

Internal Audit Report



Internal Audit Report  
Housing and Community Care  
Homelessness  
Assignment No. 15-19  
November 2015

## Final Report

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

### Internal Audit

“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”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

### Background and Introduction

This audit was carried out as part of the audit plan for 2015/16, which was approved by the Audit Committee on 1 April 2015. Audit testing took place during August and September 2015.

The Council has a statutory duty to provide a service to people who are homeless or threatened with homelessness. The Homeless Service assesses approximately 800 homeless applications each year; provides a comprehensive advice and assistance service; manages a pool of 166 properties for use as temporary accommodation and provides a Support Service to homeless people.

In addition, the service provides a 24 hour emergency standby service and manages a 30 bedroomed supported hostel, an 8 bedroom supported hostel for families with young children and 8 bedroom supported accommodation for 16-25 year olds.

Staff based within the Homeless Service work closely with the Locality Housing Teams and partners to prevent homelessness and to ensure that tenants are offered the necessary support and assistance to sustain tenancies and are able to access affordable and well managed accommodation in the private sector. This work with the private sector includes administering the Rent Bond Guarantee Scheme, and providing impartial advice to private landlords and tenants to resolve tenancy problems. Tenancy sustainment and early intervention continue to be priorities for the service to prevent homelessness.

A report to the Housing and Health Committee on the 28 January 2015 (Report 15/48 refers) detailed a new model for housing services. This included the merging of the Housing Access and Homeless Advice functions under one coordinator to reflect the new Housing Options approach and to streamline the customer’s journey.

In 2014/15 43.92% of Housing Options applicants made a homelessness application to the Council, compared to a national average of 36%.

### Scope and Limitations

In order to arrive at an opinion on the achievement of the control objectives, the audit included interviews with staff from the Housing Services, York Place. The audit reviewed the arrangements for management, monitoring and identification of homeless households.

### 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

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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 the adequacy of the arrangements for identifying homeless households.	
<p>Auditor's Comments:</p> <p>Testing confirmed the adequacy of the arrangements for identifying homeless households. As detailed below, some of the documentation that supports these arrangements would benefit from review.</p> <p>In August 2014 the Housing and Health Committee (HHC) approved the Neighbourhood Services and Homelessness Strategy 2014-2015. The document is structured around five main themes which include homelessness prevention and managing and sustaining tenancies and sets out what the Council is planning to do, in co-operation with its partners to prevent and/or reduce homelessness. The HHC meeting minutes state that a progress report on implementation of the strategy will be presented in 12 months. Whilst the Service provided evidence that a progress report was in hand, the report and updated strategy had not at the date of testing been presented to Committee.</p> <p>The strategy states that the themes are aligned to Scottish Social Housing Charter outcomes. There are sixteen such outcomes, there is scope to review the reference to the outcomes as the strategy only refers to thirteen of these outcomes.</p> <p>The strategy is supported by an operational policy &amp; procedural manual which details the arrangements for identifying homeless households and makes the distinction between individuals that may be homeless and those individuals that are threatened with homelessness. The manual on the Council's intranet site accessed by Council staff was out of date. However, the version on the SharePoint site accessed by Service staff that deal with homelessness matters was the up to date version. Furthermore, the manual would benefit from review to reflect the merging of the Housing Access and Homeless Advice functions as referred to in Report 15/48 to the HHC on the 28 January 2015. The Service advised that such a review was in hand.</p> <p>There is interdependency between the strategy and the Common Housing Allocations Policy but the strategy doesn't refer to this Allocations Policy. The Allocations Policy is dated April 2010 and is currently being reviewed by the service. The new policy is due to be presented to Housing and Health Committee in January 2016.</p>	
Strength of Internal Controls:	Moderately Strong

Control Objective: To ensure the adequacy of the management, monitoring and reporting arrangements in place for the delivery of services to homeless households.	
<p>Auditor's Comments:</p> <p>Testing confirmed the adequacy of the processes for monitoring homelessness performance which includes the reporting on the delivery of services to homeless households. For example, the high level performance management framework information which includes the number of homeless presentations; the placements in bed and breakfast accommodation and the average time spent in temporary accommodation.</p> <p>This information is derived from a mix of in house requirements; parts of the Service Business Management Improvement Plan (BMIP) and elements of the Scottish Social Housing Charter and is reported to the Housing and Strategic Commissioning Managers meetings. The summary information and key performance tables would benefit from review for clarity.</p> <p>The BMIP has been presented to the Community Safety Committee, Housing and Health Committee and the Scrutiny Committee and includes homeless performance information including for example, homeless household presentations and the number of people supported through the rent bond guarantee scheme.</p> <p>Processes are in place to ensure homeless households are not automatically allocated bed and breakfast or temporary accommodation. Performance information regarding the average time spent in temporary accommodation evidences a reduction in the use of such accommodation over the first quarter of 2015 compared to the same period in 2014. The Operational Policy and Procedure Manual make reference to the Temporary Accommodation Manual. However, the hyperlink to the latter manual is missing.</p> <p>The Service carries out regular case file audits with the aim of helping to ensure standards in relation to homelessness matters are maintained. The Service advised that they are reviewing their requirements from these audits.</p>	
Strength of Internal Controls:	Strong

## 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 by management 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 management'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 management to assess and accept the risks arising from non-implementation.

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

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 the Housing Services Specialist Services staff based in York Place 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 will be distributed to:

B Malone, Chief Executive;

J Walker, Depute Chief Executive, Corporate & Community Development Services;

J Gilruth, Director, Housing & Community Care;

L Cameron, Head of Housing and Care Commissioning Strategy;

J Symon, Head of Finance;

C Mailer, Senior Housing Manager;

E Ritchie, Service Manager (Housing);

G Taylor, Head of Democratic Services;

P Dickson, Complaints & Governance Officer;

External Audit

### Authorisation

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

This report is authorised for issue:

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Jacqueline Clark  
Chief Internal Auditor  
Date: 2 November 2015

## Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	<a href="#">Neighbourhood Services and Homelessness Strategy</a>	Low
2	<a href="#">Operational Policy &amp; Procedural Manual</a>	Low
3	<a href="#">Performance Management Framework Information</a>	Low
4	<a href="#">Case File Audits</a>	Medium

## Appendix 2: Action Plan

### Action Point 1 - Neighbourhood Services and Homelessness Strategy

On the 27 August 2014 the Housing and Health Committee approved the Neighbourhood Services and Homelessness Strategy 2014-2015 (Report 14/355 refers). The relevant minute states that the Executive Director (Housing and Community Care) be instructed to submit a progress report on the implementation of the Strategy in 12 months' time.

At the date of audit testing such a progress report or updated strategy had not been presented to Committee. However, the Service provided an action plan which evidenced the ongoing monitoring of progress with the implementation of the Strategy and advised that such a report will be presented to Committee.

The Strategy states that its themes are clearly aligned to Scottish Social Housing Charter outcomes. Audit testing revealed scope to review the reference to these outcomes in the Strategy as only thirteen of the sixteen such outcomes are specifically referred to in the Strategy.

There would also be benefit in the Strategy being updated to refer to the Common Housing Allocations Policy as there are interdependencies between these documents. The later document is in need of review as evidenced by broken hyperlinks and being dated 2010. The Service advised that a revised Allocations Policy has been drafted for review and is scheduled for Committee approval in January 2016.

### Management Action Plan

a) The Service Manager (Housing) will arrange for an updated Neighbourhood and Homeless Strategy and progress report to be presented to the Housing and Health Committee for their consideration. The updated strategy will also include the sixteen Scottish Social Housing Charter outcomes and make reference to the Common Housing Allocations Policy.

b) An updated Common Housing Allocations Policy will also be presented to the Housing and Health Committee for their review and approval.

Importance:	Low
Responsible Officer:	E Ritchie, Service Manager (Housing)
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	a) May 2016 and (b) January 2016
Required Evidence of Completion:	Updated Committee Report(s)

### Auditor's Comments

Satisfactory

## Action Point 2 - Operational Policy & Procedural Manual

The Homeless Advice Team, Operational Policy & Procedural Manual published on Eric is dated 2010 and contained reference to the Homeless Strategy 2009-2012 and a previous Corporate Plan. The Service confirmed this version was out of date but that this manual was not used by any of their team as an updated manual dated 2014 was the only version available on their in house SharePoint site. Testing confirmed that the 2014 manual contained updated references.

However, the 2014 manual would benefit from updating to reflect the merging of the Housing Access and Homeless Advice functions, approved as part of the Housing Review in Report 15/48 to the Housing and Health Committee on the 28 January 2015. The Service advised that the review of the manual was in hand and that the new working arrangements do not come fully into place until later this year.

The manual refers to urgent appointments as being seen within 5 working days, which differs from the published Homeless Service Standards which states 3 days. The manual contains missing hyperlinks to the Temporary Accommodation procedures.

### Management Action Plan

The Service Manager (Housing) will arrange for the removal of the Operational Policy & Procedural Manual from Eric and for the 2014 manual published on the SharePoint site to be updated to reflect the merging of the teams as a result of the Housing Service review.

The appointment timescales will also be amended to 3 workings days to bring them in line with the Homeless Service Standards.

Importance:	Low
Responsible Officer:	E Ritchie, Service Manager (Housing)
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	January 2016
Required Evidence of Completion:	Extract from updated Operational Policy & Procedural Manual

### Auditor's Comments

Satisfactory



### Action Point 3 - Performance Management Framework Information

Performance management framework information is reviewed at regular Housing and Strategic Commissioning Managers' meetings in the form of three documents: performance tables, key trends and a summary document. There is scope to expand the narrative relating to the "number of lets" as the figures include PKC lets and that of two other Common Housing Register providers.

Similarly the year to date figures in the July 2015 summary document were not the year to date figures, but in fact the 2014/15 annual figures. The corresponding key trends and summary information figures did detail the year to date figures.

The Service advised that performance information dashboards are being developed which will automate this reporting and should alleviate such issues.

### Management Action Plan

The Service Manager (Housing) will arrange for the narrative regarding the definition of lets in the performance tables to be amended so that it makes reference to all three housing providers. The year to date figures within the summary page will also be amended to only include the actual year to date figures.

Importance:	Low
Responsible Officer:	E Ritchie, Service Manager (Housing)
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	September 2015
Required Evidence of Completion:	Year to date performance information the and number of lets for 3 providers

### Auditor's Comments

Satisfactory

## Action Point 4 - Case File Audits

The Service procedures require that once a homeless case decision is made the case file is forwarded to the Team Leader to sign off the decision.

Audit testing of ten such cases revealed two cases which were not signed off by the Team Leader. The Service advised that one case was caused by human error and the other due to the Team Leader being on leave. The Service also advised that in both cases there had been no impact on the delivery of service to the client.

The Service advised that they were reviewing their criteria for the case file audit checks to ensure they delivered the required result as improved arrangements may mean that the existing sign off procedure may no longer add the intended value to the process.

## Management Action Plan

The Service Manager (Housing) will review their arrangements in relation to the housing options and homeless case file audits with a view to updating the supervisory control routines.

Importance:	Medium
Responsible Officer:	E Ritchie, Service Manager (Housing)
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	November 2015
Required Evidence of Completion:	Copy of the revised control arrangements

## Auditor's Comments

Satisfactory