



Homelessness Prevention Grants 2018/2019 Final Internal Audit Report

Audit Assurance Opinion

Effective	Evaluated controls are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives are being met.
Reasonable	Some specific control weaknesses were noted and some improvement is needed; evaluated controls are generally adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Limited	Evaluated controls are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Ineffective	Evaluated controls are not adequate, appropriate, or effective. Internal Audit cannot provide reasonable assurance that risks are being managed.

Report prepared by

Audit Manager	L Fuller
Senior Auditor	R Davies

Report issued by

Head of Internal Audit	S Martin
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18 February 2019

Adequacy of Individual Control Areas

Audit Scope by Control Area	Number of Findings with a Corporate Risk Level of:		Control Adequacy	Number of Findings: Service Actions by Priority Level		
	High	Medium		Critical	High	Medium
Grant Allocation	0	0	Effective	0	0	0
Authorising Payments	0	0	Effective	0	0	0
Reporting Arrangements	0	0	Effective	0	0	0
OVERALL			Effective			

1. Executive Summary

- 1.1 The Homelessness Reduction Act 2017 received Royal Assent on 27 April 2017 (to take effect from April 2018). It places increased responsibilities on local authorities to intervene to prevent homelessness, and is intended to refocus activity on prevention. It will also improve the help available to people who are not in priority need, such as single homeless people. Under the Act, a person is classed as 'threatened with homelessness' if they have received a possession order or notice of termination of their tenancy that expires within 56 days, increased from 28 days.
- 1.2 Nationally the government is providing 'new burdens' funding of £61m over two years to cover the increased costs of meeting the new duties. Homelessness Prevention grant funding from DCLG (Department for Communities and Local Government) in 2018/19 was approximately £70,000 for SCDC and £97,000 for WDC. Although this funding is not ring-fenced and there are no clear grant conditions attached, there is an expectation that any spending will have a positive impact on preventing and reducing homelessness in the local area. Funding has been used to support individuals (limited up to £500), for example to cover rent arrears
- 1.3 The objective of the audit was to verify if risks (detailed within the agreed Internal Audit Brief dated July 2018) are being managed and to evaluate whether effective controls to mitigate the risks have been established, and have been operating effectively throughout the period under review.
- 1.4 The overall assurance of Effective has been made on the basis of the control framework in place and supporting risk management.
- 1.5 The audit did not identify any significant control weaknesses.

Positive Audit Comments

- 1.6 As part of the audit, a number of areas were found to be working well. The controls tested and found to be operating as expected are listed in Appendix B.

2. Audit Framework

2.1 Links to Council Service Delivery

This review considered achievement of the organisations strategic objectives and risks, specifically this audit contributes towards:

- East Suffolk Business Plan – Enabling Communities (focus on ‘Communities looking after their land, food, water, energy, services, jobs and housing) and Economic Growth (challenge of ‘Lack of all types of housing to meet the needs of businesses’).
- Corporate Risk Register – failure to deliver Housing Development programme with the risk that the Council is unable to meet legislative regulation and requirements. As a result, housing needs may not be met for some households on the waiting list.

2.2 Scope of Internal Audit Activity

Internal Audit will seek to enhance and protect organisational value by providing risk based and objective assurance. The work performed by Internal Audit provides an opportunity for making significant improvements to governance arrangements, risk management and control processes.

Internal Audit Services acts in accordance with the Accounts and Audit Regulations (2015) and aims to follow the Public Sector Internal Audit Standards (2016) and Local Government Application Note (2013). This report has been prepared in accordance with our Audit Charter.

This audit has been undertaken as part of the Annual Audit Plan 2018/19, approved by the Audit and Governance Committees of Suffolk Coastal District Council (7th March 2018) and Waveney District Council (15th March 2018).

This audit examined key controls in the following areas for the period April 2018 to October 2018.

- Grant allocation;
- Authorising Payments;
- Reporting Arrangements.

2.3 Definitions of Risk and Control

This audit uses the definition of Risk set out in the Council’s Risk Management Strategy.

The definition of Control is taken from the Chartered Institute of Internal Audit:

“Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.”

2.4 Acknowledgements

We would like to thank the management and staff of the Housing Needs service area for their co-operation and time during the course of this audit.

APPENDIX A: Report Distribution

Draft & Final Report

Service Manager, Strategic Housing A Haye

Final Report

Leader of the Council SCDC R Herring

Leader of the Council WDC M Bee

Cabinet Member for Housing SCDC R Kerry

Cabinet Member for Housing WDC C Punt

Audit and Governance Committee SCDC

Audit and Governance Committee WDC

Strategic Management Team

Interim Chief Finance Officer and Section 151 Officer S Taylor

Ernst & Young T Poynton

APPENDIX B: Effectively Functioning Controls

We would like to draw management attention to the controls in operation over processes and procedures that were confirmed via audit testing as operating effectively and efficiently:

- There is a Homelessness Strategy for 2019-2024 in place;
- Homelessness Prevention Funding is separately identified within the overall Homelessness budget and subject to regular review;
- Unspent balances for Homelessness Prevention Funding have been correctly carried forward from 2017/18 to 2018/19;
- The Homelessness Prevention Policy & Procedure document sets out the eligibility criteria and the internal procedures for staff to follow when awarding grants from the Homelessness Prevention Fund;
- Senior Housing Officers are authorising grants awarded by case officers in accordance with the Homelessness Prevention Policy & Procedure document, thereby ensuring there is segregation of duties and satisfactory review arrangements in place;
- Staff are required to declare any potential conflicts of interest when processing cases linked to the Homelessness Prevention Fund;
- There are Service Level Agreements in place for third parties, such as the Citizens' Advice Bureau, in receipt of Homelessness Prevention Funding;
- Third parties in receipt of Homelessness Prevention Funding are required to provide monitoring information to the service area on a regular basis;
- Comprehensive performance information relating to Homelessness Prevention is regularly reported by the service area internally, via KPIs, to the Council and externally, via statistical returns, to the Ministry for Housing, Communities and Local Government.