

GREATER LONDON AUTHORITY

[REDACTED]
(By email)

Our Ref: MGLA101120-9696

1 December 2020

Dear [REDACTED]

Thank you for your request for information which the GLA received on 10 November 2020. Your request has been dealt with under the Freedom of Information Act 2000.

You asked for:

According to Section 7 of the GLA's Capital Funding Guide, each summer the GLA sends lead partners (housing associations) a random list of GLA funded schemes to be audited, in order to ensure that they comply with the GLA's funding conditions.

The housing association then instructs an independent auditor to check its scheme files against a GLA checklist and drafts a standardised report confirming that GLA funding conditions are being complied with - i.e. rent levels charged for affordable housing.

The GLA then compiles a Compliance Audit Report for each housing association based on the findings of the independent auditor's reports for those randomly selected schemes.

Please provide me with a copy of the GLA's most recent Compliance Audit Report and corresponding independent auditor report (including completed checklists) in relation to Notting Hill Genesis Housing Association.

Our response to your request is as follows:

Please find attached the information the GLA holds within scope of your request.

Please note that some names of members of staff are exempt from disclosure under s.40 (Personal information) of the Freedom of Information Act. This information could potentially identify specific employees and as such constitutes as personal data which is defined by Article 4(1) of the General Data Protection Regulation (GDPR) to mean any information relating to an identified or identifiable living individual. It is considered that disclosure of this information would contravene the first data protection principle under Article 5(1) of GDPR which states that Personal data must be processed lawfully, fairly and in a transparent manner in relation to the data subject.

If you have any further questions relating to this matter, please contact me, quoting the reference at the top of this letter.

Yours sincerely



Information Governance Officer

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>

[REDACTED]

From: [REDACTED]@beeverstruthers.co.uk>
Sent: 23 October 2019 10:31
To: [REDACTED]
Cc: [REDACTED]
Subject: Notting Hill Genesis - Auditors Report [10021]
Attachments: 3178777-2 (Independent auditors report 2019).docx; GLA compliance audit report 2019.docx;
3178793-2 (GLA compliance audit report 2019).pdf

Follow Up Flag: Follow up
Flag Status: Completed

Good morning [REDACTED]
I've attached the Notting Hill Genesis reports.
Kind regards

[REDACTED]

[REDACTED] beeverstruthers.co.uk



This email has been scanned for email related threats and delivered safely by Mimecast.
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Independent Auditor's Report Compliance Audit 2019

To: [REDACTED] Housing & Land Directorate Greater London Authority 169 Union Street London SE1 0LL Cc: Notting Hill Genesis [REDACTED]	From: [REDACTED] Audit Partner Beever and Struthers St. George's House 215-219 Chester Road Manchester M15 4JE [REDACTED]@beeverstruthers.co.uk
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Dear [REDACTED]

Compliance Audit Year: 2018-19

Lead Provider Name: Notting Hill Genesis

Lead Provider Code: 10419

This report is provided in accordance with the GLA Capital Funding Guide and the terms as stated in the 'Standardised Terms of Agreement' entered into between the Lead Provider and the independent Auditor and dated 2 October 2018. The auditors services under this agreement are provided in accordance with Technical Release – Audit 03/03, Public Sector Special Reporting Engagements – Grant Claims' (September 2003 or Technical Release AAF 01/10 Framework Document for Accountants Reports on Grant Claims (Appendix F) published by the Institute of Chartered Accountants of England and Wales (ICAEW).

Our work was conducted in accordance with the Greater London Authority's (GLA) requirements, as set out in the GLA Capital Funding Guide, Grant Agreement, Framework Delivery Agreement, Short Form Agreement and Partnering Programme Agreement, as applicable.

We confirm we have carried out procedural audit checks on all the schemes as listed in the audit sample report issued to the lead provider by the GLA.

We have completed and e-mailed all the individual compliance audit checklists to the Lead Partner on 23 October 2019. We attach (*in PDF & Word format*) the list of schemes audited and findings which reflect the audit programme agreement issued by the GLA.

Main Report

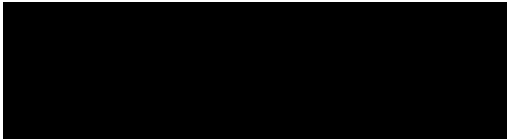
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We confirm, based on the information provided to us and the checks we have been able to undertake and with the exceptions of the points listed below, that all procedural conditions as set out in the relevant checklists and in the GLA's Capital Funding Guide, Funding Conditions, Framework Delivery Agreement, Short Form Agreement and Partnering Programme Agreement, have been validated.

Yours sincerely

Signature:

Date:



23 October 2019

Independent Auditor's Name: 

Qualification:

- ☒ **Chartered Accountant** (~~ACA~~ / **FCA** / ~~ACCA~~ / ~~FCCA~~)
- ☐ **Chartered Surveyor** (MRICS / FRICS)

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GLA Compliance Audit Report 2019

- ☒ Independent Auditor version
☐ Provider version
☐ GLA version

Lead provider name	Notting Hill Genesis	
Lead provider code	10419	
Independent auditor	<div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> Beever and Struthers	
Date of audit visit	25 September 2019	
List of audited schemes	Scheme no.	Scheme name
	12525	Grahame Park Plot 6, 17 Percival Avenue
	11476	Lampton Road, Hounslow Civic Centre Ph1
	12088	Limeharbour
	11379	Reynard Way, Brentford
	11874	Royal Wharf, North Woolwich Road Ph1
	12114	Willesden, Harlesden Road
Name of GLA lead	(GLA use only)	
Date GLA report issued	(GLA use only)	

Overall procedural rating	Procedural comments
(GLA use only)	(GLA use only)

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A	LEAD PROVIDER - OVERALL FINAL ASSESSMENT
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A.1 Overall procedural assessment

(GLA use only)

A.2 Overall administration assessment

Rating	Audit administration comments
(GLA use only)	(GLA use only)

B	SCHEME FINDINGS & RECOMMENDATIONS
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B.1		
Project no. & scheme address	12525	Grahame Park Plot 6, 17 Percival Avenue
Checklist used	Rent & Sale 2016-21 Building Council Homes for Londoners	
Audit question	Number 13	Is there evidence that the OPS unit details approved by the GLA at completion stage match the completed scheme?
Auditors finding	<p>Rent submitted in OPS was £176.49 per week and service charge £3.78 per week giving a total charge of £180.27 per week.</p> <p>Obtained and reviewed tenancy agreement detailing the rent as £192.36 plus £3.78 service charge per week. The tenancy agreement was signed and dated 1 October 2018. Therefore an overcharge of £15.87 per week from the OPS figures.</p> <p>Vouched letter to tenant dated 16 September 2019 explaining the overcharge and a credit of £441.95 being applied to the tenant's account. Calculation agreed to overpayment.</p> <p>Vouched e-mail evidence to GLA programme manager, Zuzana Varney, dated 17 September 2019, explaining the error.</p>	
Provider's response	(Provider use only) If no comment enter None .	

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Type of finding	(GLA use only)
Finding rating	(GLA use only)
GLA conclusion / recommendation	(GLA use only)

B.2		
Project no. & scheme address	11476	Lampton Road Hounslow Civic Centre Ph1
Checklist used	Rent & Sale 2015-18; MHC3 'building the Pipeline'; Housing Zones – Affordable Housing Grant Agreements.	
Audit question	Number 10	Was the relevant final cost claim documentation confirmed before the OPS final grant claim?
Auditors finding	<p>Summary</p> <ul style="list-style-type: none"> Final grant claim dated 6 December 2018. Building regulations certificate issued 20 November 2018. Practical completion certificate issued 17 December 2018, stating the practical completion was achieved on 6 December 2018. <p>Detailed Findings</p> <p>Vouched final certificate under building regulations issued by Bureau Veritas dated 20 November 2018, 16 days prior to final grant claim.</p> <p>Reviewed letter from Gardiner & Theobald LLP (GT) dated 6 December 2018 confirming that practical completion shall be deemed to have commenced on 6 December however there were a number of requirements under section 3A of the building requirements that were not met and GT required authorisation from Notting Hill Genesis to proceed with issuing the practical completion certificate without meeting the four items noted (s38 works to the front on 88 Lampton Road, connection of the new gas pipe, agreement of collateral warranties and code for sustainable homes certificates).</p> <p>Vouched statement of practical completion issued on 17 December 2018 (11 days following the final cost claim) by Gardiner and Theobald stating that practical completion was achieved on 6th December 2018.</p>	
Provider's response	(Provider use only) If no comment enter None .	
Type of finding	(GLA use only)	

GREATER LONDON AUTHORITY

Finding rating	(GLA use only)
GLA conclusion / recommendation	(GLA use only)

C	INDEPENDENT AUDITOR - SIGNATURE	
<p>We confirm, based on the information provided to us and the checks we have been able to undertake and with the exceptions of the points in Section B above, that all procedural conditions as set out in the relevant checklists and in the GLA's Capital Funding Guide, Funding Conditions, Framework Delivery Agreement, Short Form Agreement and Partnering Programme Agreement, have been validated.</p>		
Print name: [REDACTED]		Job title: Executive Partner
Email: [REDACTED]@beeverstruthers.co.uk		Date: 23 October 2019

D	LEAD PROVIDER - COMPLIANCE AUDIT LEAD SIGNATURE	
<p>The findings identified in this report have been noted and further comments (and where appropriate supporting documents) added to provide further clarification. This report should be emailed (<i>in .PDF & Word format</i>) to the GLA within 10 working days of the date of the Auditor's Report. In this instance it was sent within (insert number) working days of the date of the Auditor's Report.</p> <p><i>Provider's comments not required where the report has no findings.</i></p>		
Print name:		Job title:
Email:		Date:

E	GLA SIGNATURE	
<p>This report is confidential between the Greater London Authority and the audited organisation. The information contained in this report has been compiled purely to assist the Greater London Authority in its statutory duty in relation to the payment of grant to registered providers. The Greater London Authority accepts no liability whatsoever for the accuracy or completeness of any information or assessment contained herewith.</p>		
Signature		Date
Print name		Position

F	LEAD PROVIDER SIGNATURE - CHAIRPERSON / LEAD MEMBER
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I have noted and accepted the findings of the GLA's compliance audit report. Remedial action will be taken in accordance with the above recommendations.

Complete this section in the GLA's final report (not in the auditor's initial report).

Signature	Date
Print name	Position

G	PURPOSE OF COMPLIANCE AUDIT
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The purpose of GLA compliance audits is to ensure that the GLA's policies, funding conditions and procedures have been correctly followed. If you have any queries on this report, please contact the GLA lead person named on the front page.

Housing & Land Directorate

██████████
Chair
Notting Hill Genesis
Bruce Kendrick House
2 Killick Street
London
N1 9FL

Our ref: CA2019 GLA Report

Date: 15 January 2020

Sent by email

Dear ██████████

Greater London Authority Compliance Audit Programme 2019

I attach the GLA's report on this year's compliance audit of a sample of your organisation's schemes. The results are confidential and can be used to inform future investment and regulatory decisions.

The administration of the audit was considered Good, the details of which can be found in section A.2 of the attached report. Please note these for future audits.

The overall procedural rating for the schemes audited in the 2019 audit programme was Amber, meaning there was a failure to meet requirements. The overall procedural assessment is set out in section A.1 of the attached report.

Please address the recommendations in the enclosed report by 28th February 2020 and advise on progress at your next quarterly review meeting with the GLA.

Please sign the enclosed report at Section F signifying that you have noted and accepted the contents and return a copy to your lead Area Manager, Zuzana Varney, by 28th February 2020.

Yours sincerely,

██
Nick Taylor
Head of North West Area Team, Housing and Land
GreaterLondonAuthority

cc: ██████████ - Assistant Development Director

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GLA Compliance Audit Report 2019

- ☐ Independent Auditor version
☐ Provider version
☒ GLA version

Lead provider name	Notting Hill Genesis	
Lead provider code	10419	
Independent auditor	[REDACTED] Beever and Struthers	
Date of audit visit	25 September 2019	
List of audited schemes	Scheme no.	Scheme name
	12525	Grahame Park Plot 6, 17 Percival Avenue
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	12088	Limeharbour
	11379	Reynard Way, Brentford
	11874	Royal Wharf, North Woolwich Road Ph1
	12114	Willesden, Harlesden Road
Name of GLA lead	[REDACTED]	
Date GLA report issued	14 th January 2020	

Overall procedural rating	Procedural comments
Amber	Failure to meet requirements

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A	LEAD PROVIDER - OVERALL FINAL ASSESSMENT
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A.1 Overall procedural assessment

Overall rating is Amber – Failure to meet requirements. Two breaches were identified by the auditor; first breach was related to the rent charged being higher to contractual London Affordable Benchmark level. Second breach was reviewed and considered not to constitute a breach of funding conditions.
The provider must act on the GLA's recommendations within the body of this report by 28th February 2020.

A.2 Overall administration assessment

Rating	Audit administration comments
Good	All deadlines met

B	SCHEME FINDINGS & RECOMMENDATIONS
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B.1		
Project no. & scheme address	12525	Grahame Park Plot 6, 17 Percival Avenue
Checklist used	Rent & Sale 2016-21 Building Council Homes for Londoners	
Audit question	Number 13	Is there evidence that the OPS unit details approved by the GLA at completion stage match the completed scheme?
Auditors finding	<p>Rent submitted in OPS was £176.49 per week and service charge £3.78 per week giving a total charge of £180.27 per week.</p> <p>Obtained and reviewed tenancy agreement detailing the rent as £192.36 plus £3.78 service charge per week. The tenancy agreement was signed and dated 1 October 2018. Therefore an overcharge of £15.87 per week from the OPS figures.</p> <p>Vouched letter to tenant dated 16 September 2019 explaining the overcharge and a credit of £441.95 being applied to the tenant's account. Calculation agreed to overpayment.</p> <p>Vouched e-mail evidence to GLA programme manager, [REDACTED] dated 17 September 2019, explaining the error.</p>	
Provider's response	<p>This was processed under the 16/21 programme as an LAR unit. During our audit compliance check it came to our attention that the rents were being charged incorrectly. £192.36 from first let instead of the LAR benchmark of £176.49.</p>	

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	We have been in contact with the tenant regarding this error, corrected the rent amount from first letting, and credited the tenants rent account with the difference, as agreed with him. We will place all documentary evidence of this on the audit file.
Type of finding	Unit details
Finding rating	High
GLA conclusion / recommendation	<p>LAR benchmark rent for this type of property is £176.49 per week and NHG is contractually obliged to charge up to this level. However it was found that the tenant was charged £192.36 per week which constitutes a high breach of funding conditions. NHG have notified the GLA of this error in September 19, corrected the tenancy to reflect LAR level and credited the tenant the difference.</p> <p>Recommendation: NHG should, by no later than 28 February 2020 confirm to GLA:</p> <ul style="list-style-type: none"> - it completed a check the correct rent is charged <u>on all completed schemes</u> where LAR rent is charged across 16-21 programme - that is has updated their internal procedures and has process in place to ensure correct rent levels are charged at first letting

B.2		
Project no. & scheme address	11476	Lampton Road Hounslow Civic Centre Ph1
Checklist used	Rent & Sale 2015-18; MHC3 'building the Pipeline'; Housing Zones – Affordable Housing Grant Agreements.	
Audit question	Number 10	Was the relevant final cost claim documentation confirmed before the OPS final grant claim?
Auditors finding	<p>Summary</p> <ul style="list-style-type: none"> • Final grant claim dated 6 December 2018. • Building regulations certificate issued 20 November 2018. • Practical completion certificate issued 17 December 2018, stating the practical completion was achieved on 6 December 2018. <p>Detailed Findings</p> <p>Vouched final certificate under building regulations issued by Bureau Veritas dated 20 November 2018, 16 days prior to final grant claim.</p> <p>Reviewed letter from Gardiner & Theobald LLP (GT) dated 6 December 2018 confirming that practical completion shall be deemed to have commenced on 6 December however there were a number of requirements under section 3A of the building</p>	

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	<p>requirements that were not met and GT required authorisation from Notting Hill Genesis to proceed with issuing the practical completion certificate without meeting the four items noted (s38 works to the front on 88 Lampton Road, connection of the new gas pipe, agreement of collateral warranties and code for sustainable homes certificates).</p> <p>Vouched statement of practical completion issued on 17 December 2018 (11 days following the final cost claim) by Gardiner and Theobald stating that practical completion was achieved on 6th December 2018.</p>
Provider's response	<p>As you are aware all Housing Zone grant monies for Phase 1 were paid in March 2017, so no grant was claimed ahead of need at PC. As is often the case, a PC Cert is issued with a small list of items that need to be closed out after the building has achieved practical completion. Providing the dwelling is complete we will accept a list of outstanding items, as we have done in this instance.</p> <p>S38 road works to be signed off – access into the scheme is fine – awaiting certification.</p> <p>Gas pipe replacement – there was one in situ & the units were in receipt of the communal heat supply but the dimensions were later established as not being fully adequate in the long term once all units were in occupation & the contractor agreed to replace the gas pipe at a later date (works now completed).</p> <p>Collateral warranties & Code certs were late to arrive - all now received.</p> <p>As an extra measure a further PC was issued on the 17th Dec that acknowledge NHG had agreed to PC on the 6th Dec with these items outstanding. The final cost submission for this scheme was not actually made until March 2019.</p>
Type of finding	Works
Finding rating	No breach
GLA conclusion / recommendation	<p>PC was issued on 17/12/2018. NHG submitted the PC milestone claim on 28/3/2019 but inputted the actual milestone date for PC as 6/12/2018. As the actual OPS milestone claim took place after the certificate was achieved this does not constitute a breach of funding condition. NHG should ensure it checks the date of PC before inputting these onto OPS system in the future.</p>

C	INDEPENDENT AUDITOR - SIGNATURE
	<p>We confirm, based on the information provided to us and the checks we have been able to undertake and with the exceptions of the points in Section B above, that all procedural conditions as set out in the relevant checklists and in the GLA's Capital Funding Guide, Funding Conditions, Framework Delivery Agreement, Short Form Agreement and Partnering Programme Agreement, have been validated.</p>

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Print name: [REDACTED]	Job title: Executive Partner
Email: [REDACTED]@beeverstruthers.co.uk	Date: 23 October 2019

D	LEAD PROVIDER - COMPLIANCE AUDIT LEAD SIGNATURE
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Print name:	Job title:
Email:	Date:

E	GLA SIGNATURE
<p>This report is confidential between the Greater London Authority and the audited organisation. The information contained in this report has been compiled purely to assist the Greater London Authority in its statutory duty in relation to the payment of grant to registered providers. The Greater London Authority accepts no liability whatsoever for the accuracy or completeness of any information or assessment contained herewith.</p>	
Signature	Date 14/01/2020
Print name	Position Area Manager NW

F	LEAD PROVIDER SIGNATURE - CHAIRPERSON / LEAD MEMBER
<p>I have noted and accepted the findings of the GLA's compliance audit report. Remedial action will be taken in accordance with the above recommendations.</p> <p><i>Complete this section in the GLA's final report (not in the auditor's initial report).</i></p>	
Signature	Date
Print name	Position

G	PURPOSE OF COMPLIANCE AUDIT
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The purpose of GLA compliance audits is to ensure that the GLA's policies, funding conditions and procedures have been correctly followed. If you have any queries on this report, please contact the GLA lead person named on the front page.

