

HOUSING INTERNAL CONTROLS – S151 UPDATE

Relevant Portfolio Holder	Cllr Matt Dormer
Portfolio Holder Consulted	-
Relevant Head of Service	Jayne Pickering
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A

1. SUMMARY OF PROPOSALS

This provides a further progress report detailing the actions taken to deliver the improvements to Housing Internal Controls as recommended by Internal Audit reports and further identified by External Audit in 2018.

2. RECOMMENDATIONS

- 2.1 That Members consider the actions in place to provide assurance in relation to the weaknesses identified.
- 2.2 That Members request a further 6 monthly update on the implementation of actions contained within the reports.

3. KEY ISSUES

Financial Implications

- 3.1 As Members are aware as a result of Internal Audit reports in 2016/17 in relation to Housing Capital and Post Contract appraisal functions a significant number of recommendations in relation to contract compliance, contract management and procurement processes were identified.
- 3.2 Actions taken in response to the recommendations included:
 - Review of all contracts
 - Procurement Officer relocated within Legal
 - Appointed Specialist Officers
 - Review of delegations
 - Comprehensive mandatory training
 - Stock condition survey to be undertaken
 - Review of financial arrangements
- 3.3 Grant Thornton have noted that improvements have been made to procurement and contract management and further reports are being undertaken by Internal Audit to assess the actions undertaken.

- 3.4 This report aims to update and assure Members that recommendations from the Audit team have been implemented or have a clear timeline as to when they will be actioned.

Legal Implications

- 3.5 The Council has a number of statutory duties to fulfil as a social landlord. Officers are also required to comply with a number of corporate policies including financial regulations and contract procedure rules. The improvements being made will ensure the Council officers comply with the regulations and processes in place.

Service / Operational Implications

- 3.6 Members will be aware that the Council's internal audit team carried out two audit investigations into the operation of the Council's Housing Services. These were finalised in March 2017.
- 3.7 As a result of these audit investigations certain recommendations were made to officers in respect of the financial controls within the Housing Service and how improvements can be made. The Audit Standards and Governance Committee's role is to provide assurance to the Council on the effectiveness of its internal controls and governance arrangements that are in place to secure this.
- 3.8 Training and development has been undertaken for all personnel who have roles or responsibilities in procuring; letting and managing contracts. In addition, the financial regulations and contract procedure rules were refreshed to give further clarity.
- 3.9 All major contracts continue to be reviewed and regularised where they were found to be holding over or operating outside of a framework.
- 3.10 The Legal and Procurement team have rolled out procurement and contract procedure rules training to all forth tier officers and further contract management training will continue as refresher sessions for officers.
- 3.11 All new contracts are being negotiated in line with procurement and contract procedure rules and support and guidance given to ensure that the contracts include meaningful and measurable performance tools and milestones in conjunction with regular client contractor meetings.
- 3.12 Officers have updated the action plans to reflect the current position and these are attached to this report:
- Appendix A details all of the actions either implemented or with a clear timeline of delivery for the Capital Programme Audit

- Appendix B details all of the actions either implemented or with a clear timeline for delivery of the Post Contract Appraisal Audit.

Customer / Equalities and Diversity Implications

- 3.13 The improvements as recommended within the Internal Audit reports and the recent detailed operational and structural report to Executive will ensure that tenants receive a service that is compliant, safe and delivers good customer care.

4. RISK MANAGEMENT

The Councils corporate risk register reflects the issues and actions required to mitigate risk

5. APPENDICES

Appendix 1 - Housing Capital Programme
Appendix 2 - Post Contract Appraisal

6. BACKGROUND PAPERS

None.

7. KEY

None.

AUTHOR OF REPORT

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