



Wandsworth Borough Council

Goulden House Co-op

Final Internal Audit Report

Distribution:

Annie Gleeson – Estate Manager
 Foday Kamara – Resident Participation Officer (RPO)
 Tom Crawley – Head of Resident and Estate Services
 Ian Stewart – Assistant Director (Housing Management)

Draft Report Issued: 22/07/2025

Final Report Issued: 05/08/2025

Audit Team:

Amy Richards – Audit Trainee
 Carly Brown – Principal Auditor
 Andrew Hamilton – Assistant Director of Shared Audit Service

Audit Objectives	Assurance Opinion	P1	P2	P3
Performance Monitoring	Reasonable	0	1	0
Governance	Substantial	0	0	1
Finance Management	Substantial	0	0	0
Repairs and Maintenance	Substantial	0	0	0
Information Security	Substantial	0	0	0
Rent and Service Charge	Substantial	0	0	0
Human Resources	Substantial	0	0	0
Health & Safety	Substantial	0	0	0
Tenancies	Substantial	0	0	0
Totals		0	1	1

Overall Assurance: Substantial

1. Introduction

- 1.1 This report sets out the results of Internal Audit's review of Goulden House Co-op. The audit was carried out as part of programmed work included in the Internal Audit Plan for the year 2025/26, which has been approved by the Directors Board and Audit Committee.

2. Background

- 2.1 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.
- 2.2 The Co-op entered a legal contract, Modular Management Agreement (MMA), by which the local authority delegates specified management responsibilities to the Co-op. The Agreement is in a 'pick and mix' format enabling the Co-op to select the functions and levels of responsibility to fit their aspirations.
- 2.3 Goulden House is located just off Battersea Park Road within a mile of Battersea Bridge. Goulden House, which was built by Wandsworth Council in 1975, is 5 storeys high, built as a single block. The building is designed around an inner garden and an outer green making the estate a very nice place to live. There are 269 flats served by 3 lifts. All dwellings are covered by an Entry Call service. The whole estate is covered by a 24-hour recording CCTV system making it a safe place to live.
- 2.4 In total, Goulden House has 269 residential units: 228 are leasehold and 41 tenanted. The last internal audit in February 2024 gave 'Reasonable Assurance'.

3 Scope and approach

- 3.1 The scope and approach of the review is outlined in our Audit Brief (Appendix A).
- 3.2 Conformance with Global Internal Audit Standards (GIAS) -This audit was conducted largely in conformance with the Global Internal Audit Standards (GIAS), which require the internal audit activity to plan and perform the audit to obtain sufficient and appropriate evidence to support the conclusions and recommendations made.

- 3.3 The South West London Audit Partnership is currently transitioning from the Public Sector Internal Audit Standards (PSIAS) to GIAS, which requires minor updates to some of our templates and the terminology we use. We are committed to ensuring that our audit practices align with the highest standards of professional practice.

4. Executive Summary

- 4.1 As a result of the review, Internal Audit has issued a **Substantial Assurance** opinion on the overall adequacy and effectiveness of the internal controls that have been subject to review. (See Appendix B for a description of assurance opinions and recommendation categories).
- 4.2 We found the following areas where controls were working well:
- The co-op is effectively managed, with robust systems for repairs, maintenance, information security, tenancies, HR, and health and safety. Approval processes are followed, with clear audit trails for all transactions and decisions. Customer service is strong, with an accessible estate manager and regular fortnightly health and safety checks.
- 4.3 We have identified the following areas where systems and processes could be improved:
- There is currently no evidence indicating that performance visits by the resident participation officer are conducted biannually. All meeting minutes should be published promptly on the co-op website once they have been approved.
- 4.4 The outcomes of all work carried out by Internal Audit are routinely reported to the Council's Audit Committee. They may request sight of this report and also require officers to attend the Audit Committee to comment further on this matter and proposed remedial actions.

5. Findings and Recommendations

Finding / Associated Risk	Recommendation & Priority	Management Response & Target Date
<p>1) <u>Performance Management</u></p> <p>Performance Visits</p> <p>The Council has a statutory responsibility (Right to Manage Regulations 1994) to monitor the operations of the RMOs. This function is executed by the Resident Participation Officer (RPO) through a monitoring framework.</p> <p>The RPO should conduct two formal monitoring visits during the year (Quarter 2 and an annual visit). There are different template forms to complete for each visit and the RPO should complete these and, where necessary, produce an action plan with responsible officer names and target dates to address the issues identified.</p> <p>Internal Audit identified that the last annual review occurred on 24th June 2024 and is now overdue, with no evidence of additional reviews provided. A second review planned for November 2024 did not occur due to staff sickness.</p> <p>Risk/Implications</p> <p>Where performance monitoring visits do not take place there is a risk of poor performance going unnoticed leading to potential non-compliance.</p>	<p>Priority 2</p> <p>The Resident Participation Officer should carry out two formal monitoring visits each year.</p> <p>Each review needs to be documented, and the template form needs to be completed for each visit.</p>	<p>Responsible Officer: Resident Participation Officer (Foday Kamara)</p> <p>Implementation date: 01/03/2026</p>

Finding / Associated Risk	Recommendation & Priority	Management Response & Target Date
<p>2) <u>Governance</u></p> <p>Publishing Meeting Minutes</p> <p>To ensure transparency exists minutes of all General and Annual General Meetings should be available to all members and best practice would be to publish them on the Co-op's website.</p> <p>At the time of the audit, the October 2024 annual general meeting minutes had not been published online.</p> <p>The meeting minutes have since been published, but this was some time after the event and efforts should be made to publish minutes sooner after meetings take place.</p> <p>Risk/Implications</p> <p>In the absence of transparency, the Board is more likely to face challenges on their decision making from relevant stakeholders.</p>	<p>Priority 3</p> <p>Management should ensure that all meeting minutes are published on the co-op website as soon as they have been approved.</p>	<p>Responsible Officer: Estate Manager (Annie Gleeson)</p> <p>Implementation date: Implemented on 08/07/2025</p>

Appendix A: Internal Audit Brief

<p>Objective of Internal Audit:</p>	<p>Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.</p>
<p>Objectives of area/s under review:</p>	<p>To provide an efficient and effective housing management service.</p>
<p>Key Risks:</p>	<ul style="list-style-type: none"> • Failure to provide good quality repairs and maintenance service • Non-compliance with procurement legislation and/or local procurement policies/procedures • Inadequate financial controls • Poor employment practices • Inadequate governance arrangements • Non-compliance with Health and Safety legislation • Unauthorised access to personal data and/or non-compliance with General Data Protection Regulations (GDPR) and Data Protection Act 2018 • Complaint, occupancy checks etc not adequately processed and recorded
<p>Fraud Risks:</p>	<ul style="list-style-type: none"> • Bribery and collusion between staff/committee members and suppliers/contractors • Misappropriation of funds • Employment fraud • Illegal subletting
<p>Scope (areas to be covered during the audit):</p>	<p>Repairs and Maintenance To ensure the Modular Management Agreement is complied with in respect of the use of contractors for repairs and maintenance. To ensure repairs and maintenance work is carried out to the required standard and to the timescales laid down by Wandsworth Council.</p>

	<p>Financial Management To ensure that financial procedures are complied with and that they provide adequate control in respect of the procurement and payment of goods/services. To ensure that value for money is achieved by obtaining quotes and tenders in line with local procurement policies/procedures. To ensure that bank accounts are properly managed with only authorised transfers being made between them. To ensure that the accounts are appropriately audited and reported to Members and the Council.</p> <p>Performance Monitoring To ensure performance is adequately monitored and action taken where adverse performance is identified.</p> <p>Rent and Service Charges To ensure that rent demands from the Council are paid in full and paid by the due date. To ensure that, where rent is collected by the Co-op/RMO, it is properly accounted for. To ensure that rent arrears recovery procedures are being complied with. To ensure that service charge administration complies with the MMA.</p> <p>Human Resources To ensure that recruitment and appointment of staff complies with legislation in respect of equal opportunities, right to work and IR35.</p> <p>Governance To ensure that adequate governance arrangements exist and are fully complied with.</p> <p>Health and Safety To ensure that Health and Safety regulations are complied with and action taken to address any H&S concerns.</p> <p>Information Security To ensure that access to personal data is adequately controlled.</p> <p>Tenancy Management</p>
--	--

	To ensure that occupancy checks are regularly carried out and complaints are adequately responded to.
Limitations to Scope (areas we won't be covering)	<p>The audit coverage is limited to those areas detailed above. However, other areas may be subject to review if further risks or control issues are identified during the review.</p> <p>Testing will be carried out on a sample basis from the current financial year (or from the previous 12 months etc.).</p>
Methodology (what we will do):	<p>Interview with relevant officers and walkthrough testing, where appropriate, to document the system of internal control;</p> <p>Sample testing to evaluate the identified controls; and</p> <p>Discussion of findings and agreement of the ownership and timescales for implementation of recommendations made.</p>

Appendix B: Assurance and recommendation classification

Levels of Assurance	
Substantial Assurance	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management, and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the audited area.
Limited Assurance	Significant gaps, weaknesses, or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the audited area.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses, or non-compliance identified. The system of governance, risk management and control are inadequate to effectively manage risks to the achievement of objectives in the area audited.

Priority of recommendations	
1	Major issues that we consider need to be brought to the attention of senior management and should be implemented within 3 months where practically possible.
2	Important issues which management should address in their areas of responsibility to avoid exposure to significant risk should be implemented within 6 months.
3	Minor issues where the risk is low. Action is advised to enhance control or improve operational efficiency