehold database.	1	June 2009	A list of properties from the Leaseholder and Rechargeable Repairs Team (LRRT) master spreadsheet will be sent to Legal Services for reconciliation with their records to ensure that we have an accurate stock figure. Following the implementation of the service charge module from September 2009 it is proposed that the LRRT will take control of the ending of tenancies	In line with the timetable to implement the new Service Charge Module, a full reconciliation will be carried out during August to ensure that all properties are included for inclusion in the new system and this task will also ensure that records are accurately matched.	Samantha Else – Leasehold Manager (End of September 2009)
	30	Contingency plans be developed to provide cover for the consultant.	2	September 2009	Following the implementation of the service charge module from September 2009 the consultant will no longer be required as part of the annual	COMPLETE The consultant is no longer required as the service charges will be produced on the new module in 2009.	Samantha Else – Leasehold Manager (September 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
					process.		
	31	Lease agreements be amended to make reference to the principle of a sinking fund. would consideration be given by TIAA to change this recommendation to where possible amend Lease agreements to make reference to the principle of a sinking fund	2	December 2009	NCH will approach Legal Services at NCC regarding this proposal which is a decision which will need to be made by NCC if it is practical to implement the change. If proposal is adopted, full consultation with leaseholders will be required and carried out.	Meeting arranged in September to discuss this proposal. Target date has been revised as the task will require full consultation which may be timely.	Samantha Else – Leasehold Manager (April 2010)
	32	Collection data and other service performance statistics be reported to Committee or Board on a regular basis.	3	October 2009	The debt is currently managed by NCC. A proposal has been agreed by NCC that NCH will manage the debt 'in house' once the Northgate Leaseholder Service Charge Module goes live. Board and Committee reporting will be carried out on a regular basis in line with the company's reporting timetable.	Following NCH taking the debt in-house, reporting will be carried out to Committee or Board on a regular basis as per the recommendation and timetables.	Samantha Else – Leasehold Manager (October 2009)
REVIEW OF ASBESTOS ARRANGEMENTS	33	The Asbestos Policy be amended to include:- <ul style="list-style-type: none">• Delegation levels of	2	August 2009	Company structure	COMPLETE Policy has been amended as agreed.	Steve Walters –

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
JUNE 2009		operational responsibility for asbestos management, e.g. to an individual supported by the Health + Safety Team. <ul style="list-style-type: none"> • Identification of the “duty holder” under the Control of Asbestos at Work Regulations 2006 • The use of specialist external consultants and licensed contractors. • Communication to tenants with regard to ACMs found within their home. 			involving asbestos to be entered into Asbestos Policy. Director of Property Services to be identified as duty holder. Policy to be amended and procedures to be updated. Policy to be amended.		Asbestos Officer Tim Shirley – Asset Data Manager Steve Walters – Asbestos Officer “ (August 2009)
	34	Reports be produced to Management Team and Board relating to asbestos, both its impact, potential costs and progress relating to the surveys completed.	3	Dec 2009	The way H&S matters are reported to EMT and Board is currently under review - refer to item 3.5 of the company H&S Strategy. This includes an annual report which will encompass progress with the asbestos survey programme.	It has been agreed with the Director of Organisational Development that the Head of H&S provide a quarterly report to EMT, first report to be available second (financial) quarter of 2009. Board reporting mechanism is not clear at this point due to current corporate governance review; however should not affect implementation of annual report.	Ian Rabbet – Head of Health and Safety (End of December 2009)
	35	The possibility of asbestos being found in Company’s	3	July 2009	Will include within Property Service Risk	COMPLETE Property Services Risk Register	Tim Shirley – Asset Data

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		properties be included in the risk register.			Register presently being reviewed which will feed into company wide register.	has been updated to reflect the risk.	Manager
	36	Consideration be given to providing Asbestos Awareness training to Property Services office based staff and service managers and area housing staff.	3	Dec 2009	This will be addressed by item 8.1 of the H&S training Strategy. It is likely that asbestos awareness training will be extended as a result, but not to employees who will not benefit. Subject to EMT agreement, asbestos awareness training to be rolled out to include all staff as well as operatives who may visit NCH managed homes including their managers where necessary.	EMT have agreed in principle to the extension of asbestos awareness training to non trades personnel, and have confirmed that the training is compulsory for identified staff. A training matrix has been developed including a proposal for the groups of employees to receive asbestos awareness training. This is currently with Learning & Development for comment before consultation with managers and employees.	Ian Rabbet – Head of Health and Safety (End of December 2009)
REVIEW OF IT SECURITY – MANAGEMENT CONTROL ARRANGEMENTS	37	A Definitive SLA for IT services be defined and agreed with NCC to ensure that NCH is receiving value for money services.	1	End of August 2009	SLAs are being developed with NCC for each ICT service consumed by NCH, beginning with the Key SLAs.	The City Council have now hired a consultant to work on this which is being part funded by NCH. Target date has moved due to time delays associated with recruiting consultancy support.	Robert Allen – Head of ICT (End of December 2009)
JUNE 2009	38	Written assurance be obtained from NCC that systems and data for NCH is undertaken on a daily	1	End of June 2009	Expected to be already in place and such assurances have been requested from	Assurances requested by NCH have yet to be received from the City Council, hence delay in implementation.	Robert Allen – Head of ICT

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
		basis, that test restores of data are routinely made and that restores of all critical systems are tested at least annually, in lieu of any new SLA to be agreed.			NCC Service Management.		(End of December 2009)
	39	Written assurance from NCC be obtained to ensure that IT systems are fully recoverable within acceptable timescales and that priority can be given to identified key systems.	1	End of June 2009	Expected to be already in place and such assurances have been requested from NCC Service Management.	Assurances requested by NCH have yet to be received from the City Council, hence delay in implementation.	Robert Allen – Head of ICT (End of December 2009)
	40	The revised IT Acceptable Use policy be approved and implemented immediately.	2	Immediate	COMPLETE An early implementation of the new version of the NCC ICT Acceptable Use Policy will be obtained and an updated NCH policy implemented.	N/A	Robert Allen – Head of ICT (June 2009)
	41	Consideration be given to performing regular inventory audits to ensure information is accurately maintained.	3	End of September 2009	Inventory is audited by category (e.g. PCs) each time an operational opportunity arises. In future, the SLAs covering Change and Configuration Management will require audit of	Inventory checks performed ahead of self-service password reset roll-out and to be performed again ahead of lap-top roll-out. Checks have yet to be formally timetabled	Robert Allen – Head of ICT (End of September 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

INTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
					hardware and software upon implementation. Audit is to follow SLA implementation.		
	42	Consideration be given to incorporating a process to report lost or stolen portable equipment into the IT Security policy.	3	End of September 2009	A process for reporting lost or stolen equipment Policy will be developed and included in the NCH ICT Security Policy. Timescale for NCH policy is first quarter of the 2009/10 financial year.	Being considered as part of lap-top roll-out.	Robert Allen – Head of ICT (End of September 2009)
	43	A review be undertaken to ensure that the IT equipment used by NCH is adequately and properly covered for insurance purposes.	3	End of September 2009	The arrangements for insurance of 'NCH' ICT equipment will be reviewed in time for the replacement PC programme scheduled for 2009/10.	Implementation is currently on-going.	Robert Allen – Head of ICT (End of September 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

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	44	Nottingham City Homes should consider having control over its bank accounts, in particular having authority over the account.	N/A	Dec 2008	<p>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.</p> <p>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.</p>	<p>Discussions with the City Council are ongoing but implementation has been delayed by the account being overdrawn.</p> <p>Agreement to transfer the management and ownership of the account will be sort after the appropriate reconciliations and inter-company bank transfers have been processed to ensure that the bank account balance is up to date and accurately reflects the Company's true cash position.</p>	<p>Julie Crook – Director of Finance, ICT and Governance.</p> <p>(End of September 2009)</p>
	45	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	<p>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.</p>	<p>The Audit Committee currently comprises a Board member with accountancy experience.</p> <p>The opportunity to recruit Board members with accountancy expertise usually arises from independent Board member vacancies.</p> <p>Two independent Board member vacancies arise this year with</p>	<p>Alison Mapp – Company Secretary.</p> <p>(End of September 2009)</p>

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

EXTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial TargetDate	Agreed Mgt Response	Current Status	Officer (Revised Date)
						recruitment taking place in September 2009. Amongst other criteria, financial experience will be an essential requirement.	
	46	NCH should have comprehensive back up policies and procedures in place. Linked to this a written and tested Business Continuity Plan or Disaster Recovery Plan should cover all critical systems. Redundant components could also be considered for back up.	N/A	March 2009	There is a lack of comprehensive documented DR policies and procedures. Disaster Recovery planning and practice, options for redundant components and risk avoidance are being incorporated in the new ICT SLAs for each service element.	Establishment of SLA definitions re-scheduled due to other IT priorities. Linkage with overall NCH Business Continuity planning which is scheduled to commence in the 3 rd quarter of financial year 2009/10.	Robert Allen - Head of ICT. (End of September 2009 - Establishment of SLA definitions) (TBC – Date of DR procedures in place to be determined according to service criticality)
	47	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 under the terms of the	To be completed post establishment of new (underpinning) SLAs.	Robert Allen - Head of ICT. (SLAs – by end of September 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

EXTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial TargetDate	Agreed Mgt Response	Current Status	Officer (Revised Date)
					renegotiated SLAs.		
	48	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 September 2009)
NEW RECOMMENDATIONS ADDED TO THE REGISTER I.E. THOSE INCLUDED IN THE EXTERNAL AUDIT KIM PRESENTED TO AUDIT COMMITTEE IN JULY 2009							
GRANT THORNTON KEY ISSUES MEMORANDUM JULY 2009	49	A thorough review of stock lines should be undertaken at year end, as well as throughout the year, to identify anomalies in stock, such as negative quantities.	N/A	July 2009	Controls will be put in place to ensure that stock anomalies are identified and addressed during the year and specifically at yearend.	COMPLETE Finance to liaise with Stores Purchasing Manager to ensure that stock anomalies are identified and addressed during the year and notably at year-end.	Darren Phillips – Head of Finance (Company) (End of July 2009)
	50	The general year end review of stock for obsolesce should be supplemented by consideration of stock turnover levels on individual lines, for instance through interrogation of stock issue dates within the stock control software.	N/A	July 2009	Consideration is to be given to improving year-end stock review through interrogation of the stock system and related software.	COMPLETE As part of year-end closedown, the review of stock for obsolesce will be supplemented by additional investigatory procedures.	Darren Phillips – Head of Finance (Company) (End of July 2009)
	51	Settled CIS balances should be cleared off the creditors ledger. We recommend that NCH discuss with NCC how this can be achieved both to address the current balance and to prevent subsequent differences occurring from future transactions.	N/A	July 2009	Requirement that settled CIS balances are cleared from the creditors ledger on a timely basis is to be raised with the City Council.	COMPLETE Discussions have been held with the City Council and it has been confirmed that all settled CIS balances are cleared of the creditors ledger on a monthly basis. Confusion has arisen due to reports run to support year-end CIS balances including parameters which mean that both CIS payments	Darren Phillips – Head of Finance (Company) (End of July 2009)

INTERNAL CONTROL ISSUES AUDIT REGISTER

APPENDIX B

EXTERNAL AUDIT RECOMMENDATIONS

Audit & Date of Issue	REF	Recommendations	Priority	Initial TargetDate	Agreed Mgt Response	Current Status	Officer (Revised Date)
						and accruals are included.	