

20 JANUARY 2000

This report may be of interest to: Members of Scrutiny Commission

INTERNAL AUDIT REPORTS

Accountable Officer: Dennis Boobier (Head of Policy and Support)

Author: Tony Huff (Finance Manager) MK 253422

1. Purpose of Report

1.1 To inform the Committee of reports made by the Internal Audit Service in the last five months from August 1999 to December 1999 and any actions arising in respect of areas falling within the remit of this Committee.

2. Summary

2.1 Final reports were received from Internal Audit on the following service areas:

- (a) Lakes Lettings
- (b) Greenleys Voids
- (c) Caravan Sites
- (d) Greenleys Benefits
- (e) Lakes Benefits
- (f) Benefits Overpayments
- (g) Benefits Investigations
- (h) Greenleys Rent Accounting
- (i) Former Tenants Arrears
- (j) Responsive Repairs
- (k) Housing Association Nominations

(l) Lakes Repairs

3. **Recommendation**

3.1 To note the recommendations made in the reports and the officer comments as shown in paragraphs 5.2 and 5.3.

4. **Background**

4.1 The Contracts Committee, at its meeting on 20 November 1997, resolved that the following approaches be adopted for dealing with the Internal Audit Reports to Members:

- (a) Executive summaries will be circulated to relevant Committee Chairs and Group Spokesperson.
- (b) The Treasurer be given direct access to the Policy and Resources Committee at any time, to report on areas of concern.
- (c) Summary reports to be made on a quarterly basis to the relevant Committee.

4.2 Due to the large number of audit reports received during the period and the Committee's wish to concentrate on the policy issues arising and those areas of serious non performance according to laid down procedures only recommendations relating to such items are identified in the report. Copies of all the audit reports received during the period are available for members as shown in the list of background papers.

5. **Issues and Choices**

5.1 For the majority of reports it was found that the controls are operating effectively. However in some cases some small weaknesses were found and recommendations have been suggested to tighten up procedures where required. These recommendations have been implemented or where not are in the process of being implemented.

5.2 However, the reports on Former Tenants Arrears, Responsive Repairs, Housing Association Nomination and Lakes Housing Office Responsive Repairs require mention as follows:

(a) **Former Tenants Arrears**

The audit recommendation was as follows: *“The Finance Section should consider liaising with other Finance Sections to enable a corporate Collection Agent(s), who is able to deal with various types of debts that arise across the Council. A corporate approach will maximise the economies of scale, given the size and levels of debt in the Council”*. This recommendation is under consideration. The exact way that this can be achieved due to the many different types of debt outstanding and the current different policies in effect as regards the measures that can be taken to recover the debt need to be considered.

(b) **Responsive Repairs**

The Audit Summary concluded: *“Budgetary control was found to be satisfactory. However, the system of controls in relation to the Performance Management System, Correction Orders, customer satisfaction monitoring and Post Inspections was found to be weak and recommendations have been made in relation to these issues. It is recognised that the implementation of the First Housing computer system will address some of these concerns and a*

Housing Sub-Committee is to review customer satisfaction responses and procedures.” As audit concluded the Housing Improvement Team on Repairs and Voids has addressed this issue and procedures are to be put into place to improve the situation. The First Housing system will improve the situation as will the planned centralisation of this function.

(c) Housing Association Nominations

The Audit Summary concluded: *“The Council is exercising its initial nomination rights but the monitoring of subsequent nominations is inadequate. At the time of the previous audit, a form for Senior Officers to complete authorising nomination of an applicant to a Housing Association was being introduced, but this form has not been used by the Core Lettings Section”* . The recommendations in the report will be implemented.

(d) Lakes Housing Office Repairs

5.3 The Audit Summary concluded : *“The audit highlighted a number of weaknesses, the majority of these being in relation to the performance of the contractor and failure to adequately update the computer system with repairs information. Recommendations have been made to address these issues in the report”*. The performance of the contractor has now improved with Mears taking over the contract. The problems with updating the system with information has been solved and revised procedures are now in place to stop the problem reoccurring.

6. Implications

6.1 Environmental

None.

6.2 Equalities

None.

6.3 Financial

The recommendations should ensure that income is complete, that expenditure is appropriate, and that the Council is obtaining value for money.

6.4 Legal

None.

6.5 Staff and Accommodation

None.

7. **Conclusions**

7.1 All the reports highlighted some areas for improvement but also contained areas which were operating effectively. The recommendations are being implemented as far as possible to help improve procedures and practices.

Background Papers: Full Audit reports are available from Elaine Dunlop, Personal Assistant to the Strategic Director (Neighbourhood Services) on MK253269.

- (a) Lakes Lettings - August 1999
- (b) Greenleys Voids - August 1999
- (c) Caravan Sites – September 1999
- (d) Greenleys Benefits - September 1999
- (e) Lakes Benefits - September 1999
- (f) Benefits Overpayments – October 1999
- (g) Benefits Investigations - October 1999
- (h) Greenleys Rent Accounting – November 1999
- (i) Former Tenants Arrears – November 1999
- (j) Responsive Repairs - November 1999
- (k) Housing Association Nominations - November 1999
- (l) Lakes Repairs – December 1999