

Private and Confidential

June Graves Head of Housing and Performance

Statutory Housing Register

May 2010

Final Report

Issued by: Laura Mayes (Auditor)

Internal Audit

Final Report

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1. Executive Summary

1.1 Background

1.1.1 The 2009/10 audit programme included an allocation of time for the audit of control processes in place for the Statutory Housing Register. The Auditor was Laura Mayes and the audit was undertaken between 11th and 15th March 2010.

1.2 Overall Audit Opinion

1.2.1 In our opinion the controls within the systems and procedures reviewed during this audit are **satisfactory**.

1.3 Summary of Main Findings

1.3.1 To ensure the Council has an allocation scheme for determining priorities for the allocation of housing accommodation and that it is in line with key legislation/guidance.

We identified that the Council has in place an Allocation Scheme based on legislation and guidance however we do note that the current scheme has not been reviewed since 2007 **See finding 01.01 recommendations 1**. From a review of the management and administration of the Statutory Housing Register and the system used to record this information, it was noted that functions within Locata are not fully utilised to document client contact/ correspondence to ensure that a clear audit trail is in place and demonstrate compliance with processes and procedures **See findings 01.03 & 01.04 recommendations 3 and 4**. Furthermore the access listing within Locata had not been recently reviewed resulting in ex-employees retaining the ability to access client details via Locata **See finding 01.02 recommendations 2**. On occasion we found that clients had been entered onto the Housing Register and allocated “Live” status where either no identification had been provided or the items provided were expired at the time **See finding 01.05 recommendations 5**.

1.3.2 To ensure that there are adequate procedures and processes in place covering all aspects of the housing allocation process and these processes are being complied with.

We found that although the service has in place a process for reporting on applications and their status, Locata is not being fully utilised to produce the information and data is being extracted and manually reported. Manual reports produced are not client specific and therefore effective monitoring of client progress through the housing system cannot be undertaken i.e. it is not possible to determine those applications which remain outstanding week on week. **See finding 02.04 Recommendation 6.**

2 Detailed Audit Findings

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
01. To ensure the Council has an allocation scheme for determining priorities for the allocation of housing accommodation and that it is in line with key legislation/guidance.						
01	The allocation scheme is not appropriately administered	The allocation process in place should comply with the Housing Act 1996 section 1a. Controls should in place to ensure that allocations of housing are made in compliance with the allocation scheme.	The allocation process in place complies with the Housing Act 1996 section 1a. Controls are in place to ensure that allocations of housing are made in compliance with the allocation scheme.	<p>The Common Housing Register was introduced in 2006 and was jointly managed by WBC and Sovereign Housing until March 2007 when Choice Based Lettings was introduced and the Council took over full management of the Register.</p> <p>The West Berkshire Housing Allocation Policy - Home choice West Berks - Choice Based Lettings in West Berkshire dated 30/11/2006 was reviewed and found to clearly document in detail the allocation process including the points scheme, its application during bidding and the partner associations utilised by WBC to provide housing. The Allocation Scheme and Policy were found to be in line with legislative requirements per the Housing Act 1996.</p> <p>The allocation of housing is based on a points system. Registered clients are awarded points based on their current living accommodation, the facilities it</p>	This area was found to be satisfactory	1

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
				<p>provides, number of occupants including the number and ages of any children, disabilities, medical and social needs, post natal requirements, and location which includes proximity to suitable schooling. This system of allocation is in line with the Housing Act 1996 section 167 part 2 items a - f.</p> <p>We do note that Section 19 of the WBC Allocation Policy states that the policy should be reviewed and re-approved annually. The last approval date is documented on the policy as 30/11/2006.</p>		
02	Ineligible individuals are included within the Housing Register and are able to make bids on housing.	The register should be held securely with access appropriately restricted. Controls should be in place to ensure that unauthorised amendments to the register cannot be made and the personal details of	The register is held securely with access appropriately restricted. Controls are in place to ensure that unauthorised amendments to the register cannot be made and the personal details of registered remain	<p>The Locata software is utilised to record and manage the housing register electronically. Additionally paper client files are maintained and held securely in lockable cabinets and a lockable storage room.</p> <p>In respect of the Locata system, there are currently 44 users listed with 14 having full user rights. User rights are allocated on the basis of job role requirements. These users consisted of Housing Options Officers, Housing Registers Assistants, Tenancy Support Workers, Rent Deposit Officers and the Housing Options Team</p>	Locata user access is awarded in line with job role requirements. However via testing we did find that the access list is not regularly reviewed to ensure that ex-staff or other users who no longer require access are removed from the system.	2

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
		individuals registered remain secure.	secure.	<p>Leader, Housing Register Officer and Specialist Housing Supervisor. These officers are able to: record bids, amend properties and members, make offers, undertake partner admin, record offer results, setup and edit questionnaires and set up and edit user schemes and details. Other access given to WBC employees and external users from Sovereign Housing Association is as above with the exception of set up and edit of scheme users and questionnaires.</p> <p>16 of the 44 individuals with access rights in Locator were not identifiable as current Council employees. Four users were verified as employees of Sovereign Housing. Ten individuals, 3 of which have full access rights, were identified as former WBC employees who had not been removed from the system.</p> <p>In respect of individuals external to WBC, all applicants / individuals listed on the register create their own unique password. Clients are restricted to accessing their own personal details via password access. Clients do not have access to the details of others unless they are undertaking a mutual</p>		

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
				exchange. Mutual exchange is agreed between WBC Housing Officers and clients.		
03	The allocation scheme is not appropriately administered	The allocation process in place should comply with the Housing Act 1996 section 1a. Controls should in place to ensure that allocations of housing are made in compliance with the allocation scheme.	The allocation process in place complies with the Housing Act 1996 section 1a. Controls are in place to ensure that allocations of housing are made in compliance with the allocation scheme.	<p>Client information regarding the annual re-registration can be found under section 7.5 of the WBC Allocation Policy.</p> <p>The Housing Act 1996 (Section 163 points 1 - 7) states that: "A local housing authority may remove a person from their housing register in such circumstances as they think fit. They shall do so - a) if it appears that he has never been a qualifying person or is no longer such a person, or b) if he requests them to do so and he is not owed any duty under section 193 or 195(2)" "Before removing a person from the register, a local housing authority shall comply with such requirements, as to notification or otherwise".</p> <p>The process for review was undertaken as follows:</p> <p>I) A letter was sent to all registered clients with an Annual Review Form attached.</p> <p>ii) Where forms are not returned within 28 days of issue, WBC undertake a follow up telephone call as a final attempt to contact</p>	<p>Overall a process for the review and removal of individuals from the register is in place. However, utilising the results of our sample it was identified that Locata is not fully utilised to record adherence to the process. Furthermore, physical evidence such as letters issued are not routinely retained.</p> <p>Clients had not been notified of their right to appeal post removal from the Statutory Housing Register.</p>	3, 4

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
				<p>the client</p> <p>iii) Where the review form is not received and telephone call not answered the client is removed from the Housing Register with the reason code set in Locata as "failed to re-register".</p> <p>iv) A manual printout is annotated for each application month stating the action taken for each client.</p> <p>Since the annual review exercise commenced in April 2009 there have been 3433 clients removed from the housing register in total.</p> <p>A sample review of 20 recent removals from the Statutory Housing Register was undertaken:</p> <p>I) in 19 instances the client notes and CRM journal function had not been utilised to record actions taken, letters issued, telephone call made and correspondence received</p> <p>ii) In 20 instances the client had not been informed of their removed status. In all 20 cases the removed individual had not reapplied to be placed on the register at the time of audit.</p>		

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
				iii) In 20 instances copies of the annual review letter issued had not been retained in the client file or uploaded into Locata in the electronic client file.		
04	Ineligible individuals are included within the Housing Register and are able to make bids on housing.	The Housing Register should be regularly reviewed and maintained. Controls should be in place to ensure that only those qualifying/eligible individuals are included and able to make bids	The Housing Register is regularly reviewed and maintained. Controls are in place to ensure that only those qualifying/eligible individuals are included and able to make bids	<p>Client details are reviewed on the annual anniversary of their addition to the housing register.</p> <p>We sampled tested 30 clients, 10 whose details had been updated and 20 who had been removed from the register sourced from the annual review listing from Locata for the month of February 2010.</p> <p>In the case of the 10 updated clients we found:</p> <p>I) in only 7 cases were there copies of the update letters issued held in the client paper file although confirmation letters agreed with the amendment request/annual review form</p> <p>ii) in only one instance was a PDF letter attached to the client notes within Locata</p> <p>In the case of the 20 removed clients we found:</p> <p>I) a copy of the annual review letter was not held in the client file or recorded in the</p>	Whilst we acknowledge there is a process in place, as per finding 01.01.06, Locata is not consistently and fully utilised to evidence compliance with processes and procedures.	3

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
				<p>client notes on Locata as having been issued in all 20 cases.</p> <p>ii) In all 20 cases Locata had been updated to show that the client had been removed from the register, the reason for removal was set as "failed to re-register."</p> <p>None of our sample of removed clients was found to have re-registered and been reset to Live in Locata at the time of the audit.</p>		
05	Ineligible individuals are included within the Housing Register and are able to make bids on housing.	The Housing Register should be regularly reviewed and maintained. Controls should be in place to ensure that only those qualifying/eligible individuals are included and able to make bids	The Housing Register is regularly reviewed and maintained. Controls are in place to ensure that only those qualifying/eligible individuals are included and able to make bids	<p>From review of the Post Log maintained by the Housing Operations Team it was ascertained that from April 2009 to March 2010 there have been 729 paper application for the Housing Register - an average of 14 per week and 2184 online applications - an average of 42 per week.</p> <p>We undertook a sample check of 30 recent applications to the Common Housing Register (20 of which were online and 10 manual) and noted the following exceptions:</p> <p>For the 20 online applications:</p> <p>i) in 2 instances no identification had been provided in line with procedures yet the clients had been allocated Live status in</p>	Overall the application process for both online and paper submissions was found to be satisfactory. However we do note that on occasion clients are entered onto the Common Housing Register and set to Live status without having provided the appropriate identification. We further note that in some instances identification provided had in fact expired.	5

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
				<p>Locata</p> <p>ii) in one instance one household member had provided expired identification</p> <p>iii) in one instance no documentation was held from the Worker Registration Scheme in relation to the client where applicable.</p> <p>For the 10 manual applications:</p> <p>i) in 2 instances it was noted that the identification provided had expired</p> <p>ii) in 1 instance no ID could be found in the client file yet the client had been allocated Live status in Locata</p> <p>iii) in one instance the same WBC staff member had uploaded the information into Locata and verified the application giving it Live status.</p>		
<p>02. To ensure that there are adequate procedures and processes in place covering all aspects of the housing allocation process and these processes are being complied with</p>						
01	The allocation scheme is not appropriately administered	Procedural guidance should be in place to ensure that internal members of staff have a	Procedural guidance is in place to ensure that internal members of staff have a thorough	The main legislation utilised by the service upon which internal guidance is based are as follows: Communities and Local Government - Fair and Flexible: guidance on social housing allocations for Local authorities in England 2009, The Housing	Appropriate guidance was found to be in place. However we did note the following minor points: i) the housing register application	1

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		thorough working knowledge of the allocation scheme and how it is administered.	working knowledge of the allocation scheme and how it is administered.	<p>Act 1996 and Homelessness Act 2002.</p> <p>WBC has in place the following guidance:</p> <p>Homechoice West Berks - Housing Allocation Policy, WBC Common Housing Register - Welfare and Social needs housing matrix and WBC Homechoice West Berkshire Scheme User Guide. There are also four forms in place - Two are completed by service staff at the assessment stage: Common Housing Register Notes for Medical Panel and Common housing Register - Social Needs Assessment All items of guidance can be located on the WBC intranet and internet pages.</p> <p>In addition there are a series of internal procedural instructions available to staff regarding the input and management of housing applications using Locata. These are maintained by the Housing Register Officer. Guidance documents how to upload manual applications, verification, removal, suspension, editing, processing online applications, the annual review and CBL procedures. The guidance was found to be sufficiently detailed and is available to Housing staff within their shared drive</p>	<p>form does not document where a medical or social needs assessment would be required although the WBC Allocation Policy does state under sections 7.2 and 7.3 the right to request a review of medical/social needs</p> <p>ii) Upon review we found that the annual review had not been undertaken for the Allocation Policy or the Scheme User Guide.</p>	

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				allocation.		
02	The allocation scheme is not appropriately administered	Guidance should be issued/publicly available to individuals wishing to access housing. Standard application forms should be utilised and information outlining the bidding process should be issued to applicants.	Guidance should be issued/publicly available to individuals wishing to access housing. Standard application forms should be utilised and information outlining the bidding process should be issued to applicants.	<p>Publicly issued guidance consists of Homechoice West Berkshire Scheme User Guide Version 3 Spring 2008. This guidance gives detailed information on how to bid, which properties will be applicable and guidance regarding the next steps where a client bid is successful. Guidance is available on the WBC internet site and is sufficiently comprehensive. The guide states, under Step 1 - Membership, how and where to obtain an application for the Common Housing Register and which WBC team to contact for advice.</p> <p>The WBC Homechoice website links to the application form directly under the Register tab.</p> <p>From the review of 30 new applications undertaken in test 01.08 we found that:</p> <p>i) in only one instance had ID not been submitted in line with instructions</p> <p>ii) in only one instance the paper application had been returned to the client to be re-submitted with ID This demonstrates that the user guide provides sufficient guidance on the application</p>	This area was found to be well controlled.	N/a

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
				process and documentary requirements.		
03	The housing register is not appropriately administered	Guidance should be available in respect of an applicant's right to appeal. Controls should be in place to ensure that appeals are recorded, dealt with in a timely manner and the applicant notified of any resolutions/final decisions. Guidance should be	Guidance is available in respect of an applicant's right to appeal. Controls are in place to ensure that appeals are recorded, dealt with in a timely manner and the applicant notified of any resolutions/final decisions. Guidance is	<p>Guidance provided to clients regarding their right to appeal consists of that under S17 of the Allocation Policy the Review Procedure document.</p> <p>It was confirmed with the HOTL that the most recent appeal occurred in 2009. The request for review form was received by WBC 29/06/2009 with the review being undertaken 31/07/2009 This appeal related to a homeless client being moved from temporary to permanent accommodation. The decision letter was issued to the client 17/08/2009 stating that the original decision was to be upheld. The time between receipt of the request for a review and decision was found to fall within the eight week timescale required by the Allocation Policy under S17 Right to Review.</p> <p>The appeal was found to have been undertaken by the appropriate staff which consisted of the Portfolio Member for Housing, the Head of Housing and Performance and the Housing Operations Manager.</p> <p>All appropriate documentation had been</p>	This area was found to be well controlled.	N/a

<u>Ref</u>	<u>Risks</u>	<u>Expected Controls</u>	<u>Actual Controls</u>	<u>Results</u>	<u>Conclusions</u>	<u>Recommendation ref.</u>
				retained including items received from the client and correspondence from the Council.		
04	The housing register is not appropriately administered	Regular management reports should be generated to ensure that applications are dealt with appropriately and in a timely manner, the register is up to date, amendments and removals are processed in a timely manner and the bid process is being correctly administered.	Regular management reports are generated to ensure that applications are dealt with appropriately and in a timely manner, the register is up to date, amendments and removals are processed in a timely manner and the bid process is being correctly administered.	Regular monitoring is undertaken within the service via weekly management meetings. The HRO Obtains data utilising Locata and manual files to produce a summary sheet titled Performance Monitoring Process for Re-structure of Housing Operations Service. Information taken from Locata includes: removals, suspensions, online applications awaiting validation and current live total. Information taken from manual sources includes: total annual review forms received for the week, total update forms received for the week, paper applications received, client updates undertaken and paper forms awaiting input into Locata. On a quarterly basis information is manually obtained from Locata to document Vulnerability Figures. This information is limited and only gives the total for each category and the number of clients currently not bidding. This information is reviewed against the prior week and minutes of meetings record	Although the service has in place a process for reporting on applications and their status, Locata is not being fully utilised to produce management reports. Information regarding outstanding applications/ applications awaiting processing is provided however only the total numbers are stated on the report to managers. Therefore with no listing of client names produced from the system (where applications are online) and from the post log (where applications are manual) it is not possible to determine whether certain applications are outstanding week on week. It was also noted that the vulnerability figures element of the report is only completed on a quarterly basis and does not provide detailed information such as how long clients have not been bidding or	6

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				<p>the proposed actions.</p> <p>We noted that since April 2009 there have been 729 paper applications and 2184 online applications. Information regarding paper applications was obtained from the manually updated post log maintained by the Housing Operations Team. For the week ending 05/03/2010 116 online applications were made and awaiting processing by the HRO, 218 had been removed and 77 suspended. Ten paper applications were awaiting processing and at the time of our review were found to be only four days behind.</p> <p>The Housing Register is not subject to any form of KPI monitoring.</p>	<p>whether they have already been housed.</p>	

3 Action Plan

<u>Recommendation</u>	<u>Weakness/ Significance</u>	<u>Agreed/ Not Agreed</u>	<u>Client Comments</u>	<u>Responsible Officer/ Timescale for Implementation</u>
1. We recommend that the Allocation Policy be annually reviewed in line with the requirements of section 19.	Minor / advisory	Agreed	Working process is under regular review from CBL working group but will be raised at next meeting .	16 th June 2010 Housing Operations Manager
2. We recommend that individuals who are no longer employed by the Council or the applicable Housing Associations are promptly removed from the Locata access listing.	Moderate / necessary	Agreed	This action has been completed	Housing Register Officer
3. We recommend that Locata be fully utilised to record correspondence with clients. This should include telephone conversations.	Moderate/ necessary	Agreed	Currently Points, change of circ information is put on> It would be too time consuming if all review had to be inputted However enhancements on Locata will allow more information to be entered regarding reviews	Revised package on Locata will be implemented by end June 2010 Housing Operations Manager
4. We recommend that information on the right to appeal a decision be forwarded to clients where they have been removed from the Housing Register in line with the requirements of S17 of the WBC Allocation Policy.	Minor/ advisory	Agreed	Amend standard letter	Housing Operations Manager End May 2010
5. We recommend that clients are not allocated Live status in Locata until their personal details have been fully and independently verified.	Minor / advisory	Not agreed	1)Officers try and get up to date documents before a case is made live 2) sometimes it is difficult if expired passport received but it is out of date to request new one	Housing Operations Manager in discussions with group auditor

<u>Recommendation</u>	<u>Weakness/Significance</u>	<u>Agreed/Not Agreed</u>	<u>Client Comments</u>	<u>Responsible Officer/ Timescale for Implementation</u>
			<p>which costs them money plus it raises expectations that they will be re housed (British passports)</p> <p>3) all cases are verified at the end before offer of property is made by the RSL</p>	
6. We recommend that Locata be fully utilised to produce electronic monthly monitoring reports that not only focus on service demand but also provide trend analysis on demand by vulnerable groups.	Moderate / necessary	Agreed	New enhanced package will be able to provide this	Housing Operations Manager End of June 2010

Category of weakness		Significance	
Fundamental	May result in a complete breakdown of the service and or fraud or other irregularity	Mandatory	For statutory, council regulations or service instructions fundamental control weaknesses
Significant	May result in a breakdown in the service and or fraud or other irregularity	Necessary	For Significant or moderate control weaknesses
Moderate	May result in some impact on the service	Advisory	For minor control weaknesses or efficiency improvements
Minor	Limited impact on the service		

