

INTERNAL CONTROL ISSUES AUDIT REGISTER

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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	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 data retention across the company by the Governance Team. Specific HomeLink responsibility rests with the Allocations Manager.	A Task Group has been set up by the Shared Intelligence Network comprising lead officers from the various agencies and public bodies. A Memorandum of Understanding has now been completed and information governance officers in the respective partner organisations are responsible for approving the detail of the data sharing arrangements. Currently awaiting an update from the Task Group.	Alison Mapp – Company Secretary (End of August 2010)
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 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.	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 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. Replacing the system would not currently provide VFM and doing so is deemed to be a 'high risk' to the Company.	Steve Everson – Acting Director of Finance, ICT and Governance. (2010/11).
	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. Delayed due to high ICT Team	Robert Allen - Head of ICT Supported by

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						workload supporting front-line service development programmes.	Alison Mapp – Company Secretary (End of December 2010).
ALLOCATIONS AND LETTINGS FEBRUARY 2008	4a)	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	Policy amendment to be proposed to the City.	COMPLETE This item has been part of the overall review of the Allocations Policy.	Sue Lomax - Allocations Co-ordinator. (May 2008).
	4b)	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 amend the Allocations Policy if necessary.	High	March 2008	The City to be asked to co-ordinate and respond to this recommendation (through Sue Lomax).	An implementation plan is expected to be completed in July 2010, subject to approvals being received. Recommendations will now go to Executive Board in September	Sushma Cheesborough (NCC Officer) (End of Sept 2010).
	4c)	c) The Housing Registration & Allocations Manager should ensure that Central Allocations Officers are trained in the policy.	High	March 2008	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, plus time for training following policy approval. Decision now expected from City Council in June 2010 and hence date for implementation has been revised.	Sue Lomax - Allocations Co-ordinator. (January 2011).
	5	NCH should introduce a document imaging system to ensure adequate security of	High	June 2008	The EDRM system budget (£130k Capital) has been approved	July 2010:- Invest to Save Funding has now been approved. A project sponsor (Director of	Robert Allen - Head of ICT

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		documentary evidence. (Recommendation 23 restated from 2006 audit report, 5.3.09 from 2004 audit report).			(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.	Strategy and Partnerships) has been designated. ICT Project Manager has been issued with a draft project mandate to investigate the wider scope of the project with SMT members as well as beginning detailed investigation of known applications (such as supporting Housing Operations' Choice Based Lettings document imaging requirement).	(Meet CBL requirement by end of December 2010).
APPRAISAL REVIEW OF TENANT PARTICIPATION ARRANGEMENTS JULY 2008	6	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.	From 2009/10 onwards TP budgets are broken down to forum and area panel level, reports are presented at forums/meetings and the minutes are on the website. Financial information is not yet included in the Tenant Newsletter.	Carole Donnelly Tenant and Leaseholder Involvement Manager. (End of October 2010)
	7	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	Discussions have been held at TLC and no objections made to staff attending. Involvement Review project brief has been extended and due to complete later this year, which will include updated constitutions.	Carole Donnelly Tenant and Leaseholder Involvement Manager.

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							(End of October 2010)
HIGH LEVEL REVIEW OF THE PAYMENTS, PAYROLL & INCOME ARRANGEMENTS AUGUST 2008	8	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 2 and related current status above.	Steve Everson – Acting Director of Finance, ICT and Governance (2010/11)
	9	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 November 2010)
	10	Emergency payroll procedures be documented.	3	End of December	The Company is currently reviewing and	Several attempts have been made to ascertain this	Mary Mayes – Head of Human

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				2008	updating its financial policy and procedure documents. Existing or newly established documents will be updated to address the current weaknesses identified.	<p>information from the City Council who provide NCH's payroll services through an SLA. NCH's response and actions proposed/documentated in this area will depend on the controls and processes proposed and/or put in place by the City Council.</p> <p>Discussions have been escalated to the City Council Service Manager to facilitate resolution.</p> <p>Response received from NCC which outlining the procedures but this is only temporary due to a recent relocation which will need a further review.</p>	<p>Resources</p> <p>(End of October 2010)</p>
<p>REVIEW OF THE ALLOCATIONS AND LETTINGS ARRANGEMENTS</p> <p>SEPTEMBER 2008</p>	11	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.	<p>Garage strategy report produced for portfolio holder at NCC and specific garage team to be established on a temporary basis until TEM Modernisation is complete.</p> <p>NCH is awaiting outcome of NCC review of garage strategy and feedback following proposals put forward by NCH before implementation can be progressed further.</p>	<p>Kim De Vergori – Assistant Director TEM</p> <p>(End of August 2010)</p>
<p>APPRAISAL REVIEW OF THE GOVERNANCE ANTI-FRAUD</p>	12	<p>The a Whistle Blowing policy be amended to include reference to: -</p> <ul style="list-style-type: none"> • Staff having access to 	2	End of December 2008	The recommendations are noted however staff to be advised to raise any issues with the Company	<p>Currently being reviewed by NCH and NCC.</p> <p>Reporting lines may need to be</p>	<p>Alison Mapp – Company Secretary</p>

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<p>ARRANGMENTS</p> <p>SEPTEMBER 2008</p>		<p>confidential advice from an independent body;</p> <ul style="list-style-type: none"> • Providing for a confidential hot-line for persons to use to report concerns; and • Contacting a person who is independent of the Company. 			<p>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 can contact e.g. police</p>	<p>re-considered so as to ensure no conflict between Company Secretary and Company Solicitor roles.</p> <p>Progress on this review has been delayed as the NCC lead officer has since left and no replacement officer nominated to date.</p>	<p>(End of September 2010)</p>
	<p align="center">13</p>	<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 	<p align="center">2</p>	<p align="center">End of October 2008</p>	<p>The disciplinary policy is currently being revised with the trades unions. These recommendations will be Incorporated into the document for final agreement.</p>	<p>The Disciplinary Procedure will not be reviewed until later on in the year. The recommendations are more suitably placed within the Disciplinary Management Guide, as opposed to the procedure.</p> <p>In the meantime template suspension letters have been reviewed and processes now in place outside the guide until such time as the Disciplinary Procedure and Guide is reviewed.</p> <p>It is likely that the consultation period will be protracted.</p>	<p>Mary Mayes – Head of Human Resources</p> <p>(End of October 2010)</p>

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		action being on sick leave.					
	14	<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 the actions they are to take on the receipt of such a complaint. • The anti-fraud and disciplinary policies are 	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>	<p>On 27 May 2010, Price Waterhouse Coopers (“PWC”) delivered tr training to the Board and the Company’s senior managers.</p> <p>Follow up sessions have been offered to all teams and further meetings will be scheduled with PWC with a view to developing Company awareness and training.</p> <p>A feedback session to be scheduled with Organisational Development to review training in this area generally.</p>	<p>Alison Mapp – Company Secretary (End of October 2010)</p>

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		reviewed after each actual or attempted fraud.					
	15	<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. • 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 	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>	<p>Current practices already address the need for employees to agree to compliance with IT policies.</p> <p>The Company owns the copyright to all data created by its employees in the course of their employment subject to any specific agreement to the contrary</p> <p>Policies exist within the Company regarding computer use, the protection of Company data and copyright ownership of data. The policies give effect to legislation covering these areas.</p> <p>Target date for a review of the scope to be agreed in conjunction with the Director of Organisational Development.</p>	<p>Alison Mapp – Company Secretary</p> <p>(End of October 2010)</p>

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		through the ICT Department/ICT Services Provider on the instructions of a member of senior management. <ul style="list-style-type: none"> • 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. 					
	16	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.	Internal HR policies are currently under review. Reviews as per the recommendations to be considered and agreed as appropriate in conjunction with the Director of Organisational Development.	Alison Mapp – Company Secretary (End of December 2010)
	17	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.	Internal HR policies are currently under review. Reviews as per the recommendations to be considered and agreed as appropriate in conjunction with the Director of Organisational Development.	Alison Mapp – Company Secretary (End of December 2010)
	18	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.	Internal HR policies are currently under review. Reviews as per the recommendations to be considered and agreed as appropriate in conjunction with	Alison Mapp – Company Secretary

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						the Director of Organisational Development.	(End of December 2010)
	19	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. These arrangements are currently set out within the Company's Standing Orders which have now been approved by the Board on 29 July 2010.	Alison Mapp – Company Secretary (End of August 2010)
REVIEW OF CONTRACT SERVICES – PURCHASING ARRANGEMENTS FEBRUARY 2009	20	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.	Proposed changes to the Company's 'Term's and Conditions' have been drafted. Such changes require approval by the Company Secretary and Director of Finance, ICT and Governance before being adopted – currently being reviewed in line with current Public Contracts Regulations. New legal post within the Governance team has been approved and actions required will be one of the tasks undertaken by the new post holder.	Pete Smith – Procurement and Operational Support Manager supported by Alison Mapp – Company Secretary (End of December 2010)
REVIEW OF CONTRACT SERVICES – SERVICE DELIVERY ARRANGEMENTS	21	A van stock be completed and documented for the gas section operatives.	2	End of June 2009	Agreed	COMPLETE Lists of vehicle stocks for each service area have been completed and lists are currently	Re-assigned to Steve Cooper – Project Manager (Gas)

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FEBRUARY 2009						being updated to include the item stock codes and prices.	(Previously Pete Smith – Procurement and Operational Support Manager) (End of July 2010)
REVIEW OF ASBESTOS ARRANGEMENTS JUNE 2009	22	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.	COMPLETE The H&S reporting structure is now established - quarterly EMT reports including feedback from the Company's H&S Committee, and bi-monthly reports to Board PS and HS committees. The annual report for 2009/10 was submitted in June 2010, including a report on asbestos but omitting progress with surveys - this will be included in the Property Services Committee report September 2010.	Ian Rabett – Head of Health and Safety (End of July 2010)
REVIEW OF IT SECURITY – MANAGEMENT CONTROL ARRANGEMENTS JUNE 2009	23	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.	Further delayed due to high ICT Team workload supporting front-line service development programmes. Agreement has been reached with NCC ICT Management to drive through completion of SLA work during 2010. July 2010:- Best practice review of IT services commenced to inform the rewriting of the IT Service Desk ('Help Desk') SLA.	Robert Allen – Head of ICT (End of September 2010)

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						This will be based on industry standard best practice (IT Infrastructure Library or 'ITIL') principles. Service Desk systems and processes will be reviewed/re-designed to meet NCH's specific service requirements.	
	24	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.	Awaiting development alongside the ICT SLAs.	Robert Allen – Head of ICT (End September 2010)
	25	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.	Decision being considered by Finance Team – likely outcome is that the tolerance of the associated low risk is preferred to incurring the insurance charge. Awaiting information from City Council as to the cost of insuring IT assets so a risk analysis can be performed.	Darren Phillips – Head of Finance (Company) (End of August 2010)
REVIEW OF THE IT SECURITY - NETWORK CONTROLS ARRANGEMENTS AUGUST 2009	26	NCH be required to develop its own set of Security and Acceptable Use policies which reflect the needs and the processes of NCH.	2	End September 2009	Full set of NCH's own ICT policies and procedures is planned. Work to commence once key service SLAs have been negotiated (due to interdependence).	Awaiting development alongside the ICT SLAs.	Robert Allen – Head of ICT (End September 2010)

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	27	All staff be required to sign to confirm that they have read and understand the relevant IT Security Policies.	2	End of October 2009	Will require signature of staff against new policies once in place	Awaiting development of the new ICT SLAs and policies.	Robert Allen – Head of ICT Supported by ICT team HR officer. (End of December 2010)
	28	NCH obtain monthly logs of User activity in the areas of Network, Internet and email usage and carry out a series of checks looking for actual or attempted misuse/abuse.	3	End of September 2009	Discussions are in progress with NCC Networks and Security Manager to arrange for proper reporting on such issues.	Such reports have been requested (for provision on a regular monthly basis). Individual investigations of actual / attempted abuse are taking place at instigation of HR Team.	Robert Allen – Head of ICT (End of September 2010)
	29	NCH establishes its own Security Incident Management process and ensured that all suspected incidents are first notified to the relevant NCH personnel.	3	End of December 2009	SIM process is to be fully considered during current SLA negotiations.	Implementation to be aligned with SLA	Robert Allen – Head of ICT (End of September 2010)
	30	All Managers be required to carry out a review of all their staff system access requirements for their current role. This review be carried out on an annual basis (or more frequent if NCH deem necessary).	2	End of December 2009	To be implemented for Northgate housing management system, ROCC and OneWorld as the Company's key systems. Subsequent reviews will be bi-annually.	Northgate system security changes model being piloted with Repairs Call Centre. ROCC and Oneworld access to be reviewed as part of the 2010/11 service improvement (included in SIP).	Paul Beresford – Application Support and Development Team Manager (End of December 2010)
	31	NCH completes its Business Continuity Plan (which includes Disaster Recovery arrangements) as soon as	2	End of December 2009	Completion of the NCH Business Continuity Plan is included in the Health	Meetings with service heads took place at end 2009 / start 2010 to review current BCP arrangements in each area and	Ian Rabett – Head of Health and Safety (End of

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		possible and negotiates appropriate timescales for restoration of services by NCC. In addition NCH should ensure that it is involved in the Disaster Recovery testing programme on a periodic basis.			and Safety Strategy. ICT business continuity and disaster recovery arrangements to be included in SLA negotiations for each individual service.	identify significant areas of concern. Revised policy / process to be established Autumn 2010.	September 2010) Robert Allen – Head of ICT (End of September 2010)
RISK MANAGEMENT REVIEW OF THE INTEGRATION ARRANGEMENTS OCTOBER 2009	32	The Risk Management Panel to ensure that all service area risk registers are reviewed quarterly as required within the Risk Management Framework.	2	End of December 2009	An update report will be produced summarising the completion of Service Area and Directorate Risk Registers by Managers, for review by the RMP on a quarterly basis.	The Risk Management Panel has not met since the recommendation was raised. Implementation will be actioned for the next meeting of the group.	Steve Everson – Acting Director of Finance, ICT & Governance (End of December 2010)
	33	The covering report presented with the risk register to the Audit Committee and Board to provide reasonable monitoring of agreed actions relating to risk and the risk register, for example <ul style="list-style-type: none"> • a list of registers that have not been reviewed in line with the framework • new risks identified and added to the risk registers • risks removed from the registers • changes in mitigating controls and • changes to risk likelihood 	3	End of January 2010	Consideration will be given to updating the report and expanding the information provided to members on risk during the compilation of the papers for the February Finance and Audit Committee.	The Corporate Risk Register and covering report have not been tabled for the February Finance and Audit Committee. Implementation will be actioned in the papers for the next meeting of the Finance and Audit Committee.	Alison Mapp – Company Secretary (End of August 2010)

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		and impact scores.					
REVIEW OF THE CONTRACT SERVICES PAYROLL ARRANGEMENTS OCTOBER 2009	34	The Contract Services payroll procedures be documented.	2	End of March 2010	Agreed	Introduction of Mobile working and handheld technology for operatives and craftworkers has been delayed. Therefore, compilation of the payroll procedures has been deferred to ensure all changes to payroll working practices can be incorporated.	Simon Martin – Head of Finance (Property) (End of September 2010)
REVIEW OF THE SUNDRY INCOME ARRANGEMENTS DECEMBER 2009	35	The reporting requirements of the Company be included in the Service Level Agreement with consideration being given to including details of the recovery action being taken and the date of the last action.	2	End of March 2010	A Service Level Agreement, including the reporting requirement, is to be agreed by both parties and compiled in advance of the new Financial Year. Consideration to be given to withdrawing from the SLA and managing the recovery of sundry income in-house i.e. details on debt recovery action(s) would be readily	Meeting to be held with main NCC finance contacts and SLA leads following accounts closedown. Discussions required with NCC to establish an agreed reduction in SLA charge to support any such decision.	Jo Worster - NCC Finance Team Leader and Darren Phillips – Head of Finance (Company). Acting Director of Finance, ICT & Governance. (End of December 2010)

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					available within the NCH Finance Team.		
	36	Regular meetings be held with the debt recovery function at the Council that focus on recovery performance and this requirement be built in to the Service Level Agreement when it is introduced.	2	End of March 2010	<p>Agreed with NCC that regular meetings between NCH Finance and NCC's new Sundry Income Supervisor to review monthly aged debt reports will be arranged and included in the SLA for the new year.</p> <p>Consideration will be given to the timeliness and format of these meetings, subject to any decision on the responsibility for managing and recovering NCH debt i.e. the future of the SLA.</p>	To be re-considered following discussions around the future of sundry income debt collection.	<p>Jo Worster - NCC Finance Team Leader and Darren Phillips – Head of Finance (Company).</p> <p>Darren Phillips – Head of Finance (Company) and Andrew Oliver – NCC Sundry Income Supervisor.</p> <p>(End of December 2010)</p>
	37	The expected recovery and escalation processes be incorporated in to the Service Level Agreement when it is introduced. The agreement should include the circumstances in which an external debt recovery agent is be used and at what stage legal action should be considered to cover this eventuality should it arise in	3	End of March 2010	<p>To be addressed as part of the compilation of the SLA for the new year.</p> <p>Consideration will be given to whether the use of external debt recovery agencies and legal action would provide VFM in relation to recovering NCH debt and</p>	As above for 36 .	<p>Jo Worster - NCC Finance Team Leader and Darren Phillips – Head of Finance (Company).</p> <p>(End of December 2010)</p>

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		the future.			ultimately whether this needs to be detailed within the SLA.		
REVIEW OF THE STRATEGIC GOVERNANCE ARRANGEMENTS MARCH 2009	38	The amendment to the Standing Orders requested by the Board in May 2008 be made at the next review and it be reported to the Board that the change was not made at the time.	2	End of March 2010	Part 1 of the Company's Standing Orders (Governance) are currently being revised and the amendment requested by Board is to be incorporated.	The Governance Standing Order has been reviewed and approved by Board on 29 July 2010.. The Governance Standing Order is subject to annual review.	Alison Mapp – Company Secretary (June 2011)
	39	A policy be put in place regarding the maximum number of non-executive Board members who are employees of other RSLs or ALMOs that can be on the Board of the Company	3	End of March 2010	Part 1 of the Company's Standing Orders (Governance) are currently being revised. Amendments will include the requirement for the Company to actively seek, and where possible and appropriate recruit, individuals from a variety of backgrounds and professions for appointment as Board members i.e. not solely those who exclusively work in, or have experience predominately from, the Housing sector.	There exists within the Governance Standing Orders Board renewal policies in respect of the different categories of non-executive Board members. Recruitment is on the basis of a range of criteria determined by the recruitment panel and assisted by the Chief Executive and the Company Secretary. This recommendation is noted but the diversity of the Board in terms of skills and backgrounds is considered in advance of the Board renewal exercise on an annual basis.	Alison Mapp – Company Secretary (June 2011)
	40	Formal terms of reference be	3	End of March	Part 1 of the	Draft Terms of Reference to be	Steve Everson –

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		devised for the Executive Management Team.		2010	Company's Standing Orders (Governance) are currently being revised. Following discussion and approval by Directors, draft terms of reference for EMT will be adopted.	compiled by the Director of Property Services and agreed by EMT.	Acting Director of Finance, ICT & Governance (End of December 2010)
GOVERNANCE REVIEW OF THE CONFLICTS OF INTEREST ARRANGEMENTS DECEMBER 2009	41	The Board/Committee be informed of the number of members of staff who have not returned their declaration of interest forms, in particular staff who are of seniority or in a position to award/place contracts or grant tenancies.	2	End of March 2010	Mechanism for ensuring that the status of staff declarations returned will be adopted following discussions between the HR and Governance teams. Consideration will be given to the appropriate level of reporting for this information i.e. Board or Committee.	Analysis currently underway and will be sent to the Company Secretary by the end of April. 8 managers have not returned their forms. Non-compliance should be reported to the employees line manager for appropriate action and reported to EMT. 2010/11 Audits to be sent out in the first week of September	Mary Mayes – Head of HR supported by Alison Mapp – Company Secretary (End October 2010)
	42	Staff be made aware of the confidential reporting system that Human Resources could provide to key staff who have entered into personal relationships which could have a potential Schedule 1 implication.	3	End of April 2010	Current declaration of interest questions to be reviewed and revised, in liaison with Governance, to ensure that all staff who may have a conflict of interest arising through a personal relationship are aware of their	Currently being discussed with the Company Secretary and wording will be incorporated into 2010/11 Audit. Wording completed and will be incorporated into the 2010/11 Audit to be sent out in the first week of September.	Mary Mayes – Head of HR supported by Alison Mapp – Company Secretary (End of October 2010).

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					responsibility to declare these interests or discuss required declarations with HR.		
	43	The Board be explicitly informed whether all members have completed and returned their declarations.	3	End of March 2010	Status of outstanding Board Member declarations to be reported to the Board in March in the Company Secretary's Report. A new declaration of interest form is to be sent to all Board Members in January 2010	All declarations of interest of participating Board members have been returned to date.	Alison Mapp – Company Secretary (End of October 2010).

NEW RECOMMENDATIONS ADDED TO THE REGISTER I.E. THOSE INCLUDED IN AUDIT REPORTS PRESENTED TO AUDIT COMMITTEE IN FEBRUARY 2010

REVIEW OF THE WORKS PROCUREMENT ARRANGEMENTS FEBRUARY 2010	44	All parties involved in the procurement and tender process be reminded of the need to comply with the requirements of the Tender and Contract Procedure Rules in relation to declarations of interest.	2	Immediate	As part of the evaluation process the quality assessment form has been amended to include the declaration of interest statement that all parties sign to participate in any evaluation.	COMPLETE All individuals involved in the evaluation process now sign.	Pete Smith – Procurement and Operational Support Manager
	45	It be ensured that tender receipt labels are attached to all tender envelopes and are fully completed.	2	Immediate	All tender envelopes will have the receipt labels attached and fully completed, this will be monitored by Governance as part of	COMPLETE This is managed by Governance.	Pete Smith – Procurement and Operational Support Manager

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					the tender opening process. All tender envelopes will be retained within the contract file.		
	46	Tender envelopes be checked on receipt for indications of the contractors name and be accepted or rejected accordingly.	2	Immediate	Tender documentation will be amended to state that the tendering company shall not place any information such as logo, or company frank that will identify them on the tender return envelope.	COMPLETE All future tenders will include a stronger statement that indicators of the contractors name shall be rejected unless applied by a third person and unavoidable, i.e. post office or courier for auditable purposes.	Pete Smith – Procurement and Operational Support Manager
	47	The following risks be considered for inclusion in the Company's risk register: - <ul style="list-style-type: none"> • Legal challenge to procurement, due to failure to comply with EU procurement rules, • Preferential selection of contractors and consultants, • Use of different forms of contract for partnering projects, More exposure to risk on partnering contracts	3	1 st July 2010	A review of the risks will be undertaken to identify what risks are associated with procurement and the relevant contract form. The risk evaluation will identify if partnering contracts actually identify if this risk is higher than other forms	Any contract form with partnering shall be evaluated for risk with the appropriate client. This will be undertaken when we have the next Partnering Contract. The risks of challenge will be included in the Property Services Risk Register.	Pete smith – Procurement and Operational Support Manager (End of August 2010)
	48	The justification for all contract awards be documented with reasons recorded for the lowest quotes not being accepted.	3	Immediate	All quotations that require more than one quote will be undertaken by the Procurement Team and decisions	COMPLETE Where requests for quotations are received all relevant information is recorded on the small quotes register.	Pete Smith – Procurement and Operational Support Manager

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					documented.		
COMPLIANCE REVIEW OF THE ALLOCATIONS AND LETTINGS ARRANGEMENTS MARCH 2010	49	A new tenancy agreement be put in place for property reference 24WHQ021002.	2	Immediate	In this instance it is not only the tenancy agreement which is missing but the whole housefile. The tenant who is referred to in this report has since terminated the tenancy (July 2009) and therefore cannot be asked to sign a new tenancy agreement. The issue of the missing housefile will be addressed by the AHM to ensure that further attempts to locate the file are made and if the file cannot be found duplicate documentation is provided as necessary.	COMPLETE Tenant contacted and new tenancy agreement has now been signed and a duplicate Housefile created.	Area Housing Manager – Aspley (Chris Holloway)
	50	Signed application verification forms and Homelink application forms be obtained and retained in the house files.	2	Immediate	Lettings Manager will ensure that the relevant tenants are asked to complete verification forms/Application Form.	COMPLETE Completion of verification forms is an ongoing requirement for relevant tenants.	Cherry Edgeworth – Lettings Manager (June 2010)
	51	A review of the document and file handover process in place be undertaken to ensure the whereabouts of all documents	2	End of April 2010	Handover process and procedures to be reviewed with Business	Progress is ongoing.	Cherry Edgeworth – Lettings Manager

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		are known and are retained in line with documented procedures and legal requirements.			Improvement Team and improved systems to be implemented. Business Improvement Team to carry out in-house audit.		(TBC)
	52	Further testing be undertaken by TIAA in March 2010 to confirm or otherwise that the file retrieval process is working effectively.	2	Immediate	Accepted – recommend end of March to enable us to establish new process.	COMPLETE NCH awaiting feedback on additional testing undertaken by TIAA.	Richard Holland – Assistant Director of Housing Services
	53	An additional audit be included in the 2010/11 plan to carry out further testing to ensure that the file retrieval process is still working correctly.	2	End of April 2010	Amendments to the 2010/11 Audit Plan will be considered and agreed with TIAA as deemed necessary.	COMPLETE Proposed audit is not deemed a priority in relation to ensuring NCH'S key internal controls are operating effectively in 2010/11.	Julie Crook – Former Director of Finance, ICT & Governance
	54	Periodic checks be carried out on a rolling basis to confirm that all paper tenancy files can be accounted for	2	End of April 2010	To be incorporated within new handover procedure.	Progress is ongoing.	Cherry Edgeworth – Lettings Manager (TBC)
COMPLIANCE REVIEW OF THE GAS SAFETY ARRANGEMENTS FEBRUARY 2010	55	It be ensured that all gas service dates are accurately recorded on the housing management system.	2	March 2010	COMPLETE NCH will ensure that all Landlord certificates are correctly dated and the data base is crossed checked with the system to ensure that the dates correspond. Item has been discussed with all support staff in	N/A	Steve Cooper – Project Manager (Gas)

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					team brief and will now be monitored during QC monthly office audits.		
	56	It be ensured that landlord certificates are signed by the tenant.	3	March 2010	COMPLETE NCH will ensure that all tenants sign the landlord certificates. This has been relayed via team meetings with service engineers and maintenance managers. Will be monitored during monthly QC office audit.	N/A	Steve Cooper – Project Manager (Gas)
	57	Targets be set and monitored for the number of gas servicing quality control checks completed by the Gas Quality Control Engineers.	3	End of May 2010	The Gas quality control section will ensure that frequent checks are undertaken on all services completed each month and recorded on the data base.	COMPLETE Monthly targets were introduced in May and are monitored through the Gas Quality control Monthly Log database for the gas Maintenance team.	Paul Ruston – Project Manager Decent Homes
REVIEW OF THE CONTRACT SERVICES ARRANGEMENTS JANUARY 2010	58	Timesheets be signed by the supervisors as required.	2	End of July 2010 (Review)	Maintenance Managers have all received instruction on the need to correctly sign off timesheets and identify all disputed “un-productive time”. Ongoing, management issue	Progress is ongoing.	Trevor Burdon – Head of Service Repairs and Maintenance Supported by Project Managers. (TBC)

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					and performance to be reviewed in 6 months to assess implementation.		
	59	A review of the effectiveness of the updated version of the diagnostic software be undertaken to ensure that the correct schedule of rates are used by the Call Centre agents.	2	End of July 2010 (Review)	New Repairs Diagnostic software installed at Contact Centre and operational Jan 2010. Diagnostic software to be subject to regular review and SOR code combinations updated to ensure correct codes awarded at outset. Ongoing, software subject to regular update and review and performance to be reviewed in 6 months to assess implementation.	Progress is ongoing.	Kate Watret – Customer Service Manager (TBC)
	60	It be reported periodically to Project Managers and senior management the number of Invoice Rejection Forms completed, responded to and outstanding by work stream or Maintenance Manager.	2	April 2010 July 2010 (Review)	Invoice rejection data to be included in Project Manager bi-weekly Report Pack. Introduction of Mobile Working and improved control of variations to job packs will reduce overall numbers of invoice rejections.	Progress is ongoing.	Trevor Burdon – Head of Service Repairs and Maintenance (TBC)
	61	All recalled jobs be	2	June 2010	Operatives specifically	Progress is ongoing.	Trevor Burdon –

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		programmed in to the work schedule regardless of how many required per day, attended and completed to satisfaction.			briefed about performance in responding to Recalls at Jan 2010 Toolbox Talks. Recall performance to be introduced into Project Manager bi-weekly Reports.		Head of Service Repairs and Maintenance (TBC)
	62	A strategy be developed to improve the Company's performance in satisfactorily carrying out repairs at the first visit in order to reduce inefficiencies and costs and to improve customer satisfaction with the repairs service.	2	April 2010	Introduction of Mobile Working and ordering of works with PDAs with Opttime scheduling will ensure significant improvements in first time fix repairs – incentive to 'extend' jobs for second appointments will be removed.	Progress is ongoing.	Gary Whitaker - Assistant Director of Commercial Delivery (TBC)
	63	It be ensured that Management attend Quality Control recall appointments as required.	3	Feb 2010	Process map for resolving defects work has been developed by the QA team in conjunction with repairs Project Managers but still some problems in ensuring Maintenance Managers comply – who are to be briefed as a key part of implementation. Process to be briefed	Intensive monitoring of recalls has also been undertaken and results presented during June Maintenance Managers meeting. Follow up report to be presented at August Maintenance Managers meeting to see if progress has been made. The process map has been implemented and should be being adhered to by managers.	Simon Marlow – Quality Systems and Improvement Officer (End of August 2010)

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				May 2010	out to all Maintenance Managers at monthly meeting in February 2010. Project Managers to report on implementation at future PM meetings.		All Project Managers (End of August 2010)
REVIEW OF IT SECURITY – APPLICATION UPGRADE CONTROL ARRANGEMENTS MARCH 2010	64	A formal SLA be pursued with NCC for short-term resolution.	2	March 2011	This is already a part of NCH ICT’s plan. Realistically, the timescale will be protracted with NCH and NCC engaged on major programmes of work at present.	Part of ICT SLA work and included in ICT SIP for 2010/11.	Robert Allen – Head of ICT (End of December 2010)
	65	The Service Catalogue be reviewed to assess additional entries needed to give a comprehensive picture of the systems in place (including sensitive data, data classification, and encryption needs and data ownership).	2	Initial Catalogue completion – End of August 2010 March 2011	We plan immediately to begin addressing the completion of the Service Catalogue, updates to which will then become an on-going task. Meaningful data ownership will involve cultural change and will be addressed as part of the existing ICT plan.	Progress with implementation is ongoing and will be updated throughout the year.	Paul Beresford – ASDT Manager (End of September 2010) Robert Allen – Head of ICT supported by Paul Beresford – ASDT Manager (End of September 2010)
	66	The following aspects to be addressed in the next version of the Development Handbook <ul style="list-style-type: none"> • Enter Non-Functional Requirements covering Security and Audit 	2	March 2011	In place.	Progress with implementation is ongoing and will be updated throughout the year.	-

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		Requirements in the instructions. • Enter Business Continuity Planning and Disaster Recovery Requirements in instructions. • Add User Guides and Training to Implementation Plan in reflection of the decision to go live with the implementation of the software. • Include Project Dependencies with Risks and Issues to ensure coverage of all potential project impacts. • Define areas of responsibility and control over Northgate IT systems between NCH and NCC (to include ONEWORLD & DELPHI IT Systems.			In place. Handbook will be reviewed to accommodate this suggestion As above. To be included in SLA development		- Paul Beresford – ASDT Manager (End of September 2010) As above. Robert Allen – Head of ICT (End of September 2010)
	67	All Testing and Acceptance criteria documentation be electronic and complete.	2	Immediate	COMPLETE New procedures/standards for Testing and Acceptance have been issued and communicated to ASD Team	N/A	Robert Allen – Head of ICT
	68	A System Testing process is developed.	2	Immediate	COMPLETE Wider potential system impacts will be taken into account for future work (for upgraded system and	N/A	Paul Beresford – ASDT Manager

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					other systems that might be affected).		
	69	The following policies and associated procedures to be put in place: <ul style="list-style-type: none"> • All approval of IT requirements to be through IT Team. • All funds to be properly allocated/vired for IT acquisitions. • All acquisitions to be in line with IT Strategy. 	2	End of April 2010 End of April 2010 Immediate	Reminder to be sent to EMT and Company Managers. With agreement of Finance Team. Already part of official approach to ordering.	Reminder issued to all Company Managers.	Robert Allen – Head of ICT (End of September 2010)
	70	A process be established to ensure all Help Desk calls are made to the NCC Help Desk not NCH's.	3	Commence April 2010 By end of Sept. 2010 By end of Sept. 2010	Already part of ICT plan and; Communicate to staff the reasons and procedures for making service calls. Intend to establish distinct NCH entity on NCC Service Desk database Train NCH ICT staff. Implement arrangement with NCC ahead of wider SLA agreement – with interim SLA/response times.	Service Desk operation under review against best-practice (ITIL – IT Infrastructure Library) principles. Service Desk systems and processes being reviewed / re-designed as appropriate to meet NCH's specific requirements. Distinct NCH entity on Service Desk database has been agreed and planning commenced to implement this. Delivery date to be agreed with NCC Service Desk manager	Robert Allen – Head of ICT TBD
	71	The Following points to be	3	End of June	Project Briefs will be updated going	Progress with implementation is ongoing and will be updated	Paul Beresford – ASDT Manager

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		addressed in Project Briefs: <ul style="list-style-type: none"> • Include risks issues and dependencies as specific items at part 6 rather than including in Background or Definition of Requirement. • Acceptance Criteria to be properly outlined at part 5 – Cost, Time, Benefits, Scope, Requirements and should also include business objectives. 		2010	forward.	throughout the year.	(End of September 2010)
	72	NCH to include reference in Job Descriptions to security responsibility and the addressing of security and audit needs requirements in systems in accordance with the updated Handbook requirements.	3	End of June 2010	Consultation with held with the Human Resources team and reasonable/feasible changes will be implemented.	Progress with implementation is ongoing and will be updated throughout the year.	Paul Beresford – ASDT Manager (End of September 2010)
	73	Issue resolutions be attached to the original design documents.	3	End of June 2010	There is a need to follow up and complete documentation to ensure accuracy with regard to (fully version controlled) System Configuration Documentation	Progress with implementation is ongoing and will be updated throughout the year.	Paul Beresford – ASDT Manager (End of September 2010)
	74	Ensure IT support contracts contain appropriate confidentiality and security clauses.	3	Immediate	Following actions to be taken: Enumerate IT Application Support contracts.	This is being addressed now on new contracts but target for review of existing contracts has slipped.	Paul Beresford – ASDT Manager (End of September 2010)

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				End of June 2010	Refer to NCH Legal Team to formulate contractual requirements.		
				March 2011	Negotiate inclusions with suppliers.		

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GRANT THORNTON AUDIT ISSUES MEMORANDUM JULY 2008	75	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 sought 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>Steve Everson – Acting of Finance, ICT and Governance.</p> <p>(End of December 2010)</p>
	76	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	Aligned with implementation of 31 (see above).	<p>Robert Allen - Head of ICT.</p> <p>(End of September 2010)</p>

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					each service element.		
	77	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 renegotiated SLAs.	To be completed post establishment of new (underpinning) SLAs - re-scheduled in line with SIP.	Robert Allen - Head of ICT. (End of September 2010)