



Final Internal Audit Report

Goulden House Co-op

June 2019

Housing Manager: Annie Gleeson

Chair of the Board: Michael Walsh

Issued to: Annie Gleeson - Housing Manager

Auditor: Carly Brown

Audit Manager: Andrew Hamilton

Report Status: Final

Overall Assurance: No Assurance

Number of Recommendations:

P1	7
P2	10
P3	1

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1. EXECUTIVE SUMMARY

Introduction

- 1.1 This report sets out the findings and recommendations of an audit of controls and procedures in place for Goulden House Resident Management Organisation.
- 1.2 Co-op schemes, Resident Management Organisations (RMOs) or Tenant Management Organisations (TMOs) allow tenants and leaseholders more control over their immediate living environments through collective endeavours. Section 27 of the 1985 Housing Act contains a general power for a local authority, with consent of the Secretary of State for the Environment, to agree that another person 'shall exercise as an agent for the authority such management functions as specified'.
- 1.3 The Co-op takes on the responsibility for the day to day running of the estate in areas such as day to day repairs, cleaning, caretaking, allocation and lettings.
- 1.4 Goulden House Co-op took over the housing management functions for residents in 1992. In total, there are 269 residential units of which 226 are leasehold properties and 43 are tenanted properties (no freehold properties).
- 1.5 The current Housing Manager has been in post since 21st January 2019.
- 1.6 The focus of the audit was to evaluate the effectiveness of the controls in place to ensure that the business administration objectives are being met at the Co-op.
- 1.7 We would like to take this opportunity to thank management and staff for their assistance during this audit.

Overall Audit Opinion

- 1.8 Based on the work performed during this audit, we can provide overall **No Assurance** that there are effective controls in operation for those elements of the risk management processes covered by this review. Fundamental failures in the system of controls are such as to put the system objectives at risk and/or the level of non-compliance puts the system objectives at risk. We have identified significant missing controls and control failures in a number of areas including financial controls, procurement and governance.
- 1.9 The most significant points arising from the audit are:
 - Only one occupancy check had been carried out in 2018/19
 - Works to leaseholder properties were commissioned and undertaken by the RMO that were not recharged, furthermore there is no debt recovery policy in place outlining the process for charging and recovering debts.
 - The Procurement Policy does not sufficiently detail the procurement and authorisation processes or authorisation limits for payment approval.
 - Payments are not authorised by committee members as stated as being required in the finance subcommittee terms of reference.
 - The RMO was unable to demonstrate that the required number of quotes were obtained for three out of seven transactions reviewed.

- Bank reconciliations are not independently checked, they are performed by a contractor who has access to the finance system and bank account resulting in a significant lack of segregation of duties.
- There were no records to show who had been invited to the 2018 election, anecdotal evidence suggests that only the serving Board members were invited. Furthermore, records do not show that a third of the Board retired as required.
- Complaint records were not available for 2018/19 prior to when the new Housing Manager was recruited in January 2019.

Summary of Recommendations

1.10 We have made 18 recommendations: 7 classified as 'Priority 1', 10 classified as 'Priority 2' and 1 classified as Priority 3 to strengthen the internal controls, management and audit trail.

- Six of the recommendations made in this report were also made in the 2017/18 audit review.

1.11 Please see Management Action Plan at Appendix A for further details.

2. ASSURANCE BY RISK AREA

2.1 Our specific objectives in undertaking this work, as per the Audit Brief, were to provide the Council with assurance on the adequacy and effectiveness of internal controls, processes and records in place to mitigate risks in the following areas:

Risk Area	Opinion	P1	P2	P3	None
Human Resources	Substantial Assurance	0	2	0	
Occupancy Checks, Rechargeable works and Debt Recovery Policy	No Assurance	2	0	1	
Service Charges	Not applicable	0	0	0	Function carried out by WBC
Procurement (Inc. Repairs & Maintenance)	No Assurance	3	3	0	
Bank Accounts	Limited Assurance	1	0	0	
IT Systems & Security	Substantial Assurance	0	2	0	
Budgetary Control	Substantial Assurance	0	1	0	
Governance/Management Committee	Limited Assurance	1	2	0	

Overall	No Assurance
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- 2.2 See definitions for the above assurance levels at Appendix B. (NB full assurance is based only on the sample tested and does not guarantee that there are no instances of control failure within a system that we have looked at).

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
1	<p>Human Resources</p> <p>Monthly Payroll Checks In order to help ensure that correct payments are made to staff a review of payroll records should be carried out monthly and evidenced on records.</p> <p>Examination of payroll records did not evidence an independent check.</p> <p>Risk/Implication Where independent payroll checks are not made, there is an increased risk of financial loss or reputational damage as a result of error or fraud being introduced into the payment of salaries.</p>	2	<p>Monthly payroll payments reports should be subject to an independent check which should be documented.</p> <p><i>This recommendation was also raised in 2017/18 audit.</i></p>	<p>Responsible Officer: Housing Manager Estate Manager can advise that Devsuccess (contracted Finance Officer Role) will send monthly payroll records to Estate Manager to undertake both an independent review prior to carrying out the final sign-off.</p>	<p>New process has been implemented since April 2019.</p>
2	<p>Finance Contract At present the Finance Officer role at Goulden House is contracted to Devsuccess. There should be a valid contract in place between the co-op and the contractor.</p> <p>Examination of the contract between the co-op and the contractor identified it had expired on 31st March 2019. The contract stated a review would be carried out by both parties after 14/2/19. Discussion with the Housing Manager identified that the review did take place and is ongoing. At present the same terms apply as stated in the contract. The contract currently in place details the Finance Officer's responsibility for the rent and service charge functions which are now carried out by Wandsworth Council and not the Co-op. In addition, at the time the Housing Manager started in January 2019, there were around 100 unpaid invoices, the responsibility of the</p>	2	<p>A review of the Finance Officer role should be carried out to determine how the Finance provision is best delivered (in house vs contracted out / cost v benefit / risk).</p> <p>If a decision is reached to renew the finance officer contract, a review needs to be undertaken on the schedule of services provided and the associated cost.</p> <p>Performance monitoring should be carried out regularly to assess the service being provided compared to the roles and responsibilities detailed within the contract.</p>	<p>Responsible Officer: Housing Manager This current contract which is in place is a Rolling Contract which is under review at this current time.</p>	<p>Contract currently under review. Target Date June 2019</p>

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	<p>Finance Officer, this backlog was resolved, following the appointment of the current Housing Manager</p> <p>Risk/Implication Where a valid contract is not in place between the contractor and the co-op, there is a risk of the contractor not being held accountable where duties are discharged or are not discharged correctly. Where the contract does not detail the correct duties of the Finance Officer, there is a risk of overpayment resulting in financial loss for the Co-op.</p>		<p>When considering the Finance Officer role, the RMO should be clear about the risks to the organisation where a contractor has access to the financial systems, bank accounts and the ability to make payments and satisfy itself that sufficient controls are in place to manage the associated financial risks.</p>		
3	<p>Occupancy Checks Occupancy checks should be undertaken on tenanted properties at least once a year to identify potential illegal subletting. It also gives the opportunity to discuss under occupancy.</p> <p>Discussions with the Housing Manager confirmed that occupancy checks have not been routinely carried out and there is only one recorded on file.</p> <p>Risk/Implication Where occupancy checks are not undertaken, there is an increased risk that unauthorised subletting is not identified, and housing not being fully utilised for those in greater housing needs.</p>	1	<p>Occupancy checks should be routinely undertaken and documented to deter and identify unauthorised subletting. Results of the checks should be presented to the Committee. If subletting is suspected the South West London Fraud Partnership SWLFP should be contacted immediately.</p> <p>We would suggest scheduling the checks in advance to help ensure that they are completed as a matter of course.</p>	<p>Responsible Officer: Housing Manager The Estate Manager has put in place a Tenant Engagement Policy where regular and pre-scheduled visits to the tenanted flats are undertaken, during these visits, Occupancy Checks are now incorporated into this process.</p>	<p>Tenant Engagement Plan has been implemented (Copy of plan submitted to auditors with this document).</p>
4	<p>Rechargeable Repairs Discussion with the current Housing Manager identified that the co-op does not currently recharge works carried out to leasehold properties. Further Internal Audit testing identified that works had been carried out in several leasehold properties which should have been recharged</p>	1	<p>All rechargeable works should be billed. A process should be introduced to ensure that this is implemented immediately.</p> <p>In addition, all rechargeable works completed within the last 18 months</p>	<p>Responsible Officer: Housing Manager Estate Manager has engaged with WBC and requested the assistance of their Policy Department in the provision of</p>	<p>Estate Manager awaiting response from WBC Policy</p>

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	<p>but were not, for example, K&C Partners carried out work in the gardens of Flats 8 and 115 totalling £1,380.</p> <p>Risk/Implication Where work is carried out in leasehold properties but is not recharged, there is a financial loss incurred by the co-op and a potential financial liability for the Council. Furthermore, there is a risk to the reputation and standing of both the RMO and the Council were allegations of corruption to be reported.</p>		<p>should be invoiced and the income collected, including where a tenant / leaseholder has since moved on.</p> <p>To help achieve this requirement and to demonstrate the Boards backing, a Rechargeable Repairs Policy should be drafted, approved by the Board detailing what constitutes a rechargeable repair, how it is identified and how the debt is collected.</p> <p>We would suggest including within the policy a requirement for collection of the recharge cost up to an initial value of £200 prior to any works being undertaken, with the exception of emergency repairs. Any further costs will be invoiced after the works are complete.</p>	<p>an existing Rechargeable Policy that the Estate Manager can adapt for Goulden House Co-Operative Ltd. Estate Manager is awaiting response from WBC.</p> <p>Audit comment: it's important that any rechargeable work carried out during the last 18 months is identified quickly and invoiced to avoid missing the opportunity to collect money owed. This activity should commence concurrently with producing/approving the policy so that there is no delay in creating invoices where required.</p>	Department.
5	<p>Debt recovery policy At the time of the review there was no debt recovery policy in place setting out the procedure for recovering unpaid debts</p> <p>Risk/Implication Where debts are owed over a long period of time it increases the risk of the debt becoming difficult to recover and ultimately written off.</p>	3	There should be a debt recovery policy and process in place which features the process for the recharging of works to residents.	<p>Responsible Officer: Housing Manager Estate Manager has engaged with WBC and requested the assistance of their Policy Department in the provision of an existing Debt Recovery Policy that the Estate Manager can adapt for Goulden House Co-Operative Ltd. Estate Manager is awaiting response from WBC. Important Note: Estate Manager engaged with other co-operatives to request</p>	Estate Manager awaiting response from WBC Policy Department.

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
				a copy of their existing Debt Recovery Policy but the responses received to date is that creating this policy is on their "list of things to do" prior to engaging with WBC. Estate Manager is waiting for response from WBC but is treating this as a priority.	
6	<p><u>Procurement</u></p> <p>Procurement Policy The Co-op should have a policy in place detailing the procedure for procuring goods and services. The document should outline how the Co-op will achieve best value and the authorisation of expenditure.</p> <p>Examination of the Procurement Policy identified that it does not contain adequate details, for example, it does not include the number of quotes needed, the authorisation process or authorisation limits.</p> <p>Risk/Implication Where a Procurement Policy does not detail authorisation limits or the process to procure, there is a risk that goods or services could be procured incorrectly, or expenditure could be inappropriately authorised resulting in financial loss.</p>	1	<p>The Procurement Policy should be updated to include but not limited to:</p> <ul style="list-style-type: none"> • Number of quotes needed • Procurement process • Authorisations process • Authorisation limits <p>The Procurement Policy must be presented to the Management Committee for approval. Once approved it should be complied with.</p> <p>All staff involved in the procurement process should be provided guidance to help ensure that this is requirement is complied with.</p> <p><i>This recommendation was also raised in 2017/18 audit.</i></p>	<p>Responsible Officer: Housing Manager</p> <p>Estate Manager can advise that the Procurement Policy has been amended and reviewed by the Goulden House Committee at their meeting on 1st May 2019. Estate Manager can also advise that the process for the number of quotes required, the authorisation process and the authorisation limits are included and robustly adhered too.</p>	In place (a copy of which has been included with this document).

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
7	<p>Payment Authorisation The Finance sub-committee terms of reference states “all payments must be supported by payment requisition forms signed by two designated bank signatories”.</p> <p>Examination of ten transactions identified that in ten instances the invoice had not been authorised for payment by two signatories (Payment ref: 001172, 001163, 001223, 001183, 001199, 001230, 001255, 001083, 001096, 001152).</p> <p>Risk/Implication Where transactions are not authorised for payment by two signatories as required, there is risk that inappropriate, incorrect or fraudulent expenditure may be incurred resulting in financial loss.</p>	1	<p>Payments should be authorised by two signatories as required and the audit trail of authorisation should be retained. the terms of reference for the finance sub-committee is reviewed and the new procurement policy reflects financial limit for authorising payments.</p> <p>All staff/members of the committee involved in the payment process should be provided guidance to help ensure that this requirement is complied with.</p>	<p>Responsible Officer: Housing Manager Robust payment system is in place and all staff and committee members are provided with guidance with regards to payment authorisation via the Induction Pack which is given to both staff and committee members.</p>	In place.
8	<p>Payments made within 30 days The provisions of the Late Payment of Commercial Debt (Interest) Act 1998 require that all invoices are paid promptly to avoid incurring additional interest.</p> <p>Examination of a sample of 10 purchases identified two instances where payments were not made within 30 days or within supplier specified deadlines (Payment ref: 001230 and 001096). In addition, a payment to HMRC regarding the annual accounting scheme interim payment was late resulting in a reminder being sent.</p> <p>Risk/Implication Where invoices are not paid within 30 days of receipt or within supplier specified deadlines, there is a risk that additional interest charges may be incurred by the Co-op</p>	2	<p>Ensure that invoices are paid in a timely manner (30 days from receipt or within supplier deadlines).</p> <p>Where any delay is anticipated as a result of a query or incomplete delivery, annotate the respective invoices accordingly.</p>	<p>Responsible Officer: Housing Manager All invoices are paid within 30 days from receipt.</p>	In place.

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	resulting in financial loss, or damage to supplier relationships.				
9	<p>Quotes for Higher Value Purchases</p> <p>The Co-op's Finance Sub Committee terms of reference states, "For works orders where the cost exceeds £750 there should be two written estimates...Where costs exceed £2000 there should be three written estimates". Examination of seven higher value purchases identified that three were not compliant by not having the required number of quotations (payment ref: 001172, 001163, 001223) and one had three quotes, but the best value was not selected, and no reason given for selection (payment ref: 001096).</p> <p>Risk/Implication</p> <p>Where insufficient numbers of quotations are obtained, there is an increased risk that the Co-op may not be achieving value for money and could be open to allegations of corruption resulting from significant amounts of work being given to one contractor, leading to adverse publicity.</p>	1	<p>The required number of quotes should be obtained in line with the Co-op's Financial Procedures.</p> <p>A process and accountability should be introduced, and training provided to Officers / members involved in the process to ensure compliance is maintained.</p>	<p>Responsible Officer: Housing Manager</p> <p>Robust system now in place where works orders costs exceeds £750 there are two written estimates and where costs exceed £2000 there are three written estimates which includes visual evidence in the form of photographs of the sign-off of the works.</p>	In place
10	<p>Payments and works orders</p> <p>Payments should be checked as being correct prior to authorisation. Payments should not be made without a works order attached to prevent duplicate payments and ensure that the amount paid matches the amount quoted/agreed.</p> <p>Examination of payments identified that a payment had been made to a contractor for a service where a contract was already in place (payment ref: 001183 – bulk waste). This has resulted in the co-op making an extra payment of</p>	2	<p>No invoices should be paid unless supported by a works order.</p> <p>All works orders should be checked for payments being made where a contract is already in place.</p> <p>All staff involved in the payment process should be provided guidance to help ensure that this requirement is complied with.</p>	<p>Responsible Officer: Housing Manager</p> <p>All invoices are now supported by a works order and invoices are not raised where a contract is already in place.</p>	In place

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	<p>£690. This has only been highlighted by the new Housing Manager.</p> <p>Risk/implication Where payments are made without a works order or where a contract is already in place, this could result in additional payments being made leading to a financial loss for the co-op and a misuse of public funds.</p>				
11	<p>Public Liability Insurance of Suppliers/Contractors It is recommended that Contractors used by the Co-op have a minimum of £5 million public liability insurance to cover accidental injury and or damage to third parties or their property.</p> <p>Examination of the approved contractors list identified two instances where the public liability indemnity limit was only £2 million (Goldielocks and Aura Cleaning Services).</p> <p>Risk/Implication Where the Co-op does not ensure that all contractors have suitable insurance arrangements in place, this could result in severe financial difficulties for the Co-op if a claim is successful at a level above the amount insured</p>	2	<p>Request public liability insurance with a minimum limit of £5 million from suppliers of services and works and retain copies on site.</p> <p><i>This recommendation was also raised in 2017/18 audit.</i></p>	<p>Responsible Officer: Housing Manager Approved Contractor List is in place with a a minimum of £5 million public liability insurance to cover accidental injury and or damage to third parties or their property.</p>	In place
12	<p><u>Bank Accounts</u></p> <p>Management Account Reconciliations Regular bank account reconciliations help ensure that errors and anomalies are identified in a timely manner. To help ensure the reconciliation process is robust and</p>	1	<p>Bank reconciliations should be evidenced as checked by an independent officer shortly after the reconciliation is completed.</p>	<p>Responsible Officer: Housing Manager I can confirm that Devsuccess (Finance Officer) provides both</p>	In place

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	<p>effective, reports used to reconcile transactions need to include all the necessary information.</p> <p>Devsuccess is responsible for the day to day finances of the co-op including but not limited to; bank reconciliations, making transfers between accounts, making payments and processing payroll.</p> <p>Examination of management account records identified October, November, December and January 2019 were not signed off as checked by an independent person.</p> <p>Risk/Implication When the person completing the bank reconciliation also has unrestricted access to the finance system and bank account there is a risk that independence has been removed from the process. This reduces the effectiveness of the control, particularly in relation to the detection of fraud. Where the reconciliations are not checked by an independent officer it increases the risks of inappropriate transactions not being identified.</p>		<p>The bank reconciliation is a key financial control, consideration should be given to who completes this process, whether adequate separation of duties in place and whether the person completing the process is sufficiently independent of the financial processes in operation.</p>	<p>Treasurer and Estate Manager with the Monthly Monitoring Report which once reviewed, we sign-off. At our General Meeting last week, Sasha provided an update to the members on our first month of the financial year, this update was from April's Monthly Monitoring Report. In addition to this, the treasurer and a sub-committee will perform monthly reconciliations starting from either May/June.</p>	
13	<p><u>IT Systems and Security</u></p> <p>Business Continuity Plan In order to minimise service disruption in the event of a disaster or significant business interruption a Business Continuity Plan should be in place and tested.</p> <p>Discussions with the Housing Manager identified a Business Continuity Plan is not currently in place.</p>	2	<p>A Business Continuity Plan should be drafted, agreed by Committee and reviewed on an annual basis.</p> <p>A record should be kept of the date the plan is reviewed and by whom.</p> <p><i>This recommendation was also raised in 2017/18 audit.</i></p>	<p>Responsible Officer: Housing Manager Estate Manager will review with the other Co-Operatives and adapt their Business Continuity Plan to meet the needs of Goulden House Co-Operative Ltd.</p>	August 2019

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	<p>Risk/Implication Where there is no Business Continuity arrangement in place to deal with business interruptions, there is a risk that service provision may be impaired resulting in financial loss and reputational damage. Furthermore, where policies are not version controlled this increases the risk of staff working to out of date policies.</p>				
14	<p>General Data Protection Regulation (GDPR) To ensure that all personal data, whether held on paper records or electronically, is held in accordance with the General Data Protection Regulation and the Data Protection Act 2018, the Co-op is required to complete an Information Asset Register and appoint a Data Protection Officer who must be impartial, report to the Management Committee and have no conflicts of interest. In addition, the Co-op is also required to have a lead GDPR committee member. The co-op should have adequate data protection and retention policies in place.</p> <p>Discussions with the Housing Manager identified that the data retention policy is currently being reviewed by their HR provider, Peninsula. There is no Information asset register in place and a member of the committee has not been appointed as lead for GDPR.</p> <p>Risk/Implication Non-compliance with the General Data Protection Regulation and the Data Protection Act 2018 and/or loss of or inappropriate access to personal data can result in reputational damage to the Co-op and regulatory fines,</p>	2	<p>An employee or Management Committee member should be made responsible to lead on GDPR to ensure compliance.</p> <p>A data protection policy should be in place.</p> <p>An Information asset register should be in place detailing all data that is held by the co-op.</p>	<p>Responsible Officer: Housing Manager The Secretary for the Goulden House Committee (Sunny Azarpour) will be responsible to lead on GDPR to ensure compliance.</p>	In place

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	levied by the Information Commissioner's Office.				
15	<p><u>Budgetary Control</u></p> <p>Quarterly Monitoring Report/Budget Monitoring Reports In order for the Management Committee to make effective decisions and to monitor the performance of the Co-op they should be provided with appropriate performance monitoring information. In addition, Finance information should be clearly detailed on the agenda to include but not limited to budget monitoring statements and quarterly monitoring reports which should be presented to the committee.</p> <p>Review of the Quarterly Performance reports confirmed the reports are produced, however, there was no evidence that they were presented to the Management Committee.</p> <p>Risk/Implication When the Management Committee is not provided with quarterly performance monitoring reports or adequate budget monitoring reports, there is a risk that incorrect decisions may be made and poor performance not identified and corrected in a timely manner.</p>	2	All quarterly performance monitoring reports should be presented to the Management Committee and clearly documented in Management Committee meeting minutes.	Responsible Officer: Housing Manager Quarterly Performance Monitoring reports are presented to the Management Committee and will be documented in the Goulden House Management Committee Meetings.	In place
16	<p><u>Government/Management Committee</u></p> <p>Declarations of Interest Committee members and staff should declare, in writing, any financial interests in the event of there being a potential conflict with the Co-op's interests. In order to ensure that declarations regarding conflicts of interest remain up to date, the register of interests should be</p>	2	Declarations of Interests should be completed annually and retained onsite for all Committee members that are involved in the decision-making process. Ensure Declarations of Interests is a	Responsible Officer: Housing Manager and Committee Member Declarations of Interest are completed annually and are now a standing agenda item at	In place

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	<p>annually reviewed, and Committee members and staff should be required to make new declarations.</p> <p>Examination of records identified one committee member had not completed a declaration of interests form (JP-A).</p> <p>Examination of the last three management committee meetings (23rd Jan 2019, 6th December 2018 and 21st November 2018) identified that declarations of interest was not a standing item on the committee agenda.</p> <p>Risk/Implication Where Committee members do not declare any pecuniary interests annually, there is a risk that the Co-op may not be able to demonstrate that particular decisions have been made in the best interests of the organisation. Furthermore, where opportunities to declare interests are not provided during meetings, there is a risk that the Co-op may be unable to demonstrate transparency in its decision-making process.</p>		<p>standing item on all Committee agendas and responses are recorded in all minutes.</p> <p><i>This recommendation was also raised in 2017/18 audit.</i></p>	<p>all meetings. Please note – JP – A is no longer a committee member.</p>	
17	<p>Elections All residents should be notified of the election taking place at the Annual General Meeting (AGM) every year. Communications should be sent to all residents and to absentee leaseholders and evidence retained that this has been done.</p> <p>Section 33a of the Modular Management Agreement states that “at every subsequent annual general meeting one-third or the nearest number thereto of Committee Members shall retire from office”. Section 33b states that “A retiring Committee Member shall be eligible for re-</p>	1	<p>Action must be taken to ensure that general meetings are convened constitutionally, and this can be evidenced.</p> <ul style="list-style-type: none"> • The administration of elections must comply with the Agreement between the Council and Goulden House Co-op • One third of the Board must retire as per the MMA and their retirement and potential re-election must be minuted. 	<p>Responsible Officer: Housing Manager GH Committee advises that notices were sent out to all households, and agendas advertising the elections were pinned up on notice boards across the site. Elections were constitutional.</p>	In place

No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	<p>election”.</p> <p>There is no evidence to demonstrate that residents were notified of that the election was taking place at the AGM.</p> <p>Examination of the AGM minutes carried out on 31st July 2018 did not identify that any of the Board retired, whether or not they were re-elected.</p> <p>There is therefore a lack of evidence demonstrating that elections carried out in July 2018 were constitutional.</p> <p>Risk/Implication Where elections are not compliant with the Council’s Agreement there is an increased risk of the Committee being challenged and not promoting transparency. There is also a risk of inappropriate people being on committees leading to incorrect decisions being made.</p>				
18	<p>Management Committee Meetings Agendas for committee meetings should be clear and precise and meetings clearly minuted. All meeting minutes should be reviewed to ensure they are suitable to be published on the Co-ops website.</p> <p>Examination of committee minutes identified that one specific format is not used, and it is not clear where budget monitoring reports are presented and discussed. In addition, there is not an action plan resulting from the meeting to ensure that actions are recorded, assigned owners and given expected completion dates to allow effective monitoring.</p>	2	To help ensure consistency and to avoid important items being missed, agendas should be standardised and the minutes format should be revised to ensure meetings are effective and recorded appropriately.	Responsible Officer: Housing Manager GH Committee agree that the agendas should be more standardised, and that they are moving towards this. The minutes will be minuted to a standard format, with an action plan and a follow-up to sign off on the actions.	June 2019

Appendix A - Management Action Plan

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No.	Finding / Associated Risk	Priority	Recommendation	Management Response	Target Date
	Risk/Implication When the Management Committee meeting minutes are not clear, there is a risk that issues of concern are not properly discussed, remedial actions are not identified and progress at future committee meetings not monitored.				

Levels of assurance	
Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified. (NB full assurance is based only on the sample tested and does not guarantee that there are no instances of control failure within a system that we have looked at unless we state that we have reviewed 100% of transactions).
Substantial Assurance	Whilst there is a largely sound system of control, there are some weaknesses, which may put a limited number of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key control areas, which put the system objectives at risk.
No Assurance	Control is weak, leaving the system open to material error or abuse.

Priority of recommendations	
1	Major issues that we consider need to be brought to the attention of senior management.
2	Important issues which should be addressed by management in their areas of responsibility to avoid exposure to significant risk.
3	Minor issues where the risk is low. Action is advised to enhance control or improve operational efficiency.