Internal Audit Report

Hexagon Housing Association

**Assets and liabilities register**



**August 2015**

**Table of Contents**

1 Audit Statistics 2

2 Audit Findings: One Page Summary 3

3 Detailed Audit Findings 4

4 Recommendations agreed with management 10

Appendix A: Scope and Objectives of the Audit 14

Appendix B: Definition of Assurance Levels and Recommendation Gradings 20

Appendix C: PEER COMPARISON SURVEY 21

*The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.*

*The contents of this report are confidential and not for distribution to anyone other than Hexagon Housing Association. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP.*

*Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work.*

# Audit Statistics

| **Audit area** | **Assets and liabilities register** |
| --- | --- |
|  |  |
| **Audit objective** | 1. **To provide assurance that the Association has effective processes in place to support the compilation and maintenance of an accurate and comprehensive register of assets and liabilities.**
2. **To provide assurance the key risks relevant to this audit area are being effectively managed.**
 |
| **Auditor** | **Morgan Dawe** |
| **HHA lead** | **Phil Newsam** |

| **Milestone** | **Target** | **Actual** |
| --- | --- | --- |
|  |  |  |
| **Number of days** | **4** | **4** |
| **Start on site** | **24.08.15** | **24.08.15** |
| **End of fieldwork** | **27.08.15** | **18.09.15** |
| **Draft report issued** | **11.09.15** | **22.09.15** |
| **Management responses provided** | **25.09.15** | **24.09.15** |
| **Final report issued** | **02.10.15** | **25.09.15** |
| **Audit Committee** | **03.11.15** |  |

# Audit Findings: One Page Summary

| Assurance on effectiveness of internal controls  |
| --- |
|  |
| **SUBSTANTIAL** assurance |

|  |  |
| --- | --- |
| Priority | Number of recommendations |
|  |  |
| **FUNDAMENTAL** | **-** |
| **SIGNIFICANT** | **-** |
| **HOUSEKEEPING** | **7** |
| **TOTAL** | **7** |

| Risk management |
| --- |
|  |
| It is our view that the Association is effectively managing the production and maintenance of the assets and liabilities register. Some minor data integrity issues have been noted through our testing. |

| Value for money |
| --- |
|  |
| The Association has completed its register of assets and liabilities in a timely manner with the use of no external consultants or specialist software. For the sake of efficiency, it has adopted an approach of including signposts to existing data sources within its register, rather than duplicating data, and effort. |

#

# Detailed Audit Findings

* 1. **Context**

Within its recent update to the Regulatory Framework for Social Housing in England, the Homes and Communities Agency has included a requirement for registered providers to compile comprehensive, accurate, and up-to-date registers of their assets and liabilities. The HCA code of practice for the Governance & Financial Viability Standard goes further into the requirement, suggesting some of the key outcomes from the production and upkeep of the register are:

* Registered providers have a thorough understanding of their assets, and the security position of those assets.
* Access to key information on the asset and liabilities, particularly in the event of a potential or actual failure.
* A reference for a potential buyer to accurately price the business and the value of the social housing assets which it holds.

Hexagon started compiling its register in August 2014. It is now largely complete, with a few remaining items due for completion in September 2015. The register itself is in the format of procedural guidance, which includes a series of links to other systems and reports within the organisation, thus directing the reader as to how to obtain access to each area of data.

Hexagon has taken the decision to set a materiality threshold of £100k for its register, therefore both assets and liabilities under this value are not included.

As part of the audit we undertook data analysis to ensure the systems in place within the organisation contained appropriate information. This included reconciling databases, undertaking duplication analysis and highlighting abnormal data. Our data analysis was based upon the extracts of all assets from the finance system (Ram), the asset management system (Lifespan) and the housing management system (Genero).

In order to prioritise the information held within the assets and liabilities register the Association undertook MoSCoW analysis. (Must have, Should have, Could have, and Won’t have). The Association has taken the decision to only include the ‘Must have’ and ‘Should have‘ information in its register.

* 1. **Strengths**

**Project management**

* A report detailing the progress made with the assets and liabilities register was provided to the Risk and Appraisal Panel in May 2015. The next report is due in September 2015, at which point it is targeted that the register will be complete.
* We were able to verify that the register contains clear guidance on the staff responsibilities, and processes, for updating each of the systems and databases. The register is centrally overseen by the Finance and IT Director.
* The procedure details a number of quality assurance processes that will be in place to verify the accuracy of the register’s data. These vary between areas of the business and include periodic checks, automatic accuracy checks, and audits.
* Staff spoken to during the audit were of the view that the systems in place are appropriate and proportionate.
* By adopting the format it has done, and not duplicating data within a new register, Hexagon is able to prevent any increases in data integrity risk relating to the assets and liabilities data it holds. The register will be updated by staff on an on-going basis as part of their daily roles.
* From July 2016, it is the intention that the Director of Finance and IT will periodically provide assurance to the Board that the register is being fully maintained. We were also able to verify the Audit and Risk Committee had been made aware of the plan for the register in May 2015.

**Property**

* We reviewed data from Genero and carried out testing to verify that all properties under management by Horniman, were present. We found the total number of properties listed on the Horniman website matched the total within Genero.
* We carried out testing to identify any potential duplication of properties within Genero and noted no issues.
* We reviewed a sample of 5 shared ownership properties in order to ensure that the percentage owned by the shared owner listed on Genero was accurate in each case. We were provided with evidence from the Association’s solicitors detailing the previous change in shared ownership percentage to verify each figure listed within Genero was accurate.
* We were able to verify that a reconciliation was undertaken between the housing management and finance systems at the 2014/15 year-end. From this, Hexagon staff established that the total number of units on each system matched, following the inclusion of all new developments, and removal of all disposals.
* Each month, the Development Team sends an email to the Finance Team detailing new properties. We reviewed a sample of recent new developments and found in each case that these had been included on Genero. The register also includes links to new developments in progress.
* We found that Hexagon’s non-housing assets such as offices and shops are detailed, and are clearly distinguishable on Genero.
* We reviewed the deed number of all the residential properties held within Genero and found in each case the property has a deed number listed against it.

**Finance**

* The register contains links to the loan agreements Hexagon has in place. We identified a sample of 3 of the loan agreements, and found in each case that we were able to access the relevant loan documentation.
* We found the register includes a link to information on the loan amounts, repayment profiles, and interest charging.
* We were able to verify that the Unit Loan Report within the register clearly states which properties are charged to which loans.
* We tested a sample of three mark-to-market loan derivatives in order to verify the appropriate documentation is available, and referred to within the register. This was found to be the case in each instance tested.
* We found the register included links to debtors, and other investments such as intercompany loans with Horniman.
* The main contract liabilities, namely on-going payment commitments, are included within the project management software, Sequel.
* We were able to verify that within the material contract list, there is a link to the contract where appropriate. We were able to verify the relevant contract documentation was in place in each instance.
* It is the responsibility of managers within the organisation to update the contracts list if a contract they are managing exceeds £100k. Furthermore, the Finance Manager produces a report every year stating all contracts where the total spend has exceeded £100k. This is sent to the directors so that any contracts missing from the register can be added (see related finding within Section 3.3)

**Data integrity**

* We reviewed system access levels for a sample of staff to ensure that they were unable to make changes to systems not relevant to their roles. No issues were noted.
	1. **Areas for improvement**

**Finance**

* At present, the asset register does not specifically reference Horniman’s balance sheet report. This is included within the finance system; however, it is a separate report to Hexagon’s balance sheet report.
* Through discussions with the Property Services Director we were made aware of a new contract in place with KNK Building Services Ltd, that had not been included within the contracts register, despite the total spend exceeding £100k. Also, we reconciled supplier spend data over the previous 12 months to the contracts register, to identify any high spend supplier relationships that had not been documented. Through this process we identified a further contract over £100k in value with Friends Life, which was also missing from the register.
* The Association has not yet identified pensions deficits within its list of liabilities. We were informed this was not considered during the production of the register, and will be added going forward.

**Data integrity**

* We identified a total of 6 properties where the maintenance responsibility was not listed within Genero. We were informed this was due to the units being relatively new, and hence the information was yet to be uploaded.
* We noted that deed numbers were not included within Genero for 2 commercial properties.
* We found a total of 17 shared ownership properties where no information is held within Genero detailing the percentage owned.
* We reconciled Genero to the finance system, and identified 5 properties listed within RAM that were not included within Genero. At the time of the audit these were under investigation.
	1. **Risk management**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | **Risk Assessment** | **Controls:** | **Audit Assessment** |
| Hexagon is downgraded because of new requirements to maintain an assets and liabilities register. | Medium | Project plan in place to meet new requirements by June 15. RAP monitoring progress | A register is in place which is close to completion. There is clear guidance in place regarding the maintenance of the register going forward. |

* 1. **Peer comparison**

# We have undertaken a peer comparison survey on the compilation and content of assets and liabilities registers, which can be found at Appendix C. The survey was responded to by 44 registered providers. Hexagon’s own responses have been noted in blue.

Based on the survey responses provided we can see that generally, Hexagon’s approach to the compilation of its register compares well to the sector. As discussed, Hexagon has taken approach aimed at minimising duplication of work, and data. We see from the survey responses that 88% of respondents have not developed or procured new systems to manage their registers. 40% of respondents have adopted the hyperlink approach that Hexagon is using, with the majority of the remaining respondents adopting techniques that are similar.

Only 46% of respondents have completed their registers, or were aiming to have these complete by the end of September 2015. Hexagon’s progress to date therefore compares well with the survey group.

All respondents intended to produce assurance reports on the register to either the board, audit committee, or both. The frequency at which these reports would be presented varied, and further details can be found within the survey. Hexagon has stated that it is also its own intention to report to the Board on this matter.

Hexagon has set a materiality threshold of £100k for entries in its register. 67% of the survey respondents had also set a materiality threshold. Over half these respondents had however opted for a threshold of £50k, rather than £100k or above.

Examples are also noted within the survey (54% of respondents) where registered providers have undertaken work to identify potential liabilities that could arise from contracts. No such exercise has been undertaken at Hexagon, however we did find through testing that contract documentation was available.

Additionally, 47% of respondents had undertaken work to identify potential liabilities arising from redundancies. The Association has taken the decision not to include such liabilities in its register. Having spoken to the HR department, we were informed there are two directors within the organisation whose redundancy packages would exceed the materiality threshold of £100k.

# Recommendations agreed with management

| **Ref** | **Observation** | **Risk** | **Recommendation** | **Priority** | **Management****Response** | **Timescale / responsibility** |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
| 4.1 | **Horniman balance sheet**At present, the asset register does not specifically reference Horniman’s balance sheet report. This is included within the finance system; however, it is a separate report to Hexagon’s balance sheet report. | The register does not transparently present Horniman assets and liabilities. | The register should specifically reference Horniman’s balance sheet within the finance system. | **House Keeping** | An up to date balance sheet in SUN for Horniman (including a supplier ledger) is part of Phase 2 of the SUN accounts upgrade. This will be in place, and linked to the register by the end of November 2015 | FM Nov 15 |
| 4.2 | **Contract register**Through discussions with the Property Services Director we were made aware of a new contract in place with KNK Building Services Ltd that had not been included within the contracts register, despite the total spend exceeding £100k. Also, we reconciled supplier spend data over the previous 12 months to the contracts register, to identify any high spend supplier relationships that had not been documented. Through this process we identified a further contract over £100k in value with Friends Life, which was also missing from the register. | The Association does not have a complete register of all material contracts. | The contract list should be updated to include KNK and Friends Life. | **House Keeping** | KNK and Friends Life contracts will be added to the contracts register.  | PSD/ HRMOct 15 |
| 4.3 | **Pension deficits**The Association has not yet identified pensions deficits within its list of liabilities. We were informed this was not considered during the production of the register, and will be added going forward. | The Association does not have a complete list of all material liabilities. | The liabilities register should be updated to include pension deficits. | **House Keeping** | The pensions deficit repayment schedule will be added to the asset and liabilities register.  | FITDOct 15 |
| 4.4 | **Missing maintenance responsibility**We identified a total of 6 properties where the maintenance responsibility was not listed within Genero. We were informed this was due to the units being relatively new, and hence the information was yet to be uploaded.  | The Association does not have a clear register of properties which they maintain. | Hexagon should update Genero to include the maintenance responsibility for all properties.  | **House Keeping** | Maintenance responsibilities for the 6 properties will be added to Genero. | HSMSept 15 |
| 4.5 | **Missing deed numbers**We noted that deed numbers were not included within Genero for 2 commercial properties. | The Association is missing a clear reference to the deeds of all their properties. | Hexagon should update Genero to include the deed numbers of the two commercial properties missing them. | **House Keeping** | The missing deed numbers will be added to Genero. | FITDDone |
| 4.6 | **Shared ownership percentages**We found a total of 17 shared ownership properties where no information is held within Genero detailing the percentage owned. | The Association is unaware of the percentage of the asset owned. | Genero should be updated to include the most up to date percentage owned for the properties noted through testing. | **House Keeping** | The missing shared ownership percentages will be added to Genero. | HSMDone |
| 4.7 | **Missing properties from Genero**We reconciled Genero to the finance system, and identified 5 properties listed within RAM that were not included within Genero. At the time of the audit these were under investigation. | The assets register in place does not have a complete list of properties owned by the Association. | Hexagon should undertake a review of the properties highlighted. If Genero is deemed to be inaccurate it should be updated and an investigation into the cause of the problem should be undertaken. | **House Keeping** | The 5 discrepancies have been investigated. 2 are due to a change in Genero reference for the same unit, and 1 is for an unused office amalgamated into the next door flat. The costs in RAM will be added to the relevant units.The other 2 are bed-spaces in supported housing properties that are no longer in use, although the whole property is still in ownership. These are to be retained as reconciling items.  | FMOct 15 |

# Appendix A: Scope and Objectives of the Audit

| **Scope of work** |
| --- |
|  |
| 1. To provide assurance that the Association has effective processes in place to support the compilation and maintenance of an accurate and comprehensive register of assets and liabilities.
2. To provide assurance the key risks relevant to this audit area are being effectively managed.
 |

| **#** | **Risks** | **Expected controls / Testing guidelines** |
| --- | --- | --- |
|  |  |  |
| 1.1 | The register cannot be provided to the HCA when they request to see it. | The Association has a clear plan in place to compile the register of assets and liabilities. |
| The compilation of the register is led from a sufficiently senior level, and involves key staff from across the business. |
| The Association has a clear timescale by which the compilation of the register will be complete.  |
| The register is maintained in such a format that it can be easily provided to the HCA for review if requested. |
| 1.2 | Group structures, and the asset and liabilities that are specific to subsidiaries, have not been represented within the A&L register. | Where a group structure is in place, it can be demonstrated that there has been appropriate consideration of the assets and liabilities of each subsidiary. |
| 1.3 | The Association’s records of property assets are incomplete. | The Association has considered and decided on the data it will record on the register in respect of its property assets. *Carry out data analysis on the housing management system (or other register of properties if in use), to identify missing fields and potential data integrity issues in areas of recorded data, such as:** *Address data*
* *Tenure type*
* *Charging status*
* *Ownership status*
* *Planning restrictions*
* *Shared ownership percentages*
* *Management status*
* *Links to evidence of title*
 |
| *Using data analysis techniques, carry out a reconciliation between property lists held on the housing management system, and the asset management system, to ensure that these property lists match.* |
| 1.4 | Non-social housing assets have not been included within the assets and liabilities (A&L) register. | The Association can demonstrate that its non-social housing assets have been identified in full, and included on the A&L register. *Consider the following as a guide:** *Land*
* *Offices*
* *Commercial properties*
* *New developments in progress*
* *Debtors*
* *Investments*
* *Outstanding insurance claims*
 |
| 1.5 | The Association’s debt is not accurately and completely recorded within the A&L register. | The register includes an accurate and comprehensive representation of the Association’s debt profile. This could include: * *Loan amount and draw down status*
* *Repayment profile*
* *Interest charging basis*
* *Charging of properties to the debt*
* *Covenants*
* *Representations and warranties*
* *Events of default*
* *Cross default clauses*
* *Other relevant clauses*
* *Contact details for all lenders*
* *Side letters and amendments to documentation*
 |
| The register includes details of, and / or links to the whereabouts of all loan agreements.  |
| 1.6 | Derivatives are not included within the A&L register. | The register includes an accurate and comprehensive representation of all derivatives held by the Association. |
| 1.7 | The Association does not have a comprehensive register of the contracts it has in place, and the liabilities arising from these. | The Association has a contracts register in place. |
| There are processes in place to update the contracts register when new contracts are procured |
| *Carry out data analysis on creditor payments data from the finance system over a 1 year period, and identify creditors where levels of spend are above tendering thresholds. Reconcile this list to the contract register in place in order to assess whether there are potentially any omissions from the register* |
| The Association has undertaken an exercise to identify and document liabilities arising from its contracts, and document these. Based on this exercise the Association has an understanding of aspects such as:* On-going payment commitments
* Costs associated with early termination of contracts
* Potential liabilities arising from contractor insolvency
* Other relevant contract clauses that could result in liabilities.
 |
| 1.8 | Incomplete data on other liabilities is held within the A&L register. | The Association has undertaken and exercise to identify any other liabilities that may exist, such as:* *Building leases*
* *Equipment leases*
* *Outstanding disputes or litigation*
* *Performance penalties or claw-back arrangements*
* *Letters of support to subsidiaries / joint venture partners etc.*
* *Parent company guarantees*
* *Guarantees to investors or other parties*
* *Performance penalties or claw-back arrangements*
* *Commitments under sale and leaseback arrangements*
* *Warranties on past properties or land disposals*
* *Pensions deficits*
 |
| 1.10 | Potential liabilities resulting from staff redundancies are not understood. | The Association can demonstrate that it understands its potential liabilities to staff (i.e. redundancies and pay-offs), should a service or subsidiary be discontinued (*consider for instance, the wind up of a care business following a reduction in grant funding*). |
| 1.11 | The asset & liability register is not fit for purpose  | Procedural guidance is in place, which clearly communicates roles and responsibilities for updating and maintaining the A&L register, to all relevant parties.*Consider the following departments as a guide:** *Sales*
* *Development and acquisitions*
* *Treasury*
* *Procurement functions*
* *Human Resources*
* *Asset management*
 |
| Internal quality assurance processes are in place to ensure the accuracy of data within the register. *NB: consider how property sales, new developments and changes in charging status are reflected.* |
| There are appropriate access restrictions and / or data entry controls in place to reduce the risk of data integrity issues occurring. |
| 1.12 | Systems and processes in place to maintain the A&L register are ineffective. | The Association can demonstrate that the systems in place to maintain the register (housing management system, bespoke databases or spreadsheet etc.) are appropriate and fit for purpose.  |
| The resource required to manage the A&L register is proportionate to the complexity of the organisation. |
| 1.13 | Insufficient oversight of assets and liabilities at board level. | A summary of the A&L register has been reported to the Board and Audit Committee. |

# Appendix B: Definition of Assurance Levels and Recommendation Gradings

|  |  |
| --- | --- |
| **Assurance level** | **Definition** |
|  |  |
| SUBSTANTIAL | Is given where we feel that overall risks are being effectively managed, and typically covers the scenario where we find only ‘minor’ compliance issues within a robust control framework. |
| ADEQUATE | Is where there is generally a sound control framework in place but where there are key issues of compliance or efficiency, or some specific gaps in the control framework which need to be addressed. Adequate assurance indicates that despite this, there is no indication that risks are crystallising at present. |
| LIMITED | Is where we find serious weaknesses in the control framework, typically resulting in a number of ‘significant’ and/or ‘fundamental’ recommendations, which could threaten the ability of the Association to achieve its objectives, or where there is evidence that risks are crystallising in the area under review. It would also cover the scenario where our audit work was obstructed such that we cannot conclude on the effectiveness of internal controls.  |
|  |  |
| **Recommendation Priority** | **Definition** |
|  |  |
| **FUNDAMENTAL** | Fundamental recommendations represent fundamental control weaknesses, which expose the Association to a high degree of unnecessary risk. |
| **SIGNIFICANT** | Significant recommendations represent significant control weaknesses which expose the Association to a moderate degree of unnecessary risk. |
| **HOUSE KEEPING** | House keeping recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk. |

#

**Appendix C: Peer comparison survey**

| **Response** | **Percentage** |
| --- | --- |
|  |
| **Does your organisation have an assets and liabilities register in place?** |
| Yes, the register is in place | **34.15%** |
| No, but we expect it to be in place before the end of September 2015 | 12.20% |
| No, but we expect it to be in place before the end of December 2015 | 34.15% |
| No, but we expect it to be in place before the end of March 2016 | 19.51% |
| No, we currently have no clear timescale for the implementation of an assets and liabilities register and/or do not expect to have it in place by the end of March 2016 | 0.00% |
| **How has your organisation approached the recording of subsidiaries' assets and liabilities within the A&L register?** |
| All of the Group's assets and liabilities are to be recorded in the same register without differentiation | 16.00% |
| All of the Group's assets and liabilities are to be recorded in the same register, with classifications or subdivisions to make it clear which assets and liabilities sit with which subsidiaries | **80.00%** |
| Separate registers are to be used for each subsidiary | 4.00% |
| **How is responsibility to be distributed throughout the Group for upkeep of the A&L register?** |
| The A&L register will be maintained and produced centrally, staff members in subsidiaries will not have any additional responsibilities | 60.00% |
| Subsidiaries have no staff, therefore the register will be maintained centrally | **20.00%** |
| Each subsidiary will be responsible for the accurate maintenance of their own register or section of the register | 20.00% |
| **Has the requirement to produce an A&L register prompted your organisation to procure or develop any new software, or modules for existing software?** |
| Yes | 12.00% |
| No | **88.00%** |
| **What method does your organisation use, or intend to use, to produce the A&L register?** |
| Information from separate sources manually collated by staff on demand | 8.00% |
| Information from separate sources collated using a software process (e.g. spreadsheet with hyperlinks to update data) on demand | 40.00% |
| A bespoke software solution which automatically collates information from separate sources to produce the register | 8.00% |
| A new spreadsheet or database to be continually updated manually by staff, in parallel with other systems | 24.00% |
| Other  | **20.00%** |
| **What format does your organisation plan to use to present its A&L register?** |
| A single comprehensive document | 8.33% |
| A website to which information will be uploaded | 8.33% |
| Spreadsheets indexed and connected through hyperlinks | 45.83% |
| Various documents to be collated on demand | 16.67% |
| Other  | **20.83%** |
| **What approach has your organisation taken, or does it intend to take,****with regard to reporting on A&L register completion?** |
| Report to board | 16.67% |
| Report to audit committee | **16.67%** |
| Report to both board and audit committee (perhaps at different levels of detail) | 66.67% |
| Report to neither board nor audit committee | 0.00% |
| **How frequently is your A&L register intended to be presented to board and/or audit committee?** |
| More frequently than quarterly | 0.00% |
| Quarterly | 16.67% |
| bi-annually | 29.17% |
| Annually | 37.50% |
| Less frequently than annually | 4.17% |
| Never | **12.50%** |
| **Beyond regulatory compliance, do you believe the production of an A&L register is a useful process for your organisation?** |
| Very Useful | 48.00% |
| Somewhat useful | 44.00% |
| Not at all useful | **8.00%** |
| **Do you believe that the production and maintenance of an A&L register represents value for money for your organisation?** |
| Yes, the benefits of producing an A&L register outweigh, or are expected to outweigh, any strain it puts on our resources | 61.90% |
| No, the strain on our resources outweighs any additional benefit beyond compliance with HCA regulations | **38.10%** |
| **Has your organisation taken steps to verify the integrity of any data sources that feed into the A&L register?** |
| Yes, we have undertaken a recent review to ensure the accuracy of our A&L register | **41.67%** |
| We regularly conduct reviews on the integrity of the relevant data sources as part of business as usual | 41.67% |
| We are confident of the accuracy of our data but have not undertaken any recent verification | 8.33% |
| No, we are concerned that data integrity issues will make it difficult to produce an accurate A&L register | 8.33% |
| **Does your organisation plan to implement regular quality assurance****checks on the data integrity of the A&L register?** |
| Yes | **91.67** |
| No | 8.33 |
| **Has your organisation set a threshold below which assets and liabilities are not to be considered material for inclusion in the A&L register?** |
| No, all assets and liabilities are considered material | 33.33% |
| Yes [threshold £50,000 or less] | 37.50% |
| Yes [threshold £100,000 or less] | 25.00% |
| Yes [threshold £250,000 or less] | 0.00% |
| Yes [threshold £500,000 or less] | 4.17% |
| **Records of property assets: which of the following information has your organisation included, or identified for inclusion, in the register of housing assets?** |
| Address data | **100.00%** |
| Tenure type | **94.44%** |
| Charging status | **100.00%** |
| Ownership status | **100.00%** |
| Planning restrictions | **69.44%** |
| Shared ownership percentages | **80.56%** |
| Management status | **88.89%** |
| Links to evidence of title | 91.67% |
| **What basis is your organisation using for valuing property assets in its A&L register?** |
| Current market valuations | 11.11% |
| Adjusted 1999 valuations | 0.00% |
| A mix of the above (and possibly other methods) depending on tenure type | 41.67% |
| Net Present Value | 8.33% |
| Other (please specify) | **38.89%** |
| **How has your organisation represented its debt profile in the A&L register?** |
| Bespoke software used | 2.94% |
| Use of spreadsheets and hyperlinks | **76.47%** |
| Other (please specify) | 20.59% |
| **Debt profile: which of the following information has your organisation included, or identified for inclusion, in the A&L register?** |
| Loan amount and draw down status | **85.29%** |
| Repayment profile | **70.59%** |
| Interest charging basis | **76.47%** |
| Charging of properties to the debt | **88.24%** |
| Covenants | 79.41% |
| Representations and warranties | 55.88% |
| Events of default | 50.00% |
| Cross default clauses | 52.94% |
| Contact details for all lenders | 61.76% |
| Side letters and amendments to documentation | **67.65%** |
| Links to loan agreements, or details of their location if manually filed | **97.06%** |
| **Non-social housing assets: which of the following has your organisation included, or identified for inclusion, in its A&L register?** |
| Land | **75.00%** |
| Offices | **91.67%** |
| Commercial properties | **77.78%** |
| New developments in progress | **69.44%** |
| Debtors | **44.44%** |
| Investments | **41.67%** |
| Outstanding insurance claims | 27.78% |
| Other (please specify) | 19.44% |
| **Other liabilities: which of the following has your organisation included, or identified for inclusion, in its A&L register?** |
| Building leases | **88.24%** |
| Equipment leases | 55.88% |
| Management agreements | 70.59% |
| Outstanding disputes or litigation | 52.94% |
| Performance penalties or claw-back arrangements | 38.24% |
| Letters of support to subsidiaries / joint venture partners etc. | 41.18% |
| **Has your organisation undertaken an exercise to identify all liabilities contained in leases?** |
| Yes, we settled on an approach to this issue and have achieved it to our satisfaction | **19.44%** |
| There is no need to do this as we use a standard lease format | 19.44% |
| We have yet to find a practical means of doing this, although we have identified the issue | 50.00% |
| No, we do not intend to do so | 11.11% |
| **Does your organisation have a contract register in place?** |
| Yes, all contracts are included | 38.89% |
| No | 30.56% |
| Yes, but only contracts over a certain value are included [threshold for inclusion £10000 or less] | 5.56% |
| Yes, but only contracts over a certain value are included [threshold for inclusion £10000-25000] | 0.00% |
| Yes, but only contracts over a certain value are included [threshold for inclusion > £25000] | **25.00%** |
| **Has your organisation undertaken an exercise to identify any liabilities arising from contracts?** |
| Yes | 54.29% |
| No | **45.71%** |
| **Has your organisation assessed each of the following types of liability that could arise, for all its contracts?** |
| On-going payment commitments | 77.78% |
| Costs associated with early termination of contracts | 72.22% |
| Potential liabilities arising from contractor insolvency | 33.33% |
| Other relevant contract clauses that could result in liabilities. | 61.11% |
| **Does your organisation's A&L register include, or is intended to include, a comprehensive record of all derivatives held?** |
| Yes | **36.11%** |
| No | 2.78% |
| N/A | 66.11% |
| **Has your organisation considered the effects of liabilities (e.g. redundancies and pay-offs) to staff if a service or subsidiary was to be discontinued?** |
| Yes | 47.22% |
| No | **52.78%** |