

HOUSING 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>ALLOCATIONS AND LETTINGS</p> <p>FEBRUARY 2008</p>	<p>H1a)</p>	<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>High</p>	<p>March 2008</p>	<p>Policy amendment to be proposed to the City.</p>	<p>COMPLETE</p> <p>This item has been part of the overall review of the Allocations Policy. An interim approval arrangement is in place which seeks approval from the Head of Strategy and Regeneration, NCC. Initially a HomeLink review was commenced in 2008. The City's Overview and Scrutiny Cttee then commissioned both NCC and NCH to complete a full review of the City's Allocations Policy. In May 2009, NCC agreed to NCH undertaking a fundamental analysis of supply and demand in the City to inform the future allocations service in the City, due to the economic downturn, changes to allocation legislation, new CLG consultation and future regeneration. This has now been completed. Portfolio Holder and Labour Group approval has been received for the revised draft policy. An elected members seminar is arranged for Nov 2009, following which, ratification of the new policy will be sought from the City Council's cabinet. An implementation plan is to be completed by July 2010, subject to approvals being received</p>	<p>Sue Lomax - Allocations Co-ordinator.</p> <p>(End of July 2010).</p>

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	H1b)	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).	Written into new policy that is awaiting ratification – see further details above.	Sushma Cheesbrough (NCC Officer) (End of July 2010).
	H1c)	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.	Sue Lomax - Allocations Co-ordinator. (July 2010).
	H2	When NCH staff create a new waiting list application they have previously been advised by Housing ICT that they must undertake a person search of the system prior to commencing the registration process. This would solve the issue of missing application numbers from the sequence, and ensure that no duplicate applications are created, and that tenancy history is not obscured. (Updated recommendation from 2004 audit report).	Medium	March 2008	An internal test of this has taken place and it is suggested changes to the IT system are made to support the potential error. A change control request will be made.	COMPLETE At the time of this audit, HomeLink application forms were input by all housing offices and the HomeLink team. Since the audit we have centralised the registration process to ensure greater control and consistency. All applications are now input by the HomeLink team. In addition, system security and access has been restricted which has minimised the issues raised. Northgate have confirmed that changes will not be made to their core product to support the audit suggestion to the IT system.	Sue Lomax - Allocations Co-ordinator. (End of April 2009).
APPRAISAL REVIEW OF TENANT PARTICIPATION	H3	Information on tenant associations and Company budgets and actual spend with	3	July 2008	This information will be published in the newsletter and on the	Tenant participation budgets have not previously been broken down into specific areas to properly describe TP spend.	Carole Donnelly Tenant and Leaseholder

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ARRANGEMENTS JULY 2008		regard to Tenant Participation be provided to tenants via a monthly newsletter.			website.	2009/10 budgets have been devolved down to Forum and Panel level and per event held. Discussion and TP spend has been shared at TLC and Forum level and handouts issued. Agreement has been received from TLC about how tenants want these costs to be publicised and frequency. Data will now be published on the website by the end of November 2009 & in the Newsletter by the end of January 2010, and at regular periods.	Involvement Manager. (End of January 2010)
	H4	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 taken place at TLC level and with Chairs and Vice Chairs about this matter on a number of occasions. Officer attendance at TLC meetings is by invitation only. A TLC consultation event to review all constitutions, terms of reference and codes of conduct took place on 25 th August 2009. Full Compact Review to be completed by 31 st March 2010.	Carole Donnelly Tenant and Leaseholder Involvement Manager. (End of March 2010)
REVIEW OF THE ALLOCATIONS AND LETTINGS ARRANGEMENTS SEPTEMBER 2008	H5	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,	Currently under consideration due to reassignment of responsibility. A draft garage strategy has been produced for NCC, no further action can be taken re:	Kim De Vergori – Assistant Director TEM (End of January 2009)

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					coupled with the surplus of garage stock available to let in most areas, this recommendation is not considered feasible at this time.	this recommendation until the outcome of this is known.	
REVIEW OF SERVICE CHARGE ARRANGEMENTS JUNE 2009	H6	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	COMPLETE LRRT reconciled leaseholder centralised database with Northgate. Leasehold information cleansed and updated where required with the help of NCH ICT Team and NCC RTB and Legal Team. All invoices were sent out to the reconciled and loaded leaseholders on Northgate by the legislative deadline of 30/9/09.	Simon Temporal – Interim Leasehold Manager (End of September 2009)
	H7	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	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	Meeting arranged in September to discuss this proposal. Target date has been revised as the task will require full consultation which may be timely. Meeting to be re-arranged in October 2009 with NCC due to	Simon Temporal – Interim Leasehold Manager (April 2010)

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		to the principle of a sinking fund			change. If proposal is adopted, full consultation with leaseholders will be required and carried out.	Leaseholder and Rechargeable Repairs Manager leaving the post. Article in September 2009 issue explaining Sinking funds and asking leaseholders for their opinion on sinking funds. No responses so far from leaseholders. If NCH and NCC agree that Sinking Funds are a viable option then full citywide consultation with leaseholders will take place.	
	H8	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.	COMPLETE Debt collection on the 2008/2009 Service charge invoices produced through the Northgate System are now managed by NCH. Reports on collection performance will be reported to the committee and board from October 2009. Previous debt raised in One World will continue to be managed by the NCC Sundry Income Team.	Simon Temporal – Interim Leasehold Manager (October 2009)
NEW RECOMMENDATIONS ADDED TO THE REGISTER I.E. THOSE INCLUDED IN AUDIT REPORTS PRESENTED TO AUDIT COMMITTEE IN SEPTEMBER 2009							
REVIEW OF THE RENT SETTING & COLLECTION ARRANGEMENTS	H9	The reconciliation of the cash system to the nominal ledger be brought up to date and completed on a daily basis as	2	End of June 2009.	An exercise has already commenced to clear the back-log outstanding. The ledger will then be	COMPLETE The reconciliation has been brought fully up to date & will continue to be reconciled per	Andy Webb – Rents Admin Team Leader (supported by

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JULY 2009		per the expected control.			kept up to date on a daily basis thereafter.	procedures.	Richard Holland – Interim Rents Manager. (July 2009)
	H10	All significant credit balances be regularly investigated with reasons and actions taken recorded.	2	End of June 2009	There will be a review at the end of each quarter of those accounts that currently have a Credit of over £1,000. Where appropriate the tenant shall be contacted after the relevant checks have been made, to refund the Credit due.	COMPLETE A check has been made of significant credit balance accounts and the relevant actions completed at the end of Quarter 1 & Quarter 2, 2009/10. Investigations will be ongoing at the end of each quarter.	Andy Webb – Rents Admin Team Leader (Supported by Richard Holland – Interim Rents Manager). (July 2009)
	H11	Ensure the revised cash handling procedures are followed.	2	End of August 2009.	There is an ongoing timetable of audits in place to ensure procedures are followed.. Training logs are completed, together with self assessments completed by staff. Letters have been sent to all Housing Office Managers following the June audit regarding non-conformances and reminding them that breaches of Financial	COMPLETE All offices have been independently audited in June 2009 & October 2009. All of the Non-Conformances identified & reported in the first audit have been rectified. The new procedures & documentation are now embedded. Housing Managers are undertaking audits monthly & additional independent audits will continue at least twice yearly.	Mark Lawson (August 2009)

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					Regulations may result in disciplinary action.		
	H12	Tenants be informed of the large credit balances on the rent account. The assistance of support agencies be utilised where appropriate.	2	End of June 2009.	There will be a review at the end of each quarter of those accounts that currently have a Credit of over £1,000. Where appropriate the tenant shall be contacted after the relevant checks have been made, to refund the Credit due.	COMPLETE See Action H10 . A check has been made of significant credit balance accounts and tenants written to at the end of Quarter 1 & Quarter 2, 2009/10. This will continue at the end of each quarter.	Andy Webb – Rents Admin Team Leader (supported by Richard Holland – Interim Rents Manager). (July 2009)
	H13	Old items held within the rents suspense account be moved to enable more detailed aged analysis to be performed.	3	Immediate	An exercise has been completed to remove all old items in the suspense account. There will also be regular reviews in the future.	COMPLETE	Andy Webb – Rents Admin Team Leader. (July 2009)
	H14	The standard form be used to request changes to tenancy start dates and key elements.	3	End of May 2009	The amended process & request form was launched at Housing Operations Management Team on 20-May-09.	COMPLETE Standard documentation has been completed, distributed & is now in use.	Mark Lawson. (July 2009)