



ITEM: 7 (ii)
AUDIT COMMITTEE
13 JANUARY 2014

Nottingham City Homes
Responsive Repairs
November 2013

Final Report

Assurance Level: substantially meets expectations

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1 Introduction

- 1.1 Our work was performed as part of our internal audit plan for 2013/14, which was agreed with Management and the Audit Committee in February 2013.
- 1.2 The purpose of our review was to assess the adequacy and effectiveness of the internal controls over responsive repairs currently in place at Nottingham City Homes.
- 1.3 In particular, our review considered the following potential risks:
- Works orders may not be accurately input or effectively prioritised in line with identified customer service standards.
 - The Organisation may not allocate works orders on an efficient basis.
 - Procedures for varying works orders may not ensure that adequate authorisation is obtained whilst not restricting efficient completion of works orders.
 - There may not be adequate monitoring of performance in relation to responsive repairs.
- 1.4 The work was carried out primarily by holding discussions with relevant staff, reviewing available documentation and testing controls in place to determine their effectiveness.
- 1.5 This report has been prepared as part of the internal audit of Nottingham City Homes under the terms of the contract for internal audit services. It has been prepared for Nottingham City Homes and we neither accept nor assume any responsibility or duty of care to any third party in relation to it. The conclusions and recommendations are based on the results of audit work carried out and are reported in good faith. However, our methodology relies upon explanations by managers and sample testing and management should satisfy itself of the validity of any recommendations before acting upon them.

2 Executive Summary

- 2.1 We have carried out the audit in accordance with the programme agreed with management and the Audit Committee. Based on the audit work carried out we have concluded that the level of control over responsive repairs: substantially meets expectations.
- 2.2 The Organisation has in place an electronic “repairs finder” decision tree which is used by the call centre to categorise works orders when a tenant calls to report a repair. Repairs which are considered emergencies are clearly documented within the repairs handbook and testing of a sample of emergency repairs confirmed that they had been appropriately classified as emergencies. Our review also confirmed that reported repairs are logged and appointments made on a timely basis.

- 2.3 Repairs are categorised and costed according to a schedule of rates (SoR). We carried out testing to confirm accuracy of call centre logging of repairs jobs, by comparing the SoR codes specified by the call centre when the job was raised to those actually claimed by the operative on completion of the job. Whilst the exact codes used differed in all except one case, the general description of the work relating to the codes raised and claimed appeared reasonable.
- 2.4 The Organisation uses the “Opti-time” system for scheduling jobs, and this is the responsibility of the works planners. For routine repairs, the call centre operative taking the call from the tenant will be offered the next available appointment for the relevant trade. Emergency repairs are not allocated in this way. In these cases, the tenant is informed that the job will be attended within four hours and the works order is placed into a “bucket” within Opti-time for allocation by the works planners. A review of Opti-time highlighted that it is an effective method to arrange appointments and allocate work to operatives.
- 2.5 The Repairs team monitors trends throughout the year to enable sufficient time to be set aside in operatives’ diaries for emergencies. Discussions confirmed this is done six weeks in advance. We obtained the analysis carried out to determine the relevant amount of time to set aside, as evidence that this is operating in practice.
- 2.6 The Organisation uses subcontractors for completion of responsive repairs works where appropriate, for example, scaffolding companies. Subcontractor orders are signed off by the Maintenance Managers, and testing confirmed the operation of this control in practice. However, we noted that evidence of work carried out by the subcontractor is not always obtained prior to invoice payment. This could be identified subsequently, for example, if the repair was post-inspected or if NCH returned to complete the job following subcontractor attendance.
- 2.7 Costing of jobs is done on the basis of schedule of rates. The SOR codes claimed by operatives following completion of jobs are reviewed and signed off by Maintenance Managers to ensure that the combination of codes claimed is valid and appears reasonable against the description of the work carried out. Testing confirmed the operation of this control in practice. In addition, the top 100 jobs by cost variation (between the original SoRs logged by the call centre and the SoRs claimed by the operative) are post-inspected each month, providing further assurance in relation to this risk. We reviewed evidence that the post-inspections based on variation were being carried out, but a lower frequency than expected had been completed. Discussions confirmed this was due to the fact that failure to gain access to post-inspect a repair is not subsequently pursued, which reduces the sample size accordingly.
- 2.8 Jobs are allocated on the basis that they will take 30 minutes to complete. If an operative arrives at a job and determined it will take longer than this, there is a set process in place to obtain approval for

the extension from the relevant Maintenance Manager. Our testing highlighted that these approvals were not always evidenced. In addition, the extension process requires operatives to record the SoR codes required to complete the job and this was not being adhered to in practice.

2.9 There are appropriate KPIs in place to monitor timely completion of works orders. However, we confirmed through discussion that the way that out of hours jobs are currently reported means that the indicator surrounding attending emergency repairs within the requisite four hours is distorted. NCH is looking to amend this when the SLA is revisited to ensure reporting of performance in this area is more reflective of actual practice. There are appropriate mechanisms in place for review of outstanding, completed, varied and cancelled works orders.

2.10 Key enhancement opportunities include:

- Call centre staff should be reminded of the need to check whether a reported repair has been raised previously and is still outstanding, to ensure that duplicate orders are not being raised on the system.
- The Organisation should ensure that the intended change to the reporting of performance in relation to emergency repairs attendance is implemented when the SLA is reviewed, to ensure that reported performance accurately reflects actual performance.
- The Organisation should ensure that a sample of subcontractor works is routinely post-inspected to verify that the work has taken place as claimed and is of the requisite quality.
- The Organisation should monitor the effect of failure to gain access on the levels of repairs which are post inspected, to ensure that there is no detrimental effect on the effectiveness of the post-inspection controls in place.
- Operatives should be required to update the SoR codes on the system when an extension is required, in accordance with procedures. For extended jobs, operatives should also record details of the approval given by the Maintenance Manager i.e. which manager gave the approval, and the approval code, so that the authority to extend the job is evidenced.

2.11 Finally, we wish to thank all members of staff for their availability, co-operation and assistance during the course of our review.

BDO LLP
November 2013

3 Detailed Findings

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>Works orders may not be accurately input or effectively prioritised in line with identified customer service standards.</p>	<p><u>Recording and prioritisation of responsive repairs requests</u></p> <p>Tenants will contact the Customer Contact Centre located at the Houndsgate office to request a repair.</p> <p>The call centre staff will raise a works order through “repairs finder” on Northgate, the housing management system. Repairs finder is a question tree which they follow in order to best identify the relevant schedule of rates (SoR) code for the work.</p> <p>We viewed screen shots of the repairs finder system to verify that this is in use.</p> <p>There is a repairs handbook in place which includes a list of repairs which the Organisation has identified as emergencies.</p> <p>We selected a sample of five emergency works orders and identified that all five were appropriately raised as emergencies.</p> <p>Discussions with the Project Manager also highlighted that emergency orders which are placed in the “bucket” by the call centre are reviewed by the works planners before they are placed in the diary. The purpose of this is so that the works planners can identify orders which should not have been classed as emergencies. In instances where these are identified the works planners will ask the call centre to re-raise the order as a routine repair.</p>	<p>There are processes in place to support accurate prioritisation and recording of works orders and testing of a sample of emergencies confirmed these had been appropriately logged as emergencies.</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>Works orders may not be accurately input or effectively prioritised in line with identified customer service standards.</p>	<p><u>Accuracy of call centre categorisation of repairs</u> We carried out testing of a sample of 20 responsive repairs jobs and compared the SoR codes logged by the call centre to the codes ultimately claimed by the operatives on the jobs. Out of 20 repairs jobs sampled:</p> <ul style="list-style-type: none"> • 11 were completed on a SoR code which corresponded to a trade. • 6 showed “abortive call” SoR codes. Of these, two were duplicate orders which had not been picked up by the call centre. Various other valid explanations for why these jobs were showing abortive call codes. <p>In three cases the SoR code was “assess” but then nothing further had been completed. This was investigated with the Project Manager and in one case the work had subsequently been completed by the subcontractor, and in the other two cases it transpired that the work was not NCH’s responsibility (one job related to the burglar alarm which was the responsibility of the alarm company and one related to the meter box which was therefore the responsibility of the gas supplier).</p> <p>Of the 11 completed on standard SoR codes, the codes raised by the call centre were compared to the codes ultimately claimed by the operative on the job. In ten cases, whilst the exact SoR codes differed the general description of the work relating to the codes raised and claimed appeared reasonable. The exception to this was one job where the SoR code raised by the call centre related to “cover excavation” but the SoR code claimed by the operative related to fixing roof tiles. However the correct trade (bricklaying) had been identified.</p>	<p>Testing of a sample of 20 jobs to compare the SoR codes raised by the call centre to the SoR codes ultimately claimed by operatives for that job identified no significant differences. However, we identified two repairs jobs which were duplicates of repairs requests logged earlier on the system, and this had not been picked up by the call centre.</p> <p>R1 Call centre staff should be reminded of the need to check whether a reported repair has been raised previously and is still outstanding, to ensure that duplicate orders are not being raised on the system.</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>Works orders may not be accurately input or effectively prioritised in line with identified customer service standards.</p>	<p><u>Timeliness of raising repairs jobs</u> In 18 our sample of 20, the appointment to complete the repair had been made on the same date as the call came in. Discussions confirmed that the other two cases were jobs originally called in during out-of-hours with appointments not subsequently made until the following Monday.</p> <p><u>Booking appointments</u> If the work required is a routine repair the organisation has set a 15 day completion target. The call centre staff will arrange an appointment with the tenant and this will be placed in the Opti-Time system. Opti-Time is a resource management system which allows the organisation to plan and monitor the workforce's schedule in real time.</p> <p>Opti-Time will automatically offer the call centre staff the next available appointment slots which are managed by the work planners.</p> <p>For emergency jobs the organisation has set a target of attending the job with four hours of the tenant contacting the call centre, and completing the job within 3 days.</p> <p>When the call centre identifies an emergency repair no appointment is made with the tenant. Rather, the tenant is informed that someone will arrive within four hours. The works order is then placed in the Opti-Time "Bucket". The works planners are then responsible for placing the order in the diary so that the four hour timeframe is met.</p>	<p>There is an appropriate system in place for scheduling and booking jobs, and appointments are made on a timely basis (usually during receipt of the call).</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>Works orders may not be accurately input or effectively prioritised in line with identified customer service standards.</p>	<p>In order to ensure that emergency repairs can be attended to in the required timeframe the work planners are responsible for blocking out time in the operatives diaries where emergency repairs can be completed.</p>	<p>As above.</p>
<p>The Organisation may not allocate works orders on an efficient basis.</p>	<p><i>Allocation of repairs jobs</i> Works orders are allocated to operatives based on the appointments made in Opti-Time.</p> <p>The times made available for the call centre staff to arrange appointments is managed by the work planners, and the planners are then responsible for allocating work to the operatives.</p> <p>The operatives will automatically receive their next job through to their PDA based on the information in Opti-Time.</p> <p>A review of Opti-Time highlighted that is an effective method to arrange appointments and allocate work to operatives. It was noted that issues can arise when operatives do not use their PDA's appropriately, such as not transmitting the start date and time for a job. However, these errors can be monitored and managed by the works planners.</p>	<p>There are appropriate arrangements in place for the allocation of works orders to operatives.</p>

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<p>The Organisation may not allocate works orders on an efficient basis.</p>	<p><u>Resource planning</u> Resource planning is managed by the work planners and the responsive repairs management team.</p> <p>In order to effectively manage their resources the responsive repairs team will analyse data to identify various trends throughout the year. This will include identifying times where certain trades have increased or reduced work, or identifying when they receive increased numbers of emergency repair works.</p> <p>Based on this information the organisation can effectively manage the size of the work force assigned to responsive repairs, and the amount of time which should be blocked out of operatives' diaries to deal with emergency repairs. The organisation seeks to manage and plan its resource on a 6 weekly basis based on the historical trends which they have identified.</p> <p>In addition, throughout the day the work planners will monitor and manage operatives' diaries to ensure that the available resource is utilised effectively, and repairs are prioritised appropriately.</p> <p>We obtained a copy of the trend analysis used by the team to block out time for emergencies, as evidence that this is based on robust information. We confirmed that this is operating in practice.</p>	<p>Resource planning in relation to setting aside time to deal with emergency repairs is in place.</p>

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<p>The Organisation may not allocate works orders on an efficient basis.</p>	<p>We also viewed a report detailing performance against KPIs for the responsive repairs team for the 11 months to August 2013. We noted that that the report showed that the average number of days to complete routine repairs is 8, against a target of 15 which is communicated to tenants. In addition the percentage of emergency during hours repairs completed within 3 days is 99% and routine repairs completed within 15 days are 96%. However, it was noted that the emergency during hours repairs attended to and made safe within 4 hours is only 72% against a target of 85%. At first glance this appears to suggest that emergency repairs are under-resourced compared to routine repairs. However, further discussion clarified that the out of hours emergencies are distorting the figures. Even if these are attended and made safe within the four hour response time, as the process of recording these is different, this is not reflected on the system until the repair is attended for completion during normal hours and will show as a failure to achieve the target. NCH is looking to change the SLA with the Council when this is reviewed, so that the figures are not distorted in this way.</p> <p><i>Succession Planning</i></p> <p>The organisation takes on 10 apprentices a year with the intention of taking them on as full time employees upon the completion of their apprenticeship. However, the apprentices need to demonstrate during their training that they have the required skills to justify being taken on full-time after they have completed their apprenticeship, and there needs to be a resource requirement.</p>	<p>The way KPIs are currently reported means that it appears that the Organisation is not meeting the target for the percentage of emergency “during hours” repairs attended and made safe within 4 hours. However, discussions identified this is due to the fact that some out-of-hours appointments which are re-raised in standard hours are distorting this. We understand that the Organisation is looking to correct this when the SLA is next reviewed so that no such distortion of the performance takes place.</p> <p>R2</p> <p>The Organisation should ensure that the intended change to the reporting of performance in relation to emergency repairs attendance is implemented when the SLA is reviewed, so that reported performance accurately reflects actual performance.</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>The Organisation may not allocate works orders on an efficient basis.</p>	<p>In order to support the development of its workforce the organisation has built a training centre.</p> <p>In addition the organisation has developed and implemented an internal management training programme for those employees seeking to reach management positions.</p> <p><i>Use of subcontractors</i> There is an approved list of sub-contractors which have been procured by the procurement team.</p> <p>The sub-contractors are reviewed every 1-3 years.</p> <p>The need to use a sub-contractor will be identified by the operative when they first attend a job. Where a sub-contractor is required the operative will advise the maintenance manager of the need to extend the job who will approve the extension.</p> <p>The sub-contractor will be arranged by the Maintenance Manager. A sample of 10 subcontractor invoices was selected from the invoice files.</p> <p>In each case, documentation was reviewed to ensure that:</p> <ul style="list-style-type: none"> • The purchase order for the subcontracted works had been approved by the Maintenance Manager, in accordance with procedures; • The purchase order amount matched the invoiced amount, and 	<p>As above.</p> <p>Subcontractor orders are appropriately authorised but evidence of work done is not always obtained.</p> <p>R3 The Organisation should ensure that a sample of subcontractor works is routinely post-inspected to verify that the work has taken place as claimed and is of the requisite quality.</p>

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<p>The Organisation may not allocate works orders on an efficient basis.</p>	<ul style="list-style-type: none"> • The purchase had been goods receipted on the system. • <p>No exceptions to the above were noted. However, documentation was also reviewed to consider whether evidence of completion of work was available and in 8 out of 10 cases this had not been received. Goods are receipted on the system in most cases on the strength of receipt of the invoice from the subcontractor. In some cases (such as where scaffolding has been put up by a subcontractor at a property), it will be evident when NCH returns to complete the repair whether this has been completed or not. Some works will also be picked up as part of the QA review process.</p> <p><u>Out of hours works orders</u> Out of hours works orders are received through the organisation’s call centre or through Nottingham City Council’s call centre.</p> <p>There is a rota of operatives who are on call each night and they will be called out by the call centre as and when works orders come through.</p> <p>The organisation operates a four hour response time to out of hour’s emergency works and the responsibility of the operatives is “make safe” the issue. After the job is completed the operative will contact the call centre inform them what work he did.</p> <p>The operatives volunteer to work on call, and they paid a standard rate for being on stand-by, and a flat rate per job completed.</p>	<p>As above.</p> <p>There are procedures in place for receipt and allocation of out of hours works orders.</p>

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<p>The Organisation may not allocate works orders on an efficient basis.</p>	<p>Discussions with the Project Manager responsible for responsive repairs highlighted that there have been issues with regards to meeting the emergency repairs KPIs in respect of out of hours works. This is because the call centres are raising emergency works orders at the weekends to be dealt with on Monday morning. As a result, it is impossible for the team to meet the four hour response KPI, and makes it increasingly difficult to meet 3 day completion KPI. This has been addressed by R2 above.</p> <p><u>Accurate costing and timely completion of works orders</u> There is a list of SoR codes which are used to cost a job. Based on the information provided to the call centre, through the completion of “repairs finder” on Northgate, staff at the call centre identify SoR codes for the job.</p> <p>Upon the completion of the works order the operative will enter the completed SoR codes and materials used on their PDA. This is then reviewed and signed off by the maintenance managers.</p> <p>The responsibility for the ensuring that appointments are made and attended within the required timescales rests with the works planners.</p> <p>With regards to the work being completed, the organisation applies a standard expectation that a job will take 30 minutes to complete. This is based on analysis of data which the organisation has collected.</p>	<p>As above.</p> <p>Costing of jobs is done on the basis of schedule of rates. The SOR codes claimed by operatives following completion of jobs are reviewed and signed off by Maintenance Managers to ensure that the combination of codes claimed is valid and appears reasonable against the description of the work carried out.</p> <p>R4 The Organisation should monitor the effect of failure to gain access on the levels of repairs which are post inspected, to ensure that there is no detrimental effect on the effectiveness of the post-inspection controls in place.</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>The Organisation may not allocate works orders on an efficient basis.</p>	<p>Where an operative identifies that a job will take longer than 30 minutes they will contact the maintenance manager or works planner. Based on the a review of the appointments booked in for that day, and the available resource, it is at the discretion of the maintenance manager / works planner if the operative should complete the work there and then, or extend the job and arrange another appointment.</p> <p>The organisation can check how long a job has taken by the operative updating their PDA.</p> <p>If a works planner identifies a job which is taking longer than expected, and they have not heard from the operative then they will give them a call to find out the situation.</p> <p>As part of the testing we compared the initial costing of the job based on the SoR codes raised by the call centre, and the actual cost of the job based on the SoR codes raised by the operative. This was completed in respect of the cost to the business, and in respect of the benefit to be gained by the operative through the bonus scheme.</p> <p>The testing identified that variations existed for 19/20 works orders in respect of cost to the business, and 20/20 works orders in respect of benefit to the operative through the bonus scheme. However, it was noted that the testing identified that actual cost to the business was actually £260 lower across all 20 jobs than the original costing. In respect of benefit to employees the actual gain was £17.00 higher than the original costing across all 20 jobs. There is a control in place to mitigate the risk in this area, whereby the top 100 variations are post-inspected on a weekly basis.</p>	<p>As above.</p>

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<p>The Organisation may not allocate works orders on an efficient basis.</p>	<p>We obtained the results of this to ensure this is happening in practice. We noted that Between 1st July and 30th September only 708 variations within the weekly top 100 were subject to a QA check. This is lower than would be expected if 100 were checked per week in this period. Discussions identified that this is due to the fact that the sample size is reduced because of inability to gain access for some jobs in the sample, which is not then pursued further.</p> <p>In respect of the timely completion of works orders testing identified that 4/20 works orders were not completed within the 15 day target. In two of the four instances where the 15 day KPI was exceeded it was due to the tenant changing the appointment date. For another it was due to the first appointment date being broken, and for the final job a specialist sub-contractor was required to complete the work.</p> <p><u>Cancellation of works orders</u> A works orders would never be “cancelled” by NCH, but could be rescheduled or carded.</p> <p>If an operative cannot gain access on site they should contact the works planner who will attempt to contact the tenant by phone. If the customer cannot be contacted then the works planner will inform the operative to leave a card which will instruct the customer to re-report the repair.</p> <p>If the customer can be contacted by the works planner but is not in the property the tenant is given 5-10mins to return to the property before the job is carded.</p>	<p>There are appropriate procedures in place for job carding, cancellation and re-booking.</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>The Organisation may not allocate works orders on an efficient basis.</p>	<p>The above relates to appointments where NCH has attended but the tenant is not at home. There is also a documented process in place for cancellation and re-booking of appointments if tenant calls to rearrange the appointment, or if this is rearranged by NCH for any reason. For this, the appointment is cancelled (or “broken”) in Optitime and a reason code must be given for the rescheduling. This process is monitored on a monthly basis by the Project Manager responsible for responsive repairs.</p>	<p>As above.</p>
<p>Procedures for varying works orders may not ensure that adequate authorisation is obtained whilst not restricting efficient completion of works orders.</p>	<p><u>Extensions to works orders</u> An extension to a job involves the work being rescheduled and for a new appointment to be raised. An extension could be required because the job will take longer than 30 minutes and the work load for that day is full and, therefore, the operative does not have time to complete the work. Alternatively the operative does not have the required materials to complete the work. In order to extend a job the operative needs to obtain approval from the maintenance manager or works planner.</p> <p>If an extension is granted the operative should mark it as an extension on the PDA and update the SoR codes required and time frame for next visit.</p> <p>Of the 20 works orders selected as part of the sample, 11 were extended. It was noted that for all 11 extended works orders the operative did not update the SoR codes required through their PDA. We also noted six cases where it had not been noted who had approved the extension. Evidence of the approval of the extension to the job should be recorded.</p>	<p>The “Extender” process requires operatives to update the SoR codes required on the job when the approval to the extension is received. Testing confirmed this is not always occurring in practice.</p> <p>R5 Operatives should be required to update the SoR codes on the system when an extension is required, in accordance with procedures. For extended jobs, operatives should also record details of the approval given by the Maintenance Manager i.e. which manager gave the approval, and the approval code, so that the authority to extend the job is evidenced.</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>Procedures for varying works orders may not ensure that adequate authorisation is obtained whilst not restricting efficient completion of works orders.</p>	<p>In addition it was highlighted through discussions with a member of the administration team that where an extension is required the operative will call up the administration team and look to arrange an appointment while they are still on site with the tenant. The administration team will then make the appointment according to the next appropriate and available slot for that operative. As a result the same operative could manipulate the appointment system to ensure that they receive extension jobs which are most profitable for them. We selected six jobs where extensions were required and five out of the six extensions were completed by the same operative who responded to the original appointment. Discussions confirmed that in many cases it would be expected that the same operative would complete extension work, for example if they can complete it at the same visit but it is going to take longer than the allotted 30 minutes, or if the extension is just due to additional materials being required which are not on the van.</p> <p><u>Variations</u> When an operative arrives on site he/she will make an assessment of the work which is required. Once the operative completes the work he/she will mark on the works ticket the SoR codes relating to the work which he has completed.</p> <p>A variation occurs where the SoR codes raised by the operative differs from the SoR codes raised by the call centre staff through repairs finder during the initial tenant contact.</p>	<p>As above.</p> <p>There are appropriate processes in place for review and sign off of repairs tickets by the Maintenance Managers and these are operating in practice.</p> <p>There is a further control in place over variations in that the top 100 variations are post-inspected on a weekly basis.</p> <p>Therefore there are adequate controls in place over variations to original works orders.</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>Procedures for varying works orders may not ensure that adequate authorisation is obtained whilst not restricting efficient completion of works orders.</p>	<p>Maintenance Managers will review each ticket submitted and challenge codes which he feels are not appropriate.</p> <p>As part of the QA procedure the top 100 variations will be reviewed on a weekly basis.</p> <p>In addition the QA team seek to check 10% of the value of all works raised on a monthly basis.</p> <p>All of the 20 works orders selected as part of our sample included variations to the original works order. For all 20 the job ticket was signed off by a reviewer. However, it was noted that for one ticket it was not clear which reviewer had signed off the ticket.</p> <p>Maintenance Managers check the codes claimed against the description of the repair by the call centre. Therefore this limits the opportunity for manipulation as anything that appeared unreasonable against the description recorded by call centre staff would be questioned by the Maintenance Manager as part of their review. In addition, completing a QA of the top 100 variations the organisation is able to obtain reasonable assurance that any improper variations of significant value would be identified.</p>	<p>As above.</p>

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>There may not be adequate monitoring of performance in relation to responsive repairs.</p>	<p><u>KPIs</u> The organisation has identified a suite of KPIs which are monitored on a monthly basis. The KPIs are recorded and monitored through Covalent.</p> <p>KPIs monitored which relate to completion of works orders on a timely basis are as follows:</p> <ul style="list-style-type: none"> • % of repairs completed on first visit; • % of tenants satisfied that their repair was completed right first time; • Average number of days taken to complete routine repairs; • % of emergency “during hours” repairs attended and made safe within 4 hours; • % of emergency out of hours repairs attended and made safe within 4 hours; • % of emergency during-hours repairs completed within 3 days; • % of routine repairs completed within 15 days; • % of emergency during hours repairs and routine repairs defects rectified on the appointment date and within the pre-defined time slot agreed with the resident • % of all repairs completed within target. <p>These are calculated and monitored on a monthly basis.</p> <p>Regarding productivity of operatives, each of the above KPIs is also calculated on a trade-by-trade basis enabling the organisation to assess whether there is overstretch or spare capacity in relation to any particular trade. We obtained KPI reports are evidence these are being monitored in practice.</p>	<p>There are appropriate KPIs in place to monitor timely completion of works orders.</p> <p>At the time of our review the latest KPI data available related to July or August 2013 depending on the specific indicator. At this time all of the KPIs were in line with target, with the exception of the following:</p> <ul style="list-style-type: none"> • % of tenants satisfied that their repair was completed right first time (68.4% for the year to July 2013 against a target of 75%); • % of emergency during hours repairs attended and made safe within 4 hours (71.6% for the year to Aug 2013 against a target of 85% - however, see further explanation of this issue above); • % of emergency out of hours repairs attended and made safe within 4 hours (83% for the year to Aug 2013 against a target of 85%) • % of emergency during hours repairs and routine repairs defects rectified on the appointment date and within the pre-defined time slot agreed with the resident (87.1% for the year to Aug 2013 against a target of 95%).

Key Risks	Key Controls and Mitigating Action	Conclusion
<p>There may not be adequate monitoring of performance in relation to responsive repairs.</p>	<p><u>Review of outstanding, completed, varied and cancelled works orders</u></p> <p>Review of completed works orders is done by the Maintenance Managers (see further discussion of this above). The Project Manager also has access to a dashboard from the system which he periodically checks - this shows him the number of outstanding “tickets in review” i.e. the number of completed repairs tickets which have still not been signed off by the Maintenance Managers. This gives him an overview of how many jobs are outstanding for Maintenance Manager sign-off, broken down by trade.</p> <p>The dashboard referred to above has a number of charts showing outstanding works orders. These are split by trade and show number of outstanding jobs which are out of date, number of outstanding jobs in total, and number of outstanding jobs pending allocation. In addition, the dashboard shows a chart showing number of jobs extended per trade.</p> <p>Each month the Project Manager reviews the performance of the works planners in terms of the number and percentage of broken and cancelled appointments they have actioned correctly. Any deficiencies in performance are addressed and rectified with the planner. Errors with appointment cancellation and re-booking are identified through the monthly review of “failed” appointments, and that any errors in this regard are corrected as part of monthly “housekeeping” procedures.</p>	<p>There are appropriate mechanisms in place for review of outstanding, completed, varied and cancelled works orders.</p>

4 Action Plan

Ref.	Findings	Recommendations	Priority	Management Response	Due Date/ Responsibility
R1	Testing identified two instances of duplicate works orders being raised, which had not been picked up by the call centre.	Call centre staff should be reminded of the need to check whether a reported repair has been raised previously and is still outstanding, to ensure that duplicate orders are not being raised on the system.	Medium	<p>This will be taken up with the CSC manager. The matter has been re-visited on a number of occasions previously but there appear to be restrictions on the screen information available to CSC operators about all recent repairs work carried out/reported. Periodic reminders will also be issued.</p> <p>Going forward it is planned that a suite of limited “general non-specific” trade repair codes will be introduced for each principal trade to overcome issues with jobs being extended due to incorrect customer/CSC reporting.</p>	Wayne Smalley - Project Manager January 2014
R2	The way that responsive repairs are currently reported means that the performance figures for emergency repairs attended within 4 hours are distorted by the emergencies raised out of hours.	The Organisation should ensure that the intended change to the reporting of performance in relation to emergency repairs attendance is implemented when the SLA is reviewed, so that reported performance accurately reflects actual performance.	Medium	<p>Recording and reporting of KPI’s is a key element of the proposals for the new SLA with NCC for delivery of Repairs & maintenance.</p> <p>Going forward there will be a revised definition for Out of Hours work which will be reported separately from general emergency repairs and prevent distortion of reported performance.</p>	Trevor Burdon - Head of Repairs & M’tnce End of March 2014
R3	Testing confirmed that evidence of work done is not always obtained from contractors prior to paying the invoice.	The Organisation should ensure that a sample of subcontractor works is routinely post-inspected to verify that the work has taken place as claimed and is of the requisite quality.	Medium	<p>This has previously been raised internally and evidence of contractors work being checked/challenged on ad-hoc basis does exist but challenges have principally been reactive to specific problems rather than an established good practice of routine sampling/checking of all contractor work.</p>	Trevor Burdon - Head of Repairs & M’tnce End of March 2014

Ref.	Findings	Recommendations	Priority	Management Response	Due Date/ Responsibility
R4	There is a control in place for the top 100 variations to be post-inspected each week. Review of the data identified that a lower number had been post-inspected for the period 1 July to 30 September 2013. Discussions with the Project Manager confirmed this was due to the fact that, if access cannot be gained to post-inspect the repair, this is not pursued further.	The Organisation should monitor the effect of failure to gain access on the levels of repairs which are post inspected, to ensure that there is no detrimental effect on the effectiveness of the post-inspection controls in place.	Medium	QA manager to ensure recording is reviewed.	Simon Marlow - Quality Systems and Improvements Officer End of March 2014
R5	Testing highlighted that approval of the repair extension by the Maintenance Managers is not always evidenced, and that the SoR codes required to complete the repair are not always updated on the system.	Operatives should be required to update the SoR codes on the system when an extension is required, in accordance with procedures. For extended jobs, operatives should also record details of the approval given by the Maintenance Manager i.e. which manager gave the approval, and the approval code, so that the authority to extend the job is evidenced.	Medium	This has been discussed with workforce on various occasions in recent years and some improvements have been effected both in terms of the numbers of extenders and the works claimed for. The SOR code book to operatives was revised in 2011 and work is routinely carried out to identify those operatives who most frequently extend works orders. The introduction of a general repair code as referred to in R1 above would reduce problems of incorrect work specification by the CSC/customer and hence a reduction in the overall need for extended works orders.	Wayne Smalley - Project Manager End of June 2014

5 Definitions

Assurance Level	Definition
Fully meets expectations	Our audit work provides assurance that the arrangements should deliver the objectives and risk management aims of the organisation in the area under review and meet or exceed relevant external requirements. There is only a small risk of failure or non-compliance.
Substantially meets expectations	Our audit work provides assurance that the arrangements should deliver the key objectives and risk management aims of the organisation in the area under review and meet most relevant external requirements. There is some risk of failure or non-compliance.
Partly meets expectations	Our audit work provides assurance that the arrangements will deliver only some of the key objectives and risk management aims of the organisation in the area under review or may not meet relevant external requirements. There is a significant risk of failure or non-compliance.
Does not meet expectations	Our audit work provides little assurance. The arrangements will not deliver the key objectives and risk management aims of the organisation in the area under review or will not meet relevant external requirements. There is an almost certain risk of failure or non-compliance.

Recommendation priority	Definition
High priority recommendations	Those that failure to address would result in a significant and unacceptable risk to the organisation arising or continuing.
Medium priority recommendations	Those that failure to address would result in a moderate risk to the organisation arising or continuing or relate to significant best practice improvements.
Low priority recommendations	Those that failure to address would result in a minor risk to the organisation arising or continuing or relate to moderate best practice improvements.