

Housing Management – EXECUTIVE SUMMARY

Introduction

An audit of the Council's Housing Contracts was undertaken in 2009 together with a review of the Housing Management system used to control Housing Contracts.

Contract Extensions

The contracts with the 2 companies responsible for providing the Housing Maintenance service to Council properties was extended on the 1st April 2006 but no evidence is available within Housing Management records to verify that the extension had been subject to a properly completed and certified Exemption to Standing Orders.

Contractor Invoices

We reviewed the invoices relating to the Central Heating Upgrade 2009 and found that the Practical Completion Invoice included a claim for a property where no work had been done and the variation orders amount was understated. On this occasion there was no detriment to the Council however inadequate checking of invoice accuracy introduces the risk of the Council making inappropriate payments.

Use of Constructionline

Two different Constructionline lists were provided to Housing Management for two similar building works schemes, one in January 2009 and the other in March 2009.

The scheme for which the Constructionline list was provided in January did not progress and the list was used to select a contractor to perform the work scheduled for March. The Constructionline list provided in March was not used.

This introduces the risk of the Council employing a contractor who has been removed from the Constructionline list.

On another occasion, a Constructionline list was provided to Housing Management for the Exterior Redecoration 2009 programme.

13 contractors were invited to submit tender bids for 17 contracts. 7 of these contractors, although registered with Constructionline, were not included on the Constructionline list provided by Internal Audit introducing the risk of the Council being accused of inviting favoured contractors to submit tender bids for the work.

Obtaining Quotes

A sample of 12 non-responsive maintenance jobs were reviewed to ascertain whether Contract Standing Orders were adhered to prior to the work being allocated. Two of these were for values of over £3,000 and the other ten were for values of under £3,000. Contract Standing Orders requires that three written quotations are obtained for work over £3,000 value and one written quote is received for work under £3,000 value.

Five of the jobs reviewed were completed as part of a contractual agreement, evidence of a written quotation was provided for one of the other jobs but written quotations were not available for the other six jobs.

Contract Standing Orders have been breached in these six instances and the Council would be unable to defend itself if challenged by an external body as to why or how these contractors had been selected.

Conclusion

In our opinion and after careful consideration Internal Audit can offer a neutral opinion and can confirm that the level of assurance that can be given is LA – Limited Assurance.