



Internal Audit Report
Housing and Community Care
Housing Options
Assignment No. 16-09
August 2016

Final Report

Finance Division
Corporate and Democratic Services
Perth & Kinross Council
Blackfriars Development Centre
North Port
Perth PH1 5LU

Internal Audit

In March 2013, the Audit Committee approved the Public Sector Internal Audit Standards (PSIAS) as the relevant standard for its Internal Audit activity. The definition given in the PSIAS is as follows:

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

Background and Introduction

This assignment forms part of the Internal Audit plan for 2016/17, as approved by Audit Committee on 30th March 2016. Audit testing was carried out in June and July 2016.

Housing Options is a process which starts with housing advice when someone approaches a local authority with a housing problem. This means that people are enabled to make realistic assessment of the housing options available to them by looking at their options and choices in the widest sense. This approach includes early intervention and explores all possible tenancy options, for example; using the council and housing associations that are acting as social landlords and also using the private rented sector.

A Housing and Health Committee Report of 27 January 2016 stated that Housing Options is a Scottish Government key priority and that the Scottish Government has supported local authorities to adopt a Housing Options approach to delivering housing advice and assistance by funding five Housing Options Hubs. Perth and Kinross is the lead authority for the Tayside, Fife and Central Hub.

Scope and Limitations

This audit focussed on housing options and adherence to and the adequacy of these arrangements. The audit did not review the day to day work of other social landlords who operate within Perth and Kinross.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To ensure that adequate arrangements are in place within Housing Options
Audit Comments: The undernoted audit testing confirmed the adequacy of the housing options

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arrangements. However, there is scope to review some of these measures.

Customers can access housing options via the Council website; those without a computer can use the Pullar House self service area or use a computer at other locations. Customers requiring assistance can request a telephone interview or attend interviews at the Housing Advice Centre or any Locality.

The housing advice, assistance & support leaflet details how housing options work, how to access the service and explains what happens at interviews. Details of the complaints process is contained in this leaflet, but these processes are not fully aligned to the Council's complaints procedures.

Housing options procedures detail the help and advice which can be offered to customers, such as employment support, addressing physical and mental health needs, housing advice, health advice and budget management support.

Scottish Government housing options guidance of March 2016 is available for staff. This guidance states that the application of housing options should not in any way undermine a customer's statutory homelessness rights.

There would be benefit in updating and reviewing some Service procedures to emphasise the linkage between homelessness and housing options as testing a sample of completed housing option cases revealed a case that could also have been recorded as a homeless application.

The Scottish Government housing options guidance states that regular reports should be made to the appropriate local authority committee on the performance and outcomes of housing options and that the performance management of such should focus on appropriate targets. The guidance suggests the delivery of sustainable housing solutions as an appropriate indicator. Whilst no specific housing options performance targets are currently reported to committee, the Service uses performance information, for example the number of housing options interviews per month, to review performance. The Service Business Management Improvement Plan which is reported to Committee also details performance regarding new tenancies sustained and a narrative regarding housing options.

The Service Risk Profile further detail the risks associated with the provision of adequate and affordable social housing and explains the housing options scheme. In addition, the Service carries out oversight monitoring and in house audit checks.

A Housing and Health Committee report of May 2016 reported that a national housing options training toolkit was being developed in partnership with the Scottish Government and that the toolkit provides staff, agencies and key stakeholders with training and information to support the delivery of effective housing options. At the date of testing, the housing options toolkit was at the scoping stage.

The Scheme of Administration authorises the Housing and Health Committee to exercise the functions of the Council relating to the assessment of housing need. At the date of audit testing, the Scheme of Administration had not been updated to reflect the Housing (Scotland) Act 2014, as referred to in the revised Common Allocations Policy which was approved by the HHC on the 27 January 2016.

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Strength of Internal Controls:	Moderately Strong
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Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is the Service's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of Service management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Service Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of staff based at the Housing Advice Centre during this audit.

Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive;

J Walker, Depute Chief Executive, HCC(Corporate and Community Development Services) and Chief Operating Officer;

L Cameron, Head of Housing & Strategic Commissioning;

J Symon, Head of Finance;

K McNamara, Head of Strategic Commissioning & Development;

C Mailer, Senior Housing Manager;

E Ritchie, Service Manager (Housing);

G Taylor, Head of Democratic Services;

P Dickson, Complaints & Governance Officer;

External Audit

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Authorisation

The auditor for this assignment was D McCreddie. The supervising auditor was M Morrison.

This report is authorised for issue:

Jacqueline Clark
Chief Internal Auditor
Date: 31 August 2016

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Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Housing Options and Homelessness Applications	Medium
2	Complaints Procedures	Low
3	Training Toolkit	Low
4	Procedural Guidance	Low
5	Performance Management Information	Low
6	Scheme of Administration	Low

Appendix 2: Action Plan

Action Point 1 - Housing Options and Homelessness Applications

COSLA and Scottish Government guidance from June 2009 states that a homeless application should be completed where an applicant is homeless, or threatened with homelessness within 2 months. Recent Scottish Government guidance of March 2016 confirmed that record-keeping must evidence that the application of the housing options approaches has not in any way undermined a customer's statutory homelessness rights.

There is scope for the procedure entitled Service Enhanced Housing Options (EHO) to specifically emphasise the linkage between homelessness and housing options, as testing of 20 completed housing option cases revealed a case with scope to be recorded as a homeless application. There would be benefit in the Service reviewing their form entitled Homeless Application Process, as this form is used for some cases that may not necessarily be homeless applications.

The Service provided evidence that their audit checklist includes oversight checking that the application of housing options has not undermined a customer's statutory homelessness rights. However, the monitoring and audit control section of the EHO procedures does not specifically include this oversight check.

Management Action Plan

The Service will update their Enhanced Housing Options procedure to specifically emphasise the linkage between homelessness and housing options and include this topic as a check within the monitoring and audit section of the procedure.

The Service will amend the Homeless Application Process form by removing the word homeless from the title as this form is used for some cases that may not necessarily be homeless applications.

Importance:	Medium
Responsible Officer:	E Ritchie, Service Manager
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	October 2016
Required Evidence of Completion:	Updated EHO procedure and amended homeless application process form.

Auditor's Comments

Satisfactory

Action Point 2 - Complaints Procedures

There is scope for the Service to review the complaints process detailed in their Housing Advice, Assistance & Support leaflet as it does not refer to the timescales or the two steps detailed in the Council's complaints procedures.

Complaints guidance is available to staff via the intranet and this guidance advises how claims should be resolved. This information is not referred to in the above leaflet, although the Council's complaints leaflet was also on display at the Housing Advice reception area.

There is scope to review the housing options self-assessment service procedures to ensure they are fully aligned to the Council's complaints arrangements as the procedures do not detail the requirement for staff to log complaint details on Eric and refer to an out of date Making a Formal Complaint leaflet.

Management Action Plan

The Service will amend their Housing Advice, Assistance and Support leaflet to make specific reference to the Council's Complaints leaflet.

The Service will review the complaints sections within their Housing Options Self-Assessment Service procedures to ensure that it is fully aligned with the Council's complaints arrangements.

Importance:	Low
Responsible Officer:	E Ritchie, Service Manager
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	October 2016
Required Evidence of Completion:	Amended housing leaflet and Housing Options Self-Assessment Service procedure.

Auditor's Comments

Satisfactory

Action Point 3 - Training Toolkit

The Housing and Community Care six month performance summary 2015 presented to the Housing and Health Committee (HCC) on 4 November 2015 reported that the development of a housing options training toolkit was on track to be piloted by Perth and Kinross Council in December 2015.

A further HCC report of 25 May 2016 reported on the delivery of positive outcomes including the development of a national toolkit in partnership with the Scottish Government.

At the date of audit testing, the housing options training toolkit had not been piloted and is at the scoping stage.

The Service advised that the pilot had been delayed as it is now planned that this toolkit will be used by all Scottish Local Authorities.

Management Action Plan

The Service will continue to be involved in the Training Toolkit Steering Group to ensure that the toolkit is piloted in the first quarter of 2017.

Importance:	Low
Responsible Officer:	E Ritchie, Service Manager
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	March 2017
Required Evidence of Completion:	Evidence of training delivered as part of the toolkit.

Auditor's Comments

Satisfactory

Action Point 4 - Procedural Guidance

The in house quality controls checks detailed in the Housing Options Self-Assessment procedures would benefit from review as the Service advised that they do not relate to Housing Options Self-Assessments, but to the Enhanced Housing Options processes which have their own set of procedures.

The Enhanced Housing Options (EHO) procedures are dated Nov 2013 and were last reviewed in Apr 2014. The Service advised that the review of these procedures had been put on hold whilst they awaited the updated Housing Options guidance from the Scottish Government which was received in late March 2016.

Management Action Plan

The Service will review the audit section within their Housing Options Self-Assessment procedure and update the Enhanced Housing Options procedure to ensure compliance with the Housing Options Guidance.

Importance:	Low
Responsible Officer:	E Ritchie, Service Manager
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	October 2016
Required Evidence of Completion:	Reviewed Housing Options Self-Assessment procedure. Amended Enhanced Housing Options procedure.

Auditor's Comments

Satisfactory

Action Point 5 - Performance Management Information

Scottish Government housing options guidance states that the performance management of housing options should focus on appropriate targets, listing the delivery of sustainable housing solutions as an appropriate performance indicator. The guidance states that regular reports on the performance and outcomes of housing options and its role in addressing housing needs should be made to the appropriate local authority committee.

Housing options performance information is regularly reviewed internally by the Service. The Service Business Management Improvement Plan includes a narrative about housing options and is reported to committee.

However, no dedicated housing options performance information or appropriate targets are reported to committee, although performance regarding new tenancies sustained is reported as part of a Service tenancies indicator. The Service advised this matter was being progressed by them as part of the Scottish Government review of the housing options guidance.

Management Action Plan

The Service will seek clarity from the Scottish Government regarding performance indicators for Housing Options as part of the review of the housing options guidance.

Importance:	Low
Responsible Officer:	E Ritchie, Service Manager
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	January 2017
Required Evidence of Completion:	Correspondence with the Scottish Government.

Auditor's Comments

Satisfactory

Action Point 6 - Scheme of Administration

The Scheme of Administration authorises the Housing and Health Committee to exercise the functions of the Council relating to the assessment of housing need, the approval of the Local Housing Strategy to address the needs identified and the Scheme of Allocation of Council houses.

At that date of audit testing, the Scheme of Administration had not been updated to reflect the Housing (Scotland) Act 2014, as referred to in the revised Common Allocations Policy which was approved by the Housing and Health Committee on 27 January 2016.

Management Action Plan

The Head of Democratic Services will arrange for the Scheme of Administration to be updated to detail the Committee and the Officer that will be responsible for the exercising the functions contained in the Housing (Scotland) Act 2014

Importance:	Low
Responsible Officer:	C Flynn, Democratic Services Manager
Lead Service:	Corporate and Democratic Services
Date for Completion (Month / Year):	October 2016
Required Evidence of Completion:	Extract from Updated Scheme of Administration

Auditor's Comments

Satisfactory