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Audit of
Homeless Accommodation

Audit Report Distribution

Client Lead:	Homeless Accommodation Manager Homelessness Prevention and Accommodation Manager
Chief Officer:	Corporate Director of Governance and Regulatory Services Chief Executive
Others:	Assistant Homeless Accommodation Manager Information Governance Manager
Audit Committee:	The Audit Committee, which is due to be held on 6th July 2020 will receive a copy of this report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Designated Head of Internal Audit.

1.0 Background

1.1. This report summarises the findings from the audit of Homeless Accommodation. This was an internal audit review included in the 2019/20 risk-based audit plan agreed by the Audit Committee on 18th March 2019.

1.2. The City Council directly owns and manages 50 units of direct access community based supported emergency accommodation for single homeless and families to whom the Council owe a statutory responsibility to accommodate in line with legislation.

1.3. The accommodation schemes are staffed 24 hours a day and provide responsive out of hours homelessness services to anyone who is or at risk of homelessness within the district.

2.0 Audit Approach

Audit Objectives and Methodology

2.1 Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems.

2.2 A risk-based audit approach has been applied which aligns to the five key audit control objectives (see section 4). Detailed findings and recommendations are reported within section 5 of this report.

Audit Scope and Limitations.

2.3 The Client Leads for this review was the Homeless Accommodation Manager and the Homelessness Prevention and Accommodation Manager and the agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls of the following scope areas:

- Failure to achieve business objectives due to insufficient governance.
- Loss or breach of information / fines and sanctions / reputational damage due to failure to securely process, retain, share and dispose of records and information.
- Failure to effectively manage risks resulting in inadequate safeguarding arrangements and staff and service users being put at risk.
- Failure to meet statutory obligations resulting from the introduction of the Homelessness Reduction Act 2017.

2.4 Where relevant, consideration has been given to assurances identified of the governance, internal control and risk management arrangements reviewed in the previous audits of Homelessness Services (November 2018) and Safeguarding (June 2019).

2.5   This audit review has been restricted by the COVID19 pandemic. As a result of the UK lockdown, which started in March 2020, it was not possible for audit to visit the homeless accommodations to carry out certain elements of the audit testing. A second review to address these restrictions will be undertaken when it is safe to do so. It should be noted that testing relating to safe-guarding is particularly restricted, but will be covered in detail as part of the second review

3.0   Assurance Opinion

3.1   Each audit review is given an assurance opinion intended to assist Members and Officers in their assessment of the overall governance, risk management and internal control frameworks in place. There are 4 levels of assurance opinion which may be applied (See **Appendix B** for definitions).

3.2   From the areas examined and tested as part of this audit review, we consider the current controls operating within Homeless Accommodation provide **substantial assurance**.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4.0   Summary of Recommendations, Audit Findings and Report Distribution

4.1   There are two levels of audit recommendation; the definition for each level is explained in **Appendix C**. Audit recommendations arising from this audit review are summarised below:

Control Objective	High	Medium
1. **Management** - achievement of the organisation's strategic objectives achieved (see section 5.1)	-	1
2. **Regulatory** - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	2
3. **Information -** reliability and integrity of financial and operational information (see section 5.3)	-	-
4. **Value** – effectiveness and efficiency of operations and programmes (see section 5.4)	-	-
5. **Security** - safeguarding of assets (N/A)	-	-
Total Number of Recommendations	**-**	**3**

4.2   Management response to the recommendations, including agreed actions, responsible manager and date of implementation are summarised in Appendix A.

4.3   **Findings Summary (good practice / areas for improvement):**
The service has both a Homeless Accommodation Emergency & Recovery Plan and a Business Continuity Plan. The team are currently amending the way that they work to cope with additional pressures resulting from the current COVID19 pandemic.

A structure is in place which is supported by up to date job descriptions which includes suitable roles and responsibilities, including safeguarding. There are up to date comprehensive policies and procedures in place for the homeless accommodation team. Regular team meetings and management meetings are held and documented.

Risks for the service have been documented on SharePoint and are regularly reviewed. All eight risks have a detailed control strategy and applicable mitigating actions.

There are financial concerns within the service as income is below budget and staffing costs are higher than budgeted to meet service demands; however, the Homeless Prevention & Accommodation Manager confirmed that some grant funding and underspends can be used to offset the deficit, though action is needed to ensure this is resolved in the longer-term.

Staff receive mandatory training for Council employees and additional training to equip them to undertake their roles. There is currently no requirement for casual officers to complete this training. Training records provided from the service and Organisational Development highlighted that the records differ.

Comment from the Corporate Director of Governance and Regulatory

Thank you for this reassuring audit of Homelessness Services. This service area is one of several which has a direct and significant effect on the health and wellbeing of vulnerable members of our community. It is thanks to the diligence of all of the staff involved and the support given to them by all Members that we are able to deliver a service to the high standard we do.

5.0   Audit Findings & Recommendations

5.1   Management – Achievement of the organisation's strategic objectives

5.1.1 A structure is in place which is supported by up to date job descriptions which includes suitable roles and responsibilities, including safeguarding.

5.1.2 A suitable strategy is in place for the service which has also been signed up by partner organisations.

5.1.3 There are up to date comprehensive policies and procedures in place for the Homeless Accommodation team.

5.1.4 Annual reviews of their policies and procedures are completed to ensure that local policy is consistent with and remains consistent with overarching Council policies / procedures. The team are updated via team briefings, trainings, reminders etc.

5.1.5 Regular team meetings and management meetings are held and documented. A review of this documentation over the last six months highlighted that the meetings are structured and have standard agenda items which include, current residents, health & safety, safeguarding etc.

5.1.6 The last team appraisal was undertaken in April 2019.

5.1.7 A member of the management team is always on call 24/7.

5.1.8 The service has both a Homeless Accommodation Emergency & Recovery Plan and the Business Continuity Plan – Critical Service Recovery Plan. The team must be reactive and are currently amending the way that they work to cope with the current COVID19 pandemic.

5.1.9 A service and workforce plan are in place for Homeless Prevention & Accommodation. The workforce plan is to measure the staff retention and recruitment to ensure sufficient and suitable staffing levels.

5.1.10 Risks for the service have been documented on SharePoint and are regularly reviewed. All eight risks have a detailed control strategy and applicable mitigating actions.

5.1.11 There are no performance targets for the service however, progress is regularly reported via the Economy, Enterprise & Housing Portfolio Holder Reports which are presented to Council. The Impact of the Homeless Reduction Act 2017 – Update on the Public Duty to Refer was presented to the Health & Wellbeing Scrutiny Panel in October 2019.

5.1.12 Monthly FIS reports are received, and management have regular meetings with Finance. There are financial concerns within the service as income is below budget and salaries are currently over budget in order to meet current demand, however the Homeless Prevention & Accommodation Manager confirmed that some grant funding and underspends can be used to offset the deficit.

Recommendation 1 – Budgets should be reviewed to ensure that they are realistic and suitable to meet the demands of the service.

5.2   Regulatory – compliance with laws, regulations, policies, procedures and contracts

5.2.1   Individuals are interviewed by a Homeless Officer and a referral form is completed with as much background information as possible, so that a member of the management team can decide whether the Council is able to house the applicant and if so, where to allocate them accommodation. *(These controls will form part of the audit testing during the second audit review).*

5.2.2   On arrival at the allocated homeless accommodation a booking-in process is completed including completing relevant documentation and all residents are allocated a key worker to support them throughout their residency. *(These controls will form part of the audit testing during the second audit review).*

5.2.3   All the current team including casuals have a current DBS check.

5.2.4   A review of the first aid training records confirmed that only one casual member of staff has yet to received first aid training, they have recently started and do not currently work on their own.

5.2.5   Health & Safety (H & S) training forms part of the induction into the scheme. All new staff should complete mandatory H & S training which includes Safety, Health & Environmental Awareness & Manual Handling. The training record provided from Organisational Development (OD) confirmed that all current staff other that one had completed these trainings, none of the casual staff are included and there is currently no requirement for them to complete any mandatory training.

5.2.6   All the current team and one of the casuals have completed both safeguarding training courses for child/young people and adults.

5.2.7   Two out of four of the casuals have been given fix term temporary contracts to help the service during the COVID19 pandemic and will undertake all mandatory training as soon as possible.

5.2.8   The current team have all completed both the Skillsgate online GDPR & Cyber Security training. However, it was noted that the casual staff have not, as there is no requirement for casuals to complete this, nor do they have access to Skillsgate. Casual staff have access to the same information and ICT systems as permanent officers.

Recommendation 2 – Casual staff should complete all mandatory training within Skillsgate including GDPR and Cyber Security training.

5.2.9   The review of the training records provided by both the service area and OD highlighted that they do not agree. OD are not always notified when staff have received additional training.

Recommendation 3 - Individual training undertaken without Organisational Development involvement should be logged accordingly.

5.2.10 Management confirmed that health and safety checks are regularly completed at both homeless accommodations. *(These controls will form part of the audit testing during the second audit review).*

5.2.11 The Safety, Health and Environmental Manager confirmed that there are no outstanding issues at either of the above premises.

5.2.12 Officers complete numerous checks throughout their shifts which include, daily resident checks, room checks and a shift handover meeting. *(These controls will form part of the audit testing during the second audit review).*

5.2.13 Management oversee cases and complete regular case reviews. *(These controls will form part of the audit testing during the second audit review).*

5.3 Information – reliability and integrity of financial and operational information

5.3.1 Access to Locata, which is the system used to manage cases is restricted via password access. A list of current users for this system was provided and compared to the current structure. All individuals with access were existing members of staff from this service area.

5.3.2 There is a current retention schedule in place for the service which was last reviewed in April 2018. Retention periods have been specified for each area; paper records are destroyed after 3 years, financial records after 6 years (in line with standard practices) and other records after 25 years.

5.3.3 The disposal log for the service includes records deleted in March 2020, indicating it is up to date.

5.3.4 The Homeless Prevention & Accommodation Services Fair Processing Notice is available to view via the Council's website. Internal Audit identified that the statement had not been posted with the authority's suite of privacy statements. Management should request an upload to this page for completeness.

5.3.5 In order to be referred into the homelessness service, individuals must give permission for their data to be used, they are required to complete several consent forms. *(These controls will form part of the audit testing during the second audit review).*

5.3.6 Information is shared with Cumbria Constabulary and Cumbria County Council. Data-sharing agreements are in place with both organisations

5.3.7 In addition, the service has a third-party request form for when the police requests information from the service to ensure suitable information is documented. These are retained on case files, but an Excel summary is also maintained. There have been several requests so far this year. *(These controls will form part of the audit testing during the second audit review).*

5.3.8 Both homeless accommodation schemes are covered by CCTV, the Council owns this, and Chubb undertake the maintenance of both systems. *(These controls will form part of the audit testing during the second audit review).*

5.4 Value – effectiveness and efficiency of operations and programmes

5.4.1 Management closely monitor occupancy levels and manage availability for emergencies. *(These controls will form part of the audit testing during the second audit review).*

5.4.2 Residents benefits are claimed to ensure payment for their stay. *(These controls will form part of the audit testing during the second audit review).*

5.4.3 Residents are charged weekly maintenance fees to cover gas and electricity during their stay. *(These controls will form part of the audit testing during the second audit review).*

5.4.4 Guidance has been documented for taking cash at both establishments. This guidance also states who is authorised to handle cash and related tasks. *(These controls will form part of the audit testing during the second audit review).*

Appendix A – Management Action Plan

Summary of Recommendations and agreed actions					
Recommendations	**Priority**	**Risk Exposure**	**Agreed Action**	**Responsible Manager**	**Implementation Date**
Recommendation 1 Budgets should be reviewed to ensure that they are realistic and suitable to meet the demands of the service.	M	If there are insufficient budgets for the service, there is a risk that Council priorities are not achieved / supported, this could also lead to reputation damage.	To review staffing budgets in line with budget cycle review periods. NOTE: caution will need to be applied this financial year given the additional costs and loss of income as a result of dealing with the COVID pandemic	Homelessness Prevention & Accommodation Manager	31 Dec 2020 (2020/21 – 2021/22 financial year)
Recommendation 2 Casual staff should complete all mandatory training within Skillsgate including GDPR and Cyber Security training.	M	Non-compliance with GDPR legislation and a greater risk of a successful cyber-attack.	To arrange with OD to set up all casual staff access to Skillsgate for all mandatory units. Once established ensure all casual staff have completed this	Homeless Accommodation Manager & Assistant Homeless Accommodation Manager	30 June 2020 30 September 2020
Recommendation 3 Individual training undertaken without Organisational Development involvement should be logged accordingly.	M	Corporate training records are not maintained / up to date.	To establish system to collate and notify OD quarterly of training directly arranged on an ongoing basis.	Homeless Accommodation Manager & Assistant Homeless Accommodation Manager	30 June 2020

Appendix B - Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The control framework tested are suitable and complete are being consistently applied. Recommendations made relate to minor improvements or tightening of embedded control frameworks.
Reasonable	There is a reasonable system of internal control in place which should ensure system objectives are generally achieved. Some issues have been raised that may result in a degree of unacceptable risk exposure.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently embedded. Any high graded recommendations would only relate to a limited aspect of the control framework.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses that have been identified. The level of non-compliance and / or weaknesses in the system of internal control puts achievement of system objectives at risk.	There is an unsatisfactory level of internal control in place. Controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. High graded recommendations have been made that cover wide ranging aspects of the control environment.
Limited/None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-existence r non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist.

Appendix C

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are two levels of audit recommendations; high and medium, the definitions of which are explained below.

	Definition:
High	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	Some risk exposure identified from a weakness in the system of internal control

The implementation of agreed actions to Audit recommendations will be followed up at a later date (usually 6 months after the issue of the report).