

Internal Audit Report

Mobile Home Parks 2022/23

Draft report: 14 July 2023

Final report: 10 October 2023

Last audited: May 2019 (reasonable assurance)

Audit Objective

To assess procedures and controls in place to ensure the mobile home parks in South (Foxhall Park) and Vale (Pebble Hill and Woodlands Park) are operating effectively and in line with our statutory obligations.

Assurance Opinion**Reasonable**

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 area audited.

Number of Actions

Priority	Joint	South	Vale	Reference
Priority 1	1	-	-	3
Priority 2	5	-	-	1, 2, 4, 5, 6
Priority 3	-	-	-	-
Total	6	-	-	Appendix 1

Key Risks Reviewed

- Mobile home park sites are safe for residents and councils fulfil their statutory duties.
- Finances, including billing and debt recovery are well managed and controlled.
- Day-to-day management of the mobile home parks is efficient and effective.

The audit scope included:

Objective	Audit Scope
1 Policies and procedures	<ul style="list-style-type: none"> • Up-to-date policies and procedures are appropriately detailed and shared.
2 Roles and responsibilities	<ul style="list-style-type: none"> • Roles and responsibilities are clearly defined for each element of the management of mobile home parks.
3 Rents billing process	<ul style="list-style-type: none"> • Rents are billed for accurately, in a timely manner and checks are in place that rental income has been received. • Cheques are held securely and banked in a timely manner.
4 Fees and charges	<ul style="list-style-type: none"> • Up-to-date fees policy is in place with a process for fee reviews and appeals; and these are complied with.
5 Debt management	<ul style="list-style-type: none"> • Arrears are collected promptly and in line with the councils' corporate debt recovery strategy
6 Site visits, inspections, and planned site maintenance	<ul style="list-style-type: none"> • A schedule for site visits and inspections is in place, is complied with and fully documented. • A schedule of planned maintenance for parks and rental homes is in place and complied with including full documentation.
Page 408 Compliance with legislation	<ul style="list-style-type: none"> • Government legislation is complied with.
Service performance measurement	<ul style="list-style-type: none"> • Service performance is formally monitored and reported on.

Key Findings		
Objective	Key Findings	
1	Policies and procedures	<ul style="list-style-type: none"> There are some outdated procedures in place, dated between 2017 and 2019, with varying levels of completion and formality, and documents don't include version history. There is a list of key processes relating to the operational, financial, and site management of the mobile home parks but it is incomplete and requires updating to develop a full set of key policies and procedures.
2	Roles and responsibilities	<ul style="list-style-type: none"> The allocation of planned maintenance responsibilities between Property Assets and Mobile Home Parks teams are not formally documented. The Property Assets Team have issued a service level agreement (SLA) with a proposed allocation of responsibilities, however work is in progress to finalise the SLA.
3	Rents billing process	<ul style="list-style-type: none"> An informal process is in place to bill residents in a timely manner. Testing validated that correct rents were billed.
4	Fees and charges	<ul style="list-style-type: none"> South and Vale mobile home parks fees and charges schedules are in place and reviewed and updated on an annual basis. We tested 30 rentals (10 for each site) and found that residents were correctly charged.
5	Debt management	<ul style="list-style-type: none"> Regular monthly monitoring of debt by the Mobile Home Park Manager identifies outstanding debt, which is supported by debt recovery documentation and debt recovery processes. We reviewed five (two South and three Vale) outstanding debts and confirmed that the debt recovery process had been complied with.
6	Site visits, inspections, and planned site maintenance	<ul style="list-style-type: none"> A schedule of planned site visits is not in place for the three sites. Sites are visited on average once a month, although not to conduct site inspections but to respond to issues raised, conduct maintenance checks, or to liaise with residents. After sites are visited, there is no formal record to evidence details of the site visit, including issues identified and/or resolved. The annual planned maintenance schedules (one for each site) are owned by the Property Assets Team and reviewed annually. The schedules include fire risk assessments, portable appliance testing, and fire alarm testing. We reviewed the maintenance works undertaken for all three sites and found that most of the planned maintenance scheduled for 2022/23 was undertaken. There were five monthly fire alarm tests/water meter readings that were not recorded on Concerto, the property management system to evidence that they were completed.
7	Compliance with legislation	<ul style="list-style-type: none"> South and Vale issue new pitch agreements to residents so that legal services can issue debt recovery remedy breaches. Testing of new pitch agreements identified no issues for South; however, two Vale agreements were been signed and returned.
Page 41	Service performance measurement	<ul style="list-style-type: none"> Key performance indicators (KPIs) are not used and no other formal service monitoring activities, or internal reporting is performed. There are no mechanisms in place to obtain feedback from residents on the services provided.