

REPORT TO: Audit and Governance Committee

MEETING DATE: 18 March 2014

BY: Depute Chief Executive (Resources & People Services)

SUBJECT: Internal Audit Report – Housing Allocations

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of the recently issued audit report on Housing Allocations.

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note the contents of the Executive Summary and Action Plan for Housing Allocations.

3 BACKGROUND

- 3.1 A review of Housing Allocations was undertaken as part of the audit plan for 2013/14.
- 3.2 The main objective of the audit was to ensure that the internal controls in place for Housing Allocations were operating effectively.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 POLICY IMPLICATIONS

- 4.1 None.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – None.

6.2 Personnel – None.

6.3 Other – None.

7 BACKGROUND PAPERS

7.1 None.

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EAST LOTHIAN COUNCIL – INTERNAL AUDIT HOUSING ALLOCATIONS

1. EXECUTIVE SUMMARY

1.1 Introduction

As part of the Audit Plan for 2013/14, a review was undertaken of Housing Allocations. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- The Council has in place an approved Housing Allocations Policy.
- A record is maintained on the Orchard System of all Council housing stock including details of the house type, number of bedrooms and location.
- There is adequate separation of duties between staff responsible for housing allocations and those responsible for rent or debt collection.
- For the sample of housing allocations reviewed, a fully completed tenancy agreement was held on file.
- Adequate arrangements are in place for an annual review to be undertaken of all housing applications on the active register.

1.3 Areas with Scope for Improvement

- For each applicant a housing needs assessment had been undertaken, however the housing needs points awarded to applicants in one specific category did not clearly match the circumstances detailed in the Housing Allocations Policy. *Risk – incorrect prioritisation of applicants.*
- The checklist which forms part of the housing application form had not been completed by staff to evidence that appropriate validation checks had been carried out. *Risk – inappropriate housing allocations may be made.*
- In some cases the void matching list, which identifies applicants eligible for an offer, had not been signed or dated by the Council Officer making the allocation. *Risk – lack of consistency in the approach adopted.*
- In certain cases, key documentation including void matching lists and offer letters were not held on file. *Risk – lack of a clear audit trail.*
- The existing arrangements in place for the recording of decisions to bypass applicants for a housing allocation require review. *Risk – inappropriate housing allocations may be made.*
- In a number of cases, housing application forms had not been fully completed – applicants had failed to complete the declaration section of the form in respect of residency or anti-social behaviour. *Risk – failure to comply with relevant legislation.*

1.4 Summary

Our review of Housing Allocations has identified a number of areas with scope for improvement. Detailed findings and recommendations are contained in our main Audit Report.

Mala Garden
Internal Audit Manager

March 2014

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.4.1	Management should ensure that applicants complete all relevant sections of the housing application form.	Medium	Service Manager – Community Housing	Agreed – new application forms will clearly state that all sections have to be fully completed by applicants.		April 2014
3.4.2	Management should ensure that appropriate checks are carried out to validate the information provided by applicants.	Medium	Service Manager – Community Housing	Agreed – officers registering the application will undertake the necessary checks.		April 2014
3.4.3	Management should ensure that housing needs points awarded to applicants in specific categories are consistent with the Housing Allocations Policy.	Medium	Service Manager – Community Housing	Agreed – sample checks to be carried out.		April 2014
3.6.1	Management should ensure that all void matching lists are signed and dated by the Council Officer making the allocation decision.	Medium	Service Manager – Community Housing	Agreed		April 2014

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.6.1 (cont)	<p>In all cases, key documentation including void matching lists and offer letters should be held on file.</p> <p>For applicants that have been by-passed, a clear audit trail should be in place to explain the reasons for the by-pass.</p>	Medium	Service Manager – Community Housing	Agreed		April 2014
3.8.1	<p>Consideration should be given to temporary tenancy points currently awarded to homeless applicants being included in the points table of the Housing Allocations Policy.</p>	Medium	Service Manager – Community Housing	This will be considered in conjunction with monitoring the impact of the new Housing Allocations Policy.		April 2014
3.10.1	<p>Management should review the security of keys held in Area Offices.</p>	Medium	Service Manager – Community Housing	Agreed		April 2014

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.