

## INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager  
**TO:** Head of Housing  
**C.C.** Chief Executive  
Deputy Chief Executive  
Head of Finance  
Housing Needs Manager  
Portfolio Holder (Cllr Matecki)

**SUBJECT:** Allocations, Nominations & Lettings  
**DATE:** 3 April 2023

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### 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

### 2 Background

- 2.1 There are currently over 5000 properties in the district which are let and managed by the Council. There are also numerous Housing Association properties in the district for which the Council nominates applicants. Thus far, the gross rent collected during 2022/23 amounts to approximately £22 million.
- 2.2 HomeChoice is a scheme which Warwick District Council (WDC) operates; both Council-owned and Housing Association properties are advertised through this method. Applicants to this scheme are placed into a band based on their housing need and are able to bid on any available properties advertised through HomeChoice.
- 2.3 It should be noted that the content of this audit was originally covered under the scope of Lettings & Void Control. However, at the request of the Head of Housing, this has been divided into two separate audits entitled Allocations, Nominations & Lettings and Void Management. The Void Management audit will be covered as part of the audit plan for 2023/24.

### 3 Objectives of the Audit and Coverage of Risks

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. It should be noted that the risks stated in the report do not represent audit findings in themselves, but rather express the potential for a particular risk to occur. The findings detailed in

each section following the stated risk confirm whether the risk is being controlled appropriately or whether there have been issues identified that need to be addressed.

3.2 In terms of scope, the audit covered the following risks:

1. Bid-related data incorrectly processed on the system.
2. No set criteria in place regarding number of bids made/offers declined.
3. Nominations are not processed in a timely manner and the nomination is lost.
4. Challenge by way of Ombudsman Adjudication or legal challenge by way of Judicial Review.
5. Non-conformance with the Allocations Policy (2021).
6. Housing needs of tenant incorrectly assessed leading to incorrect banding.
7. Failure to respond to new legislation/policies and procedures communicated ineffectively to staff.
8. Reputational damage if Ombudsman Adjudication or Judicial Review approved.
9. Council properties not advertised in a timely manner/property information inaccurately published.
10. Inability to meet the need for housing across the district.
11. Failure to notify applicants of any outcomes in a timely manner.
12. Nominations are not managed properly leading to complaints.
13. Properties allocated to inappropriate or ineligible applicants.
14. Failure to perform robust checks on applicant claims.
15. Housing staff engaging in relations letting/bid rigging.
16. Lack of segregation of duties, meaning that the same officers deal with applications and appeals.
17. Safety of Housing Officers required to visit tenants.
18. Loss of IT/Active H system.
19. Lack of communication with Council Tax/Benefit teams.
20. Lack of performance monitoring in place.

3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Housing Risk Register has also been reviewed.

3.4 These risks, if realised, would be detrimental to the Council with regards to meeting the external 'People' element of the Fit for the Future Strategy. The Council has a duty to ensure the fair allocation of available properties to eligible applicants and tenants.

## 4 **Findings**

### 4.1 **Recommendations from Previous Reports**

4.1.1 There were no recommendations arising from the previous report.

### 4.2 **Financial Risks**

#### 4.2.1 **Risk: Bid-related data incorrectly processed on the system.**

Upon completion of an application form, the Housing Advice & Allocations Assistants (HA/AA) input the data onto ActiveH, where the housing need can then be assessed. Once the applicant has been assigned a banding and a bidding number, they are then able to place bids on properties which are advertised weekly on the HomeChoice site; applicants can complete housing application forms either online or by obtaining a paper-based copy from the Brunswick Hub in Leamington. Applicants can also contact the Council by telephone and ask for forms to be posted or emailed out to them. Applicants receive a letter within twenty-one days of submission of their application, detailing the banding into which they have been assigned. Due to the high number of applications to join the HomeChoice scheme, the service is currently taking up to six weeks to complete new registrations.

Applicants are assessed based on local connection to the district, immigration status, health, economic status, current household income and housing-related debt. The application process commits to equal opportunities, to ensure that everyone has a fair chance of housing through HomeChoice, no matter their ethnic origin, sex, age, or disability. The Council have produced application guidance notes in order to help applicants navigate the HomeChoice system.

In line with the Housing Allocations Policy 2021, to register on HomeChoice, applicants must:

- be over 16 years old (although tenancies are usually only offered to applicants aged over 18)
- meet the immigration rules to move into social housing.
- not be guilty of 'unacceptable behaviour' (i.e., breaking the terms and conditions of any current or former tenancies)
- have a local connection to Warwick district.

**Advisory – Consideration should be given to updating the links on the Intranet for the HomeChoice/HomeBuy functions, as they are currently broken.**

During testing conducted by the auditor, it was found that in all twenty applications sampled the 'housing need' of every applicant had been appropriately documented on the ActiveH system; application forms were also held on file for every sample. There were some variations in the time taken to offer successful applicants a property; however, tenancies commenced quickly after acceptance of these offers. Testing revealed that all twenty tenancies started within the same week that the applicant had accepted the offer. Testing also revealed that all twenty applicants had been notified of their band and the relevant offer letters were on file (although seven of these had not been uploaded to the Document Management System (DMS)). Each applicant also received regular correspondence from the Allocations team.

**Advisory – Consideration should be given to reminding staff that all documents should be consistently recorded on the DMS.**

Applicants are able to bid on up to five properties per week, with bids being placed in order of priority. If two bids are received from the same band, the amount of time that the applicants have been registered on HomeChoice is taken into consideration; some properties have specific criteria attached to them and the applicant is required to evidence that they meet these criteria. Where a successful bidder has been refused, or a bidder has declined a property, it is then offered to the next appropriate bidder. Once all bids have been exhausted, the property is then relisted on HomeChoice.

Houses with two or more bedrooms are generally only available to people with children younger than sixteen. Exceptions are granted to applicants with medical needs and those downsizing from four- and five-bedroom houses. Due to the shortage of four- and five-bedroom properties in the district, the Council does allow people to bid for three-bedroom properties if necessary.

Testing conducted by the auditor revealed that, in eleven out of fifteen cases sampled, refused offers were presented to the next appropriate bidder. The four remaining properties had been readvertised through HomeChoice. Three properties were offered to the next bidder within the same month as the refusal date.

**Advisory – Consideration should be given to reminding staff to offer refused properties to the next highest bidder in a timely manner.**

A review of the application costings was conducted by the auditor with regards to the HomeChoice scheme. As there have been no orders raised against this contract to date, the remaining budget is still at the approved contract limit of £39,600; the contract does not expire until April 2024. The contract owner is, however, showing as the Housing Allocations and Advice Manager - a post which has remained vacant since 2022. The Head of Housing advised that this post has since been advertised and interviews are due to commence in April.

**Recommendation – The HomeChoice contract should be monitored by an alternative contract owner.**

**4.2.2 Risk: No set criteria in place regarding number of bids made/offers declined.**

Applicants who have refused two suitable offers of social housing (within a twelve-month period) or who are deemed to have unreasonably refused a suitable offer of housing are disqualified from the housing register for twelve months, after which time a new application must be made. This is advertised to applicants in the Housing Allocations Policy 2021.

Applicants can receive up to two suitable offers of accommodation. An offer of accommodation that is arranged by way of a nomination to a Registered Provider (RP) is considered a suitable offer. Those placed in Band 1 have this priority for up to twelve weeks. During this period, WDC will only make one reasonable and suitable offer of accommodation. The Housing Advice Team are able to make bids on behalf of applicants for any suitable properties that become available. If someone has not been housed or has not received an offer

of suitable accommodation within the twelve-week period, their case is then reviewed. In these circumstances the team either extend the time period or make one final direct offer of suitable and reasonable accommodation. For all other applicants in Band 2 who have not reasonably bid for a suitable property within six months of their Band 2 award, WDC reserves the right to place bids on the applicant's behalf.

Housing Associations have their own criteria and will carry out their own checks on applicants that are nominated for one of their properties. They have the right to refuse to allocate properties which are considered unsuitable for an applicant. Reasons for refusal may include affordability, medical reasons (bidding for an adapted property for which there is no need), or if applicants pose a risk to the community or are at risk in a specific location or type of property.

The aim of the Rural Lettings Policy is to allow people to stay or return to an area with which they have a connection. The local connection relates to a current or previous home, family associations or employment in the relevant parish. Under the Rural Lettings Policy, allocations are made first and foremost to those with either a local connection, a need to be housed in the locality or with a demonstrable housing need; there are set criteria in place for this.

It was found during the testing of rural allocations, that all fifteen applicants had been notified of their banding and had received validation and financial health checks. However, two validation checks had been carried out by the same officer who awarded the applicant a banding; this was due to a changeover in this officer's job role. Fourteen applicants had a verifiable local connection to the district; one applicant requested housing in the district due to safeguarding concerns.

Local connections to the district are verified through the Council Tax and electoral registers. If the Council agrees that an applicant has a local connection, then they will prioritise those with the greatest housing need, beginning with applicants in Band 1. If there are no suitable applicants who fulfil any of these criteria, the property will be allocated to applicants who can show that they meet any one of the criteria for the adjoining parish or parishes. If there are no suitable applicants who fulfil any of the local connection criteria for the parish, or the adjoining parish or village location, they will allocate the property through HomeChoice without the need for a local connection. This policy applies to the allocation of affordable housing in parishes where a need has been identified by way of a current housing needs survey. The rural housing has to meet a particular local housing need as identified in detailed and up to date evidence from a parish or village housing needs assessment.

#### **4.2.3 Risk: Nominations are not processed in a timely manner and the nomination is lost.**

The Housing Strategy and Development Manager (HSDM) advised that the nomination agreement is currently under review and a working group is in place to address this; the HSDM is also in discussion with RP partners. There are several agreements in place for individual schemes, especially where WDC has provided grant funding in the past e.g., Waterloo Housing Association. This took

place before WDC started to develop its own housing and a Joint Venture Partnership was in place with several RPs to provide affordable housing. There was previously a service-level agreement in place for this; however, this needs updating. The Housing Strategy and Development team are in the process of completing this. Bespoke Section 106 agreements are attached to individual planning applications relating to new social housing.

The Council are partnered with several RPs operating in the District; the relevant contact details for these associations are located on the Council website.

There are no set timescales in place with regards to nominations; however, testing confirmed that nominations were processed and sent to the RPs in a timely manner (twelve out of twenty nominations were dealt with in the same month the application was made). All Housing Association properties tested had been appropriately advertised through HomeChoice.

#### **4.3 Legal and Regulatory Risks**

##### **4.3.1 Risk: Challenge by way of Ombudsman Adjudication or legal challenge by way of Judicial Review.**

Applicants have the right to appeal the band that they have been placed into and an Appeals Procedure is detailed on the HomeChoice Application Form. Applicants may be excluded from the housing register on grounds of immigration status or history of unacceptable behaviour. Applicants are informed of their right to appeal through the Council website and allocations booklet.

If applicants do not agree with the band into which they have been placed, or they have been told that they are not eligible to register, they can ask the housing team to review their application. They must do so in writing within twenty-one days of the decision letter. The team then review the decision and inform the applicant within eight weeks of the date of their request. The Council's reviewed decision is final and can only be challenged by way of a judicial review; there is no further right of appeal to WDC.

Testing conducted by the auditor revealed that thirteen appeals were upheld; only two were overturned and four appeal applications were withdrawn. All applicants had been notified of the outcome of the appeal decision, with a review letter saved on the DMS; however, six of these letters were sent after the closing date of the appeal. The Senior Housing Advice and Allocations Officer (SHAAO) advised that due to the urgency with which tenants in Christine Ledger Square had to be relocated during December-2022, any outstanding banding appeals were assigned a lower priority. Twelve of the appeals were dealt with in the same month as the response deadline; four were completed one month after the deadline (although three of these were waiting on further information from the applicant). Three appeals were dealt with well in advance of the deadline, with only one appeal being processed two months after the response was due (again this was down to a lack of information from the applicant). Sixteen of the twenty appeal cases had been noted appropriately on Active H.

**Advisory – Consideration should be given to reminding staff to deal with appeals in a timely manner and update the DMS/Active H communication history/diaries with the outcome of these decisions.**

**4.3.2 Risk: Non-conformance with the Allocations Policy (2021).**

The Housing Allocations Policy 2021 is available on the Council's website. This details the timescale and application procedures, as well as the allocation process. It also sets out the terms and requirements of applicants and outlines how agreements can be terminated.

The Housing Allocations Policy was reviewed by Executive on 11 February 2021. The recommendations to this policy were proposed to Council on 24 February 2021 and were subsequently approved.

**4.3.3 Risk: Housing needs of tenant incorrectly assessed leading to incorrect banding.**

Applicants can bid for any property, providing that they are eligible. They are not, however, considered before applicants in the allocated band. There is a flow-chart in place which is used by the HA/AAs when deciding into which band tenants should be allocated. All fifteen applications tested by the auditor, had been allocated to the correct band (in line with the Allocations Policy 2021). Whilst 'housing need' is not subjectively defined within the Allocations Policy, it is intrinsically linked to the bands into which applicants are placed.

Failure to bid on any properties over a twelve-week period whilst in Band 1 may result in demotion to Band 2. Failure to bid on any properties over a six-month period whilst in Band 2 may result in demotion to Band 3. Failure to bid for any properties over a period of twelve months will result in disqualification from the Housing Register for a period of twelve months unless there are extenuating circumstances behind the failure to bid.

**4.3.4 Risk: Failure to respond to new legislation/policies and procedures communicated ineffectively to staff.**

The Housing Allocations Policy 2021 takes multiple regulations, codes of guidance and legislation into consideration, including the Housing Act 1996, the Homelessness Reduction Act 2017, and the Allocation of Housing (Procedure) Regulations 1997. The policy is available for the public to download from the Council website.

Any changes in legislation are disseminated by the Head of Housing to the Housing Management team and subsequently cascaded to officers via email.

**4.4 Reputational Risks**

4.4.1 **Risk: Reputational damage if Ombudsman Adjudication or Judicial Review approved.**

Documents relating to applications and tenancies are stored on the DMS which is accessible through ActiveH. ActiveH lists full tenant and applicant histories, as well as property letting information where applicable.

If the Allocations team believe a tenant has acted unreasonably, and without good reason, to make their housing circumstances deliberately worse, or with the aim of qualifying for a higher banding, they will not award any extra priority. If tenants owe money to any local authority or housing association, they can apply to HomeChoice, but may not be allowed to bid; they may be allowed to bid if they have agreed a repayment plan for any housing-related debt to which they have adhered.

Applicants may be refused accommodation if they have previously been evicted or have former tenant arrears; the service collates this information through an eviction exclusion list. This details the tenant's name, date of eviction, nature of behaviour, forwarding address, and any costs including rent arrears or damage; this was last updated in January 2023.

There are currently no defined compensatory measures in place if WDC properties were found to not meet certain standards. WDC let properties that are safe and watertight; any other works needed to bring the property up to scratch would be completed around the customer.

4.4.2 **Risk: Council properties not advertised in a timely manner/property information inaccurately published.**

The Council do not currently use social media to encourage applicants to bid on properties. They do, however, publish outside of the allocations policy (on OpenView); this is covered under the terms of the Allocations Policy 2021.

By setting the property status as 'under notice' on the ActiveH system, the property is automatically included in the next round of advertising. Lettings Officers are notified of impending evictions but can only advertise the property once eviction has taken place. HomeChoice adverts are placed every week starting at 00.01hrs on a Thursday and closing at 24.00hrs the following Tuesday. This gives applicants six days to place bids; only applicants registered with HomeChoice are able to place bids.

It was found during testing that all twenty-two properties were advertised within the same month that the property was made available to let; twenty properties were matched to a bidder within seven days of advertisement. The Council can be contacted for more information about an advertised property but cannot provide specific details or locations of properties advertised by partner organisations on HomeChoice.



#### 4.4.3 **Risk: Inability to meet the need for housing across the district.**

Properties are advertised at the start of the next fortnightly cycle, once the current tenancy is under notice of termination. The next successful bidder is contacted immediately upon closure of bidding to ensure that the housing need can be efficiently met.

Due to high demand and a limited supply of affordable housing in the district, the team have compiled a webpage dedicated to managing HomeChoice customer expectations. This page was last updated on 13 January 2023. Data correlates to the last twelve months and details the typical waiting times (representative of the range in which the middle 60% of successful applicants were housed). An individual applicant's wait time will be influenced by the frequency that they bid for properties and the range of property types for which they place bids.

#### 4.4.4 **Risk: Failure to notify applicants of any outcomes in a timely manner.**

The Allocations team aim to process applications within three weeks. Nine of the twenty samples tested by the auditor had been notified of the band within this timeframe.

**Advisory – Consideration should be given to reminding officers to complete and distribute banding authorisation letters in a timely manner.**

Lettings outcomes/details of the successful applicant's band and their application date are published on the Housing Register and made available on the Council's website. If applicants do not receive any correspondence within one week, their bid has not been successful, and they should continue to place bids for other available properties.

Applicants have the right to information about decisions and rights of review of decisions made relating to their application. This will include the right, on request, to be informed of any decision about the relevant facts of their case, in considering whether to make an allocation to them. Applicants also have the right, on request, to review the decision to treat them as ineligible for the HomeChoice scheme.

The Council writes to tenants every year around the time of the anniversary of their application, to ask if they wish to remain on the HomeChoice scheme; instances of no reply will lead to the application being cancelled. Before removing tenants from the HomeChoice scheme for failing to respond to a review letter, the Council serves notice of this action twenty-one days in advance. Applications will also be cancelled if applicants buy a property through the Help to Buy scheme, engage in unsatisfactory conduct or are subject to a change in immigration status that deems the applicant ineligible. Applicants are provisionally offered the property whilst their application is checked, and references are gathered from previous landlords.

#### 4.4.5 **Risk: Nominations are not managed properly leading to complaints.**

Nominations to RPs are sent immediately after the application is uploaded to ActiveH. The relevant Housing Association is then responsible for contacting the applicant. WDC only become involved in this process if the RP declines the application or if the applicant refuses a property. The Allocations team are then required to nominate the next highest bidder to the RP and investigate the reasons as to why the application has been declined, or the property has been refused by the first applicant. For 2021/22, the number of nominations made was 139, with 108 of these being successful. This increased to 208 nominations made in 2022/23; however, only 107 of these were successful.

There was also a striking variance between the timeliness of properties offered to nominated applicants. Two of these were offered in the same month the nomination was made; one of these was offered a year and a half after the nomination.

**Recommendation – Monitoring should be performed at least quarterly on applications nominated to RPs.**

#### 4.5 **Fraud Risks**

##### 4.5.1 **Risk: Properties allocated to inappropriate or ineligible applicants.**

There are documented procedures for staff to follow regarding the inputting of applicant information onto the ActiveH system; ActiveH has a diary facility which can track historic changes and maintain a trail of significant events. At the application stage, checks performed by officers look at address history, bank statements, child benefit payments, Council Tax, and housing benefit; successful bids are subject to additional checking at the offer stage.

##### 4.5.2 **Risk: Failure to perform robust checks on applicant claims.**

CIVICA and ActiveH are checked to evidence an applicant's local connection and any WDC housing-related debt. During the verification process, a landlord reference request can be obtained from Housing Associations.

Housing Advice Officers check personal, as well as household identification (e.g., passports, driving licences, utility bills) at the time of application and again at the allocation stage; a HA/AA may also carry out a home visit to verify circumstances. Where children are included in the application, child benefit records are also checked to confirm that the applicant is responsible for the children in question.

Applicants are required to provide supporting documentation, where indicated or requested by the Council. The verification process includes requesting proof of identification, tenancy agreements or eviction notices, proof of pregnancy, proof of dependent children, proof of income/assets/employment and proof of address history and residence. Only original documents are accepted, as stated in the Allocations Policy. Only twelve of the twenty applicants tested by the auditor held forms of identification on file; two of these were 'management moves'

concerning tenants already registered with WDC, who were directly matched to the properties by Housing Management. One applicant was homeless, and therefore the identification had been stored under the homeless file. The officer responsible for this case has been reminded that the location of the ID should either have been noted on the system or moved to the correct file. The remaining five samples, whilst had received validation checks by the Housing Allocation Officer's (HAO), had no physical forms of ID saved on file to corroborate these checks. Five of the twenty samples also had no validation checks showing on the DMS. Validation paperwork should be saved on the DMS through the ActiveH lettings module. During 2022, this paperwork became part of an automated process through the letters function on ActiveH. When completed in this way, validation checks are saved in the communication history but not necessarily kept as a hard copy.

**Recommendation - Officers should be reminded to collect physical copies of ID verification and upload these to the Housing system.**

#### **4.5.3 Risk: Housing staff engaging in relations letting/bid rigging.**

The Housing Needs Manager (HNM) advised that staff are required to declare conflicts of interest. The Learning & Development Officer (LDO) confirmed that these are covered in the staff Code of Conduct forms, which are logged with HR when staff first commence work with WDC. Officers are required to inform HR of any changes in circumstances which could lead to a potential conflict of interest. A walkthrough of the HR system was conducted by the auditor with the LDO; from this, only two Code of Conduct forms could be located, one of which had not been updated for twenty-eight years. A declaration of interest form did exist for one HAO which had been signed in 2016.

**Advisory – Consideration should be given to reminding staff to complete declaration of interest forms at least annually.**

Questions on the HomeChoice form ask applicants if they or any member of their family is an elected member of the Council or board member of a partner housing association. The form also asks if the applicant or any member of their family is employed by WDC. All twenty applicants tested by the auditor were registered appropriately on the HomeChoice Scheme and had a HomeChoice application form held on file.

#### **4.5.4 Risk: Lack of segregation of duties, meaning that the same officers deal with applications and appeals.**

Decisions made by the SHAAO are reviewed by the HNM. Decisions made by the HNM are reviewed by the Head of Housing. There is a segregation of duties in place, so that banding appeals are not dealt with by officers who deal with the application. HA/AAs engage in the banding process and HAOs conduct the validation checks. Any applicants placed in Band 1 automatically go to the SHAAO for processing. No staff in the Housing Allocations & Lettings team have any involvement in rent or debt collection.

## **4.6 Health and Safety Risks**

### **4.6.1 Risk: Safety of Housing Officers required to visit tenants.**

A Housing Needs Risk Assessment has been created by the HNM. This takes COVID-19, travelling for work, PPE, documentation and violence or aggression into account. This assessment is, however, out of date (the review date was 30 November 2022).

#### **Recommendation – The Housing Needs Risk Assessment should be updated.**

Visits and property viewings are included in all HAO job descriptions; however, viewings are currently only being undertaken by one HAO. The aim of the visit is to ensure that the information the Council hold is up-to-date and check that the property is suitable for tenant needs.

The SHAAO confirmed that all HAOs, bar one, have been issued with Solo Protect, although the outstanding device is on order. The service abides by the corporate lone-working policy; this was revised in September 2022 to reflect hybrid working and was distributed to all staff in January 2023. The policy also includes flow-charts regarding Solo Protect devices and managing lone working. An in-case-of-emergency (ICE) list is also in place for all Allocations staff; this was last updated in January 2023. Staff also note any site visits on the Allocations calendar so that officers can monitor their whereabouts.

Conflict management training is made available to staff and, as a result, the HA/AAs have recently booked onto a Staff Micro-Aggression course through the SHAAO. Alternatively, members of staff can book onto this course through I-Trent.

## **4.7 Other Risks**

### **4.7.1 Risk: Loss of IT/Active H system.**

The Allocations & Lettings service is completely reliant on ActiveH in order to check applications and verify information. HomeChoice applications not yet scanned onto the system could, in principle, be dealt with, but this process could only go so far without use of the system.

### **4.7.2 Risk: Lack of communication with Council Tax/Benefit teams.**

The Revenues and Recovery Manager confirmed that they receive weekly emails from Housing with new lets and voids as well as the death list from the Corporate Support Team; the Housing Advice/Allocations team are copied into this email.

Once a tenancy has been created, it is down to the tenant to notify the Council of any changes, e.g., death of a joint tenant, new joint tenant, etc. The Housing Advice Team should be notified about a confirmed pregnancy, any member of the household who has vacated, a change of name, an addition to the family, a

change in income/savings or changes in status of accommodation. New addresses may result in a change in housing priority as a result. After the team receive a completed change of circumstances form, they will write to the tenant to let them know if their HomeChoice application has changed as a result.

#### 4.7.3 **Risk: Lack of performance monitoring in place.**

The Business Development & Change Manager confirmed that there are two levels of performance monitoring and reporting for Allocations and Lettings. The Business Development team produce data against the agreed performance measures for the Service Plan as well as a set of operational, management information measures. The Service Plan (updated quarterly) and management information measures are then critically reviewed at monthly performance review meetings. These meetings are chaired by the Head of Housing and attended by all senior managers in Housing, including the HNM and SHAAO. Business Development also provide ad-hoc reports for the Allocations and Lettings team, which supports how the Allocations Policy is implemented.

The HNM also meets with the Allocations Team through team meetings or 1:1's, where performance is monitored and reported. Team meetings are held every two weeks; separate meetings are conducted for the HAOs and HA/AAs, as the roles slightly differ in terms of duties. Exceptional cases (e.g., difficult to let properties) are reviewed by management informally from void reports and escalated to the Head of Housing, where necessary.

Testing conducted by the auditor revealed that there has been some slippage from the KPI targets. The target for the average number of days to re-let a property is currently 100 days. This average was met in 2021/22 but is ten days behind target for 2022/23. There has also been a slight increase in the average days taken to authorise applications from the date of their receipt (31 days in 2021/22 vs. 33 days in 2022/23). There have been some positive increases; the total number of tenanted properties by period end has increased by 725 in 2022/23 and the total number of advertised WDC properties has increased by 42. The percentage of advertised WDC properties matched to applicants also saw an increase of approximately 3% in 2022/23. The percentage of WDC offers that have been refused has, however, increased from 25.14% in 2021/22 to 36% in 2022/23. The percentage of WDC properties let to the first-matched applicant decreased from 71% to 59% and the total number of New HomeChoice Applications authorised in Q3 decreased from 283 to 204.

## 5 **Summary and Conclusions**

5.1 Section 3.2 sets out the risks that were reviewed as part of this audit. The review highlighted weaknesses against the following risks:

- Risk 1 – the HomeChoice contract may not be being monitored effectively.
- Risk 12 – Nominations may not be being managed properly.
- Risk 14 – Robust checks may not be being performed on applicant claims.
- Risk 17 – the Housing Needs Risk assessment may be out of date.

- 5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted, as there is no significant risk attached to the actions not being taken.
- 5.3 In overall terms, therefore, we are required to give a MODERATE degree of assurance that the systems and controls in place in respect of Allocations, Nominations and Lettings are appropriate and are working effectively to help mitigate and control the identified risks.
- 5.4 The assurance bands are shown below:

Level of Assurance	Definition
Substantial	There is a sound system of control in place and compliance with the key controls.
Moderate	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited	The system of control is generally weak and there is non-compliance with controls that do exist.

## 6 Management Action

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager

## Action Plan

## Internal Audit of Allocations, Nominations &amp; Lettings – March 2023

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.1	Financial Risks: Bid-related data incorrectly processed on the system.	The HomeChoice contract should be monitored by an alternative contract owner.	Medium	Housing Needs Manager	Agreed. Contract owner is now the Housing Needs Manager.	3 April 2023
4.4.5	Reputational Risks: Nominations are not managed properly leading to complaints.	Monitoring should be performed at least quarterly on applications nominated to RPs.	Low	Housing Needs Manager	Agreed to implement. May require either setting up meetings with the RPs or asking for a copy of their core reports relating to applications processed within Warwick District. Possible collaboration with Council Tax concerning New Builds and Housing Strategy to see if Active H will generate a flag when the expected handover date of nominations has passed.	1 August 2023
4.5.2	Fraud Risk: Failure to perform robust checks on applicant claims.	Officers should be reminded to collect physical copies of ID verification and upload these to the Housing systems.	Medium	Senior Housing Advice and Allocations Officer	Agreed.	30 April 2023

<b>Report Ref.</b>	<b>Risk Area</b>	<b>Recommendation</b>	<b>Rating*</b>	<b>Responsible Officer(s)</b>	<b>Management Response</b>	<b>Target Date</b>
4.6.1	Health & Safety Risks: Safety of Housing Officers required to visit tenants.	The Housing Needs Risk Assessment should be updated.	Medium	Housing Needs Manager	Agreed.	30 April 2023

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.