

AUDIT REGISTER – OUTSTANDING AUDIT RECOMMENDATIONS – APPENDIX 3

Audit & Date of Issue	REF	Recommendations	Priority	Initial Target Date	Agreed Mgt Response	Current Status	Officer (Revised Date)
<p>CONTRACT MANAGEMENT AND CONTRACTOR VIABILITY</p> <p>NOVEMBER 2011</p>	<p>H1</p>	<p>Each member of the senior management team should identify the critical suppliers and contractors for their service area. From this the senior management team should identify a list of NCH suppliers/contractors which it considers to be critical to the Organisation achieving its objectives, for example, key decent homes contractors, IT and infrastructure suppliers etc.</p> <p>Once these key suppliers are identified the management team should consider if there are appropriate exit strategies in place should these key suppliers/contractors be unable to trade. If the risk is deemed to be significant the exit strategy should be formalised. As part of the exit strategy NCHs should ensure that contracts allow the use of alternative suppliers, in the event that failed suppliers/contractors are acquired by new owners, if it is not satisfied that the novation of contracts is a suitable option.</p>	<p>High</p>	<p>End of January 2012</p>	<p>Appropriate Service Representatives, identified through discussion with Senior Management Team, and the Head of Finance will assist the Interim Head of Procurement to lead a review of all service critical suppliers and ensure that a strategy for dealing with any supplier failures is developed and implemented into our operational policies and procedures. This will commence with a review of the list of contracts and suppliers to identify if they are critical to operational business.</p> <p>It is proposed that prior to any extension or annual renewal of a rolling contract that Procurement will request the company or supplier to undertake a review of their original submission and sign to</p>	<p>Register has been produced with a first draft list of business critical contracts by Directorate.</p> <p>EMT paper to be compiled to ensure EMT agree with the exit strategies proposed.</p>	<p>Rebecca Dermody – Procurement Manager</p> <p>(End of May 2013)</p>

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		Any exit strategies should be periodically reviewed, for example annually. This could be achieved by including this process in the annual contract review process.			state that no change in circumstances has occurred, i.e. directors becoming bankrupt, prosecutions etc.		
PAYROLL FEBRUARY 2012	H2	<p>NCH should seek assurance from NCC that the following will be carried out as part of the new shared service:-</p> <ul style="list-style-type: none"> • All overtime payments are checked to ensure that they have been approved in accordance with the organisation's approval levels. • Appropriate system checks are carried out on user accesses to the payroll system in order to highlight a potential unauthorised or unusual access. This assurance could be achieved by ensuring that the new SLA includes this as a responsibility of NCC. • Appropriate payroll exception reporting is undertaken in order to identify possible errors on overtime and other variable payroll payments. <p>These assurances could be</p>	High	October 2012	<p>The organisation will seek to ensure the revised Service Level Agreements clearly state the responsibilities of the payroll provider in respect of system security, control checks performed and access.</p> <p>It should be noted that NCH still expects to perform some exception reporting and validation following the implementation of Oracle and that reporting facility will be available on the system to do this.</p>	<p>COMPLETE</p> <p><u>Point 1</u> Not applicable as this process has been centralised within NCH HR.</p> <p><u>Point 2</u> A check to determine appropriateness of responsibilities to be performed by EMSS at set up. This shall be supplemented by NCH checks before submission to EMSS. EMSS have stated that periodic checks e.g. suitability of access to NCH payroll shall be carried out.</p> <p><u>Point 3</u> EMSS shall undertake exception reporting as part of the monthly payroll process. NCH HR shall have access to NCH data to confirm payments are legitimate.</p> <p>Agreement to points above has been provided by NCC and shall</p>	<p>Darren Phillips – Head of Finance.</p> <p>(End of April 2013)</p>

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		achieved by ensuring that the new SLA clearly includes these areas as a responsibility of the payroll provider.				be included in the SLA when drafted.	
TRA GRANTS OCTOBER 2012	H3	The Organisation should improve its procedures by introducing the following controls: (i) obtaining bank mandate documentation for all TRAs. For TRAs set up in the future this should be requested at the same time as other set-up documents, such as the constitution; (ii) reviewing the bank mandate documentation to ensure the account has been set up so that a minimum of two signatories is required for any withdrawal of funds; (iii) requesting the mandate documentation should the TRA change its bank account; (iv) ensuring that grant funding is only paid into bank accounts which have had their documentation checked in this way.	High	End of February 2013	See previous note re constitution. In interim the grants process and procedure will be reviewed to incorporate the recommendations from this audit. Full constitution to be reviewed.	COMPLETE See 17 above.	Ann Lynch – T&CI Manager (End of March 2013)
	H4	To enhance good practice from a value for money perspective, the Organisation should consider the	High	End of January 2013	This will be incorporated into the review of the grants process.	COMPLETE Tenant Liaison Officer assesses grant applications for	Ann Lynch – T&CI Manager (End of March

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		reasonableness of the amounts of running cost grant requested against actual expenditure in the previous year as part of the assessment and approval process. Consideration should also be given to agreeing a tangible target(s) for grant use, such as newsletter publication on an [frequency] basis, or the upkeep of a community garden, upon grant application, to ensure reasonableness of expenditure. The achievement of these targets could be considered within the year end checking process currently in place.				'reasonableness' before forwarding to HOI for approval. Tangible target setting shall be part of the grants review process. See also 17 above.	2013)