



HOUSING ASSOCIATION INTERNAL AUDIT FORUM

INTERNAL AUDIT PROGRAMME GUIDE

PARTNERING ARRANGEMENTS

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Preamble

This Internal Audit Programme Guide covers the area of partnerships known as partnering arrangements.

A definition for the term 'partnering' is contained in an Office of Government Commerce (OGC) publication as "a form of collaborative working between customers and suppliers". Other sources refer to partnering as "collaborative working...to establish strong and co-operative working relationships with a supply chain thus developing an atmosphere of mutual trust and respect".

Partnering is about strength through collaboration where customers and suppliers adopt long term views and build relationships over a longer period than traditional contracts. Partnering arrangements are suitable where there is a need for :-

- Business change especially where innovation is required or the future is uncertain
- Using new methods of service delivery
- Flexibility in constructing teams involving specialist skills or scarce resources
- Outsourcing business processes or services.

Key elements of any partnering arrangement include creating a strong relationship built on mutual trust taking the right approach, with the right people, with agreed risk sharing and managing a successful outcome for both parties. It differs from traditional contractual relationships by avoiding adversarial conflicts and providing a basis for all parties to share in the provision of a quality service or product to the benefit of all concerned. It seeks to establish a degree of communication and co-operation not normally achieved in traditional contractual relationships.

With this in mind, examples of partnering can include: -

Examples of partnering

- Development of new build houses or other properties
- Refurbishment schemes
- Maintenance including responsive repairs and planned maintenance , grounds maintenance and voids maintenance
- Other property management services including electrical and gas servicing
- Procurement groups created to achieve efficiency savings



Examples of partnering arrangements

A responsive repairs programme is contracted on a partnering arrangement with:

- an agreed schedule of rates
- an open book disclosure of all costs and time incurred
- regular reviews of working procedures and performance indicators
- annual strategic reviews
- an analysis of work performed against types of property
- feedback from customers
- continuing improvement reviews.

A kitchen refurbishment partnering contract can provide definitive costs for a longer period than traditional arrangements with:

- an agreed schedule of work and completion timescales
- improvement reviews that produce mutually acceptable quality enhancements
- a review of kitchen hardware suppliers that involves all parties including tenants
- economies from bulk purchasing efficiencies

A strong partnering arrangement starts with well-designed contractual clauses but is then about establishing appropriate attitudes and behaviours. The OGC quotes effective partnering “if successfully implemented is an immensely powerful tool that can contribute to successful project and programme outcomes and deliver significant improvements in value for money. It will only succeed where there is a mature approach to relationship management and it will require effort and commitment from both sides to make the relationship work”.

It will require a partnering agreement that complements the formal contract, provides incentives for all parties, a shared risk register, a joint project board with defined roles for all involved, an agreed performance management system and criteria, agreement on the means of communication and a process of sharing knowledge and experience. It could also include open book accounting for both parties which could provide additional transparency relating to actual costs and agreed profit margins. Legal documentation will be different from a traditional contract

Partnering arrangements should deliver clear benefits for both parties, ongoing improvements in quality and value terms, and performance measurements that include an assessment of the relationship and the minimising of risks for both parties. These benefits can be achieved for example by:-

- § Increased and effective communication between all parties with regular structured operational reviews and periodic strategic reviews
- § Reduced administration regarding document and payment work flows
- § Use of shared resources e.g. I.T. systems, staff or accommodation requirements



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The selection of suitable partners is critical to a successful partnering contract and the involvement of various stakeholders including tenants in the tendering process is also key to a successful relationship. Traditional tendering processes should be extended to cover additional elements relating to previous experiences gained in partnering contracts by potential suppliers, the ability of the partners management structures to cope with such an arrangement and the commitment from all levels of an organisation to partnering. These elements should be built into the tender scoring process to establish the preferred choice of supplier.

As the Regulator to the Sector, the Housing Corporation has a key role to play and its Regulatory Code and Guidance makes reference in paragraph 3.3 to “Housing Associations must aim to deliver continuous improvements and value for money in their services”. Paragraph 3.3.1 quotes the use of Best Value techniques, challenging what they do and how they do it, making comparisons with others, consulting, and establishing whether they are providing services at competitive standards and prices.

Paragraph 3.4 of the Regulatory Code determines the requirements for housing associations to develop and manage good-quality homes and specifically (parag. 3.4.2) that “maintenance is carried out effectively and responsively and in ways that reflect residents’ preferences”. The ‘guidance’ applicable to this paragraph quotes the need for a responsive repair service that meets legal and contractual obligations and is efficient and effective.

Whilst the extent and methods of partnering will vary between Associations, one common initiative which is seen as increasing the level of partnering in Associations is their involvement in the Best Value programme. Guidance in this area stresses the importance of involving tenants in service reviews in order to understand what services they want and how much they are prepared to pay for them.

The application of partnering arrangements can therefore facilitate the achievement of the above Housing Corporation Code and Guidance and therefore will be subject to inspection. The Housing Corporation will monitor compliance with its requirements through its ongoing lead regulation and feedback received from the Audit Commission Housing Inspectorate.

The outcomes of Associations’ best value reviews is one mechanism employed by the Housing Inspectorate in assessing the extent to which an Association demonstrates continuous improvement in its services and performance delivery.

In terms of the Housing Inspectorate, a Key Line of Enquiry (KLOE) has been developed to deal with Partnering (number 31.4) which is included under the “diversity” KLOE (number 31). This emphasises the importance of the area to the Inspection process and reinforces the fact that Inspections will pay particular attention to how an Association’s activities ensure contact with its various communities, how it understands cultural requirements of service users, its relationships with contractors and consultants and promoting community cohesion. Consequently this KLOE provides a useful tool to assess existing measures for partnering in an Association.



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Areas / Risks covered by this Guide.

It is not the intention of this guide to cover the content of legislation in this area in detail and this includes compliance with European Union (EU) procurement rules. The purpose of this guide is to focus on controls and processes which serve to minimise the risks to the Association of falling foul of such legislation.

Failure to put in place appropriate systems to engage in partnering arrangements and to monitor them accordingly could expose the Association to a number of risks.

This Internal Audit Programme Guide covers the following areas: -

Audit Area	Key Risks / Implications	Chapter Section
Strategic assessment of business need leading to partnership arrangements	· Inadequate assessment of business needs and ability of parties to enter into partnering arrangements leading to poor value for money and ultimately non-achievement of agreed objectives.	1.1
Risk Management	· Adverse quality of services delivered and/or financial losses attributed to failure to allocate and monitor the risks associated with partnering arrangements	2.1
Implementation of the Partnership arrangement	· Dissatisfied customers through failure to deliver quality services required.	3.1
Communication of the Partnering Arrangements and Procedure	· Participants do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, Housing Corporation guidance or organisational policy and procedures.	4.1
Management Information, Reporting and Continuous Improvement	· Poor decision making, due to poor quality or timeliness of information provided to management. · Inability to demonstrate continuous improvement in services.	5.1 5.2

European Union (EU) procurement rules

In assessing partnering arrangements Internal Auditors should be aware of EU procurement requirements. A separate HAI AF Guide is available on EU procurement rules which identifies Internal Audit considerations in this subject.

EU Procurement directives set out the legal framework for public procurement and Housing Associations are included in this requirement. Procedures must be followed before awarding a contract when its value exceeds set thresholds unless it qualifies for a specific exemption. Thresholds as at 31 January 2006 amount to £3.6M for works contracts and £144K for service contracts. Different “procedures” apply to organisations and types of contracts and the rules are designed to demonstrate transparency in the awarding of these contracts.

This partnering guide does not specifically cover these EU requirements but Internal Auditors should be aware of these rules when reviewing partnering arrangements.



Other Sources of Information

There are numerous publications available on this topic and the list below is only a summary of those considered most useful to assist in an internal audit review of this area. Those marked with (£) are those where a fee is payable.

- Housing Corporation – First steps in Partnering: an introductory guide for registered social landlords (£)
- National Housing Federation - Guide to the EU procurement rules (£)
- Housing Forum – Partnering Toolkit and Partnering in Practice (see links below)
- CIH – Introduction to Partnering
- ECI publication - Partnering in the social housing sector - A handbook (£ - published by Thomas Telford)
- HM Treasury/O.G.C. - Managing risks with delivery partners
- O.G.C. - Effective partnering - An overview for customers and suppliers
- Office of the Deputy Prime Minister - Rethinking construction: Procurement and Partnering

The Housing Corporation website's Bank of Good Practice includes a series of research studies and projects funded through Innovation and Good Practice grants, some of which consider Partnering. These may provide useful background information for the auditor reviewing this area.

The Internal Auditor should obtain details of the most recent inspection along with the Housing Corporation's most HCA assessment to identify whether any weaknesses were highlighted in this area for the Association they are reviewing.

Other references

The Internal Auditor should also refer to separate HAI AF Guides relating to:-

- Ø European Union (EU) procurement rules and
- Ø the Development Guide which addresses issues applicable to Partnering Programme Agreements (PPAs)

Useful Websites

- Ø Audit Commission – www.audit-commission.gov.uk
- Ø Housing Corporation – www.housingcorp.gov.uk
- Ø Housing Forum - Partnering Toolkit - www.constructingexcellence.org.uk/tools/hfpartneringtoolkit/default.jsp
- Ø Housing Forum - Partnering in Practice - www.constructingexcellence.org.uk/resources/publications/view.jsp?id=1180
- Ø National Housing Federation - www.housing.org.uk
- Ø National Housing Federation - Guide to the E.U. procurement rules – www.housing.org.uk/library
- Ø Office of the Deputy Prime Minister – www.odpm.gov.uk
- Ø Office of Government Commerce (O.G.C.) - www.ogc.gov.uk
- Ø O.G.C. Effective Partnering Guide - www.ogc.gov.uk/sdtoolkit/ogc_library/generic_guidance/EffectivePartneringpublish.pdf



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- Ø O.G.C.'s Risk Allocation in Long Term Contracts -
www.ogc.gov.uk/sdtoolkit/ogc_library/bpbriefings/risk_allocation.pdf
- Ø O.G.C. Managing Partnering Relationships -
www.ogc.gov.uk/sdtoolkit/reference/ogc_library/bpbriefings/mpr.pdf
- Ø O.G.C. Forming Partnering Relationships with the Private Sector in an Uncertain World -
www.ogc.gov.uk/sdtoolkit/reference/ogc_library/bpbriefings/form_partnership.pdf



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1. PARTNERING POLICY AND PROCEDURE

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
1.1 Inadequate assessment of business needs and ability of parties to enter into partnering arrangements leading to poor value for money and ultimately non-achievement of agreed objectives..	1.1.1 A business needs assessment as been produced for the service being considered for partnering.	(a) Ensure an assessment of business needs for partnering arrangements has been documented. (b) Review the content of the business need to ensure it covers: - <ul style="list-style-type: none"> · A commitment to partnering; · Definition of partnering as recognised by the Association; · How the business need fits in with the legislative and regulatory requirements placed upon the Association. For example, the Housing Corporation Regulatory Code; · Whether the business case takes account of any additional investment in relationship management that a partnering arrangement will require. · Whether it takes account of any changes in approach or behaviour that the Association has identified. · Whether tenants or other stakeholders have been involved in the process of agreeing the business need. 	



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1.1 Inadequate assessment of business needs and ability of parties to enter into partnering arrangements leading to poor value for money and ultimately non-achievement of agreed objectives	1.1.2 Financial references and viability checks have been performed on parties to any partnering arrangement.	(a) External financial references and credit checks (b) Obtaining references from other customers of the suppliers concerned. (c) Industry knowledge of the parties is documented.	
	1.1.3 An assessment of the other parties' ability to enter into a partnering arrangement in relation to management structures and personnel involved.	Obtain evidence of whether: (a) The Association has undertaken an analysis of the management structure of potential suppliers. (b) The Association has identified previous experience gained with the personnel from the potential partnering organisation. (c) Ensure that research into the previous experiences of partnering arrangements by potential suppliers has been documented.	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
1.1 Inadequate assessment of business needs and ability of parties to enter into partnering arrangements leading to poor value for money and ultimately non-achievement of agreed objectives.	1.1.4 Have all available suppliers been identified for assessment in this respect.	(a) Review evidence that the market has been investigated for all potential suppliers.	
	1.1.5 A commitment to partnering arrangements is set out through objectives and targets within the Association's Corporate Plan.	(a) Obtain a copy of the current corporate plan and ensure appropriate coverage of partnering commitments. (b) Review any top level commitment necessary to underpin a successful partnership-based approach	
	1.1.6 Procedures supporting the implementation of the partnering strategy at an operational level have been documented.	(a) Obtain copies of operational procedures for partnering and review for coverage. Also ensure these are consistent with the overall objectives of the Association. <i>NB The nature of this area may mean coverage across several differing guides including Best Value, Housing Management; Development; Repairs and Maintenance; etc.</i>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
1.1 Inadequate assessment of business needs and ability of parties to enter into partnering arrangements leading to poor value for money and ultimately non-achievement of agreed objectives	1.1.7 The Board has confirmed its commitment to partnering through approval of individual arrangements and the monitoring processes required.	(a) Review Board minutes and supporting papers to ensure approval of individual arrangements. (b) Also review the same documents to ensure the Board monitors all arrangements.	
	1.1.8 The Senior and Middle Management Teams have acknowledged their roles and responsibilities in the implementation and monitoring of partnering arrangements.	(a) Review minutes of senior and middle management team meetings and supporting papers to ensure involvement and commitment to the process.	
	1.1.9 The Association has considered the establishment of a dedicated officer for partnering arrangements.	(a) Identify if the Association has a dedicated officer responsible for partnering and if not whether the need for such a post has ever been considered. (b) If a dedicated officer is in place, obtain a copy of the Job Description and Person Specification for this role and ensure it is consistent with the Policy document.	
	1.1.10 The Association operates a policy that involves its customers in the application of partnering contracts to promote community cohesion.	(a) Review relevant policy documents and the members of project boards or other groups involved in partnering policy establishment and selection processes	
	1.1.11 The Association has established that potential partners are committed to a diversity and equal opportunities policy that meets its own standards.	(a) Review the Associations assessment of selected preferred partners policies as presented during the tender process.	



2. RISK MANAGEMENT

The Auditor should refer to the IAPG chapter on Risk Management for expected key control or process and suggested tests in regard the introduction and embedding of a robust risk management framework. In terms of expected key control or processes to manage the risks associated with partnering these are referred to throughout the sections in this chapter.

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
2.1 Adverse quality of services delivered and/or financial losses attributed to failure to allocate and monitor the risks associated with partnering arrangements.	2.1.1 Further to assessment of the risk management framework under the IAPG chapter on risk management, the Association has identified and evaluated the risks associated with partnering.	(a) Obtain the Association's current versions of its Strategic and Operational Risk Registers and assess the extent to which partnering is reflected.	
	2.1.2 Meetings of the Board and any Sub Committee's have a partnering dimension.	(a) Obtain and review copies of Board and Sub Committee minutes and supporting papers and assess the extent to which partnering is considered as part of the routine business of the Association. For example whether Sub Committee agendas have a standing item on this area, are regular reports on progress against objectives brought along.	
	2.1.3 Meetings of the senior management team have a partnering dimension.	(a) Obtain and review copies of minutes and supporting papers and assess the extent to which partnering is considered as part of the routine business of the Association.	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>2.1 Adverse quality of services delivered and/or financial losses attributed to failure to allocate and monitor the risks associated with partnering arrangements</p>	<p>2.1.4 Team and Departmental meetings consider partnering arrangements and the monitoring thereof.</p>	<p>(a) Determine if the Association has a formal process in place to hold regular departmental meetings and if there is any guidance as to the items to be considered as part of these including discussion of partnering arrangements.</p> <p>(b) Subject to (a) above, select a sample of departments and review evidence in support of the regular undertaking of such meetings and the extent to which they consider partnering features.</p> <p><i>NB One mechanism the Association may employ is the periodic attendance of such meetings by the dedicated Partnering Officer to update on new initiatives, etc if one is in post.</i></p>	
	<p>2.1.5 The Association has established a joint risk register with parties involved in specific partnering contracts ensuring clarity of the allocation of risk ownership.</p>	<p>(a) Review the joint risk register to confirm that the process of risk allocation and alleviation has occurred between the parties.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>2.1 Adverse quality of services delivered and/or financial losses attributed to failure to allocate and monitor the risks associated with partnering arrangements</p>	<p>2.1.6 A process has been adopted for monitoring, reviewing and managing the risks identified with specific partnering contracts.</p>	<p>(a) Review the joint risk register to establish the degree and timeliness of risk monitoring, review and revisions to the process.</p>	
	<p>2.1.7 Open Book Accounting processes (where applicable) are clearly defined in documentation and implemented by all parties</p>	<p>(a) Review any partnering agreement documentation that establishes open book accounting processes.</p> <p>(b) Check that these processes are adopted in practice by reference to documents provided, minutes of meetings and actions identified.</p>	



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3. IMPLEMENTATION OF THE PARTNERING POLICY AND PROCEDURE

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
3.1 Dissatisfied customers through failure to deliver quality services required.	3.1.1 The Association has considered establishing a formal group for the implementation of the partnering arrangements and subsequent monitoring. <i>NB Associations may deal with this alongside existing business processes such as Departmental and Managerial meetings, although these may serve to inhibit wider cross departmental action.</i>	(a) Determine if the establishment of a group on partnering has been debated or whether it relates to specific partnering contracts. If so, what was the outcome. (b) If a group has been set-up, ensure formal terms of reference have been agreed and this is consistent with the overarching policy. (c) Ensure the Group consists of representation of all relevant areas including Development, Housing Management; Maintenance; etc. (d) Review minutes and supporting papers from meetings to ensure the Group meets regularly and fulfils its terms of reference.	
	3.1.2 The partnering arrangement has clear objectives, targets and clear lines of accountability.	(a) Determine if an action plan in support of the partnering arrangement has been developed and approved by the relevant authority. (b) If so, does the action plan contain SMART (specific, measurable, achievable, realistic and time specific) actions. (c) Ensure progress against the action plan has been reported back to the responsible Group. <i>NB Determine if there has been any significant slippages which need to be brought to the attention of the Board.</i>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
3.1 Dissatisfied customers through failure to deliver quality services required.	3.1.3 The Association has established a budget for each partnering arrangement based on reasonable assumptions and supporting information. <i>NB Whilst costs associated with this activity may be included within several cost centres such as salaries, marketing, research etc without undertaking some form of overall analysis it will not allow the true costs to be measured, or for the measures employed to be assessed to improve and demonstrate improvement.</i>	(a) Obtain details of the Associations budget agreed for the financial year and identify partnering arrangements included therein. (b) Subject to 3.1.1 (a) above, review the basis of the setting aside of resources for each partnering arrangement to ensure consideration has been given to: - <ul style="list-style-type: none"> · The allocation of adequate resources to facilitate partnering arrangements. · Staff time associated with partnering – including excess hours, expenses. (c) If possible, review the level of expenditure on partnering arrangements in the previous two years to determine the overall level of spend and if spending has changed in previous years. (d) Consider the extent to which the Association has sought to benchmark its costs against those of other Associations and what the outcome of this is.	
	3.1.4 The supplier is involved or invited to become involved, in internal planning or other activities.	(a) Review minutes of meetings as identified in 3.1.1 above and any specific monitoring meetings related to a partnering contract. (b) Identify the involvement of the supplier in the internal planning of the contract.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
3.1 Dissatisfied customers through failure to deliver quality services required.	3.1.5 The partnership management structures are operating effectively.	(a) Review partnership meetings minutes and performance monitoring reports to establish whether the partnership management structures are operating effectively.	
	3.1.6 The contract management style is one of empowerment of the provider to undertake certain activities within an overall framework.	(a) Review the partnership agreement to establish that an overall framework has been established between the parties. (b) As above in 3.1.4 review minutes of operational meetings to establish the degree of empowerment being utilised by the supplier and whether this is within the agreed framework.	
	3.1.7 The management style of all parties to the agreement is proactive and actively seeking to anticipate and respond to change.	(a) Review above minutes and Board/Committee reports to establish whether changes required to service levels or quality improvements have been identified and implemented with agreement of all parties.	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
3.1 Dissatisfied customers through failure to deliver quality services required.	3.1.8 The Association maintains a central database which records details of its partnering arrangements to allow timely communication and relay of information to the Board, Committees, Management, Staff, Tenants and third party reviewers.	(a) Review procedure to ensure coverage of a form of central database to collate partnering data and identified responsible officers, reporting protocols, etc. (b) Undertake a review of the database records to ensure completed in a consistent manner.	
	3.1.9 The Association has considered national / regional / local groups which can assist it in promoting partnering arrangements.	(a) Further to the review of the policy in 1.1.1, determine the extent to which the Association has considered membership and attendance of forums to promote partnering. (b) Subject to (a) above, obtain evidence in support of the membership / attendance at national / regional / local events.	
	3.1.10 The Association provides annual feedback on performance.	(a) Ascertain if the Association provides an annual report on its activities for the year. If so, obtain a copy and review for appropriateness.	
	3.1.11 The Association regularly surveys its customers for levels of satisfaction.	(a) Ensure the Association regularly surveys its customers. For example, repairs and maintenance; development; etc. (b) Confirm that the surveys are used to feed into the monitoring of partnering.	



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4. COMMUNICATION OF PARTNERING ARRANGEMENTS AND PROCEDURES

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
<p>4.1 Participants do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, Housing Corporation guidance or organisational policy and procedures.</p>	<p>4.1.1 The Association has publicised its partnering arrangements to its staff, tenants and other stakeholders.</p>	<p>(a) Ensure the Association has publicised its partnering arrangements or a summary through review of its intranet, website, newsletters and other literature</p> <p>(b) If the Association has chosen to publish summarised documents obtain copies and review against the full contract arrangement to ensure it is consistent.</p>	
	<p>4.1.2 Communications relating to partnering contracts are successful in achieving their aims</p>	<p>(a) Review relevant feedback from documents identified in 4.1.1 above and any complaints as identified in 5.2.2 below.</p> <p>(b) Interview relevant stakeholders to establish the degree of knowledge that exists regarding partnering arrangements and their perceived success rate.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
4.1 Participants do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, Housing Corporation guidance or organisational policy and procedures.	4.1.3 Information is shared freely and openly between the parties to an agreement.	(a) The review of documents identified above together with the above interviews should include an assessment of the degree to which information is made available to all parties to an agreement.	
	4.1.4 Feedback channels are working up and down the organisational hierarchies.	(a) Review minutes and comments from the above documents and interviews to establish that management structures and reporting lines are operating effectively.	
	4.1.5 The partnering arrangements and procedures are reviewed on an annual basis to ensure they remain up to date with legislation, etc.	(a) Using the results of testing in 1.1.1, 1.1.3 and 1.1.4 ensure policies / procedures have been subject to review on an annual basis. <i>NB This can be determined through version control / review dates on the documents themselves and / or minutes of the Board / Sub Committee's and Senior Management Team.</i> (b) Using the result of (a) ensure the procedures publicised in 4.1.1 and 4.1.2 remain the most current.	
	4.1.6 Conflicts are avoided or resolved to all parties satisfaction.	(a) Establish the procedures included within the partnership agreement to resolve and avoid conflicts. (b) Review from above documents and interviews whether these have been activated and the conclusions reached.	



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4.1 Participants do not know what they are responsible for, or how they should carry out their duties, leading to non-compliance with legislation, Housing Corporation guidance or organisational policy and procedures.	4.1.7 The Association remains up-to-date with current initiatives and best practice.	<p>(a) Ensure that the Association has a clear process for ensuring it remains up to date with current developments in this area. For example, participation in national / regional forums, attendance on training courses, etc.</p> <p>(b) Ensure that the Association has considered commissioning an independent review of its partnering arrangements. If so, obtain a copy, ensure an action plan has been agreed, and progress is formally monitored.</p> <p>(c) Familiarise yourself with recent guidance / publications (e.g. websites, trade journals) and review the partnering procedures to ensure they remain up to date. In addition, consideration could be given to interviewing a sample of staff to confirm awareness of recent and proposed changes.</p>	



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5. MANAGEMENT INFORMATION, REPORTING AND CONTINUOUS IMPROVEMENT

Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
5.1 Poor decision making, due to poor quality or timeliness of information provided to management.	5.1.1 An appropriate governance forum receives regular performance reports on partnering arrangements progress. <i>Example Performance Indicators may include:-</i> <i>Association Performance Indicators</i> <i>Annual Efficiency Statement</i> <i>Best Value review groups</i> <i>Levels of satisfaction with services</i> <i>Consultation exercises undertaken</i>	(a) Review a sample of Board or Sub Committee minutes and supporting papers to ensure receipt of regular information on partnering arrangements. (b) Review performance reports presented and consider the extent to which they provide information concerning the objectives and targets within partnering arrangements. <i>NB Partnering information may be reported though a number of reports as opposed to one overall report. For example, reports on the award of repairs and maintenance contract; leaseholder consultation exercises, etc.</i>	
	5.1.2 Senior Management receives regular performance reports on partnering arrangements.	(a) Review a sample of Senior Management meeting minutes and supporting papers to ensure receipt of regular information on partnering arrangements. (b) Review performance reports presented and consider the extent to which they provide information concerning the objectives and targets within partnering arrangements.	



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5.1 Poor decision making, due to poor quality or timeliness of information provided to management.	5.1.3 Performance information is generated in an accurate and reliable manner.	<p>(a) Obtain examples of performance reports generated for the Board and Senior Management Team and ascertain through interview the basis on which information is generated and review adequacy of controls in place to ensure accurate and reliable including independent review, data validation routines.</p> <p>(b) Take an example of the most recent report for Board and Senior Management Team and trace back to the MI system and source data where possible and comment on adequacy and completeness of audit trail.</p>	



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Key Risk / Implication	Expected Key Control or Process	Suggested Tests	File Ref
5.1 Poor decision making, due to poor quality or timeliness of information provided to management.	5.1.4 The Association publicises its performance in regard to partnering arrangements.	(a) Obtain a copy of the most recent Annual report and review the outcome of any objectives / targets established for partnering. <i>NB If performance is indifferent or declining what measures the Association is to put in place and a mechanism for tracking to ensure implemented.</i>	
	5.1.5 The Association reviews its partnering performance on an ongoing basis including comparatives to previous periods, similar organisations and other benchmarking information	(a) Using the review in 5.1.1 (a) ensure the Association considers trends / comparatives with previous periods, similar organisations and other benchmarking information on a regular basis. (b) From review in (a) consider if the Association is able to demonstrate continuous improvement in this area.	
	5.1.6 The levels of user satisfaction and positive perceptions of the partnership are high.	(a) Establish whether user satisfaction surveys are conducted for particular partnering contracts. (b) Review performance indicators to establish the levels of user satisfaction from specific partnering contracts.	
	5.1.7 Financial and performance measurement systems are available to both parties.	(a) Review minutes of relevant meetings to establish the availability of financial and performance information to all parties. (b) Consider the use of this information in responding to changes required and risks identified.	



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5.2 Inability to demonstrate continuous improvement in service delivery.	5.2.1 The Association is able to demonstrate continuous improvement in its systems and processes in place for partnering arrangements.	<p>(a) Obtain and review the content of any reviews undertaken in this area such as Best Value, Audit Commission Inspection. Ensure where an action plan is in place for partnering, performance against this is regularly monitored and reported.</p> <p>(b) Using performance information obtained in 5.1.1 undertake a trend analysis of information reported (where practical) to determine if figures demonstrate improved performance or areas of indifference or concern.</p> <p>(c) If the Association has recognised performance issues, is there an action plan in place to resolve these and is this critically reviewed and managed.</p> <p>(d) Determine the extent to which the Association has sought to evaluate the costs and benefits of each of the mechanisms employed in partnering arrangements and how it has sought to develop these to ensure the efficient use of resources.</p>	



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5.2 Inability to demonstrate continuous improvement in service delivery.	5.2.2 The Association has a complaints policy and procedure and is able to learn from its complaints.	<p>(a) Obtain a copy of the Association's complaints policy and procedure and ensure this complies with best practice. For example, the Housing Corporation Good Practice Guide to Complaints.</p> <p>(b) Select a sample of complaints and review for compliance with the policy and procedure in (a) above.</p> <p>(c) Using the sample in (b) evaluate the extent to which the Association is able to demonstrate continuous improvement in those areas subject to complaints. For example, has a policy been changed and consequently the number of complaints fallen.</p> <p>(d) Obtain performance information on complaints for the last two years, and determine if there are any trends / specific issues associated with partnering in services.</p>	
	5.2.3 The partnering arrangement is set up to deliver clear benefits that would not have been realised through a traditional approach.	(a) Establish financial, performance and user satisfaction information from the operation of the partnering contract and compare this to equivalent performance information prior to the contract.	
	5.2.4 The partnering arrangement is set up to deliver ongoing improvements in quality of service and value for money.	<p>(a) Review Board and Committee reports to establish that the Association has measured and reported service improvement levels.</p> <p>(b) Review the Association's Annual Efficiency Statement (where produced and submitted to the Housing Corporation) to ensure that it considers partnering.</p>	



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5.2 Inability to demonstrate continuous improvement in service delivery.	5.2.5 The chosen exit strategy allows the Association to disengage from the current partnering arrangement while preserving business continuity and minimising risk.	(a) Establish the terms of any partnership contract termination provisions. (b) Review these terms to ensure that contingencies have been established to maintain business continuity in the event of a termination of supplier. (c) Review the Associations Risk Register to ensure the risks of such a termination have been documented and alleviation measures identified.	