



Adur and Worthing Borough Councils: Internal Audit Final Report Housing Recommendations Follow Up (2023/24)

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Disclaimer

This report (“Report”) was prepared by Forvis Mazars LLP at the request of Adur and Worthing Borough Councils (the Councils) and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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01 Introduction

As part of the Councils' Internal Audit Plan for 2023/24, we have conducted a follow up review to assess progress made in implementing agreed internal audit recommendations within the Housing team.

Following challenges within the Councils' Housing team and the self-referral by Adur Homes to the Regulator of Social Housing (RSH) in February 2023, our standard follow-up activity over past audit recommendations made in relation to Housing were paused at the request of the Councils and as agreed with the Audit Committee to allow further time to focus on known challenges and key activities. A dedicated review of Housing-related recommendations was included for quarter four of our 2023/24 plan in order to resume monitoring of action progression/implementation in these areas.

The audit fieldwork was originally scheduled for February before being moved to April 2024 due to unavailability of the original auditor. Fieldwork was due to commence 15 April 2024, with testing to be completed by 23 April 2024. Following initial delays in availability of key contacts, and notification that they would not be able to provide the resource to confirm the implementation status of recommendations provided or provide supporting documentation requested to verify implementation, we extended our fieldwork window to run into May. Internal Audit requested that confirmation of the recommendation status should be provided by 1 May 2024, with supporting documentation by the 10 May 2024. While the Council provided a partial response to our initial document request, Internal Audit were unable to verify the implementation status of the recommendations under review. A final deadline for receipt of information was set at for 29 May 2024. Following this, we have drafted a report on the basis of information provided by that date. Where no, or limited, information was received by the time of our extended deadline, recommendations have therefore been reported as "Overdue" by default.

Recommendations within the scope of this review arose from the following reports:

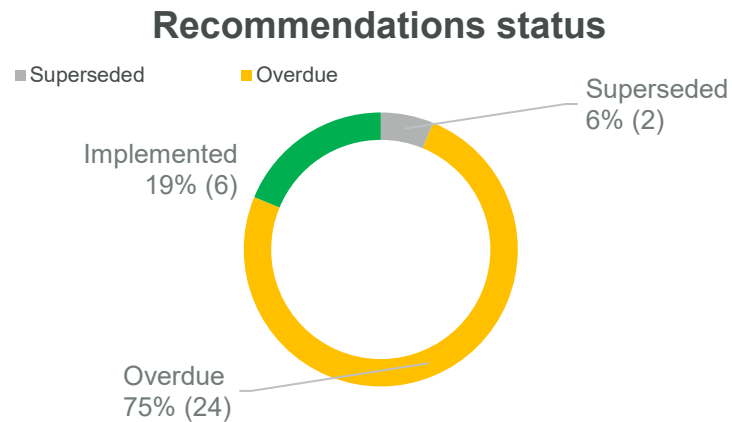
- Rent Collection and Collection of Arrears (2017/18)
- Leaseholder Charges (2017/18)
- Gas Safety (2017/18)
- Housing Repairs (Matsoft Processes) (2018/19)
- Rent In Advance/Rent Deposit Scheme (2019/20)
- Regulatory Compliance – Housing (2019/20)
- Contract Management and Procurement – Housing (2019/20)
- Rent Collection and Recovery of Arrears (2020/21)
- Leaseholder Charges (2020/21)
- Tenancy Management (2020/21)

Further details of our approach are included in **Appendix A1**.

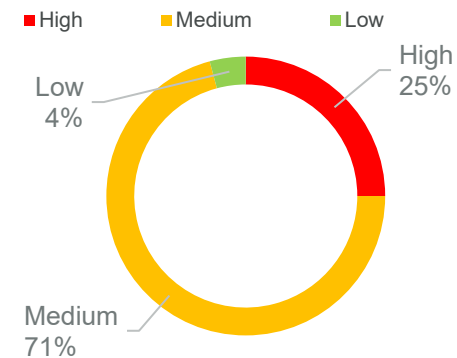
02 Summary of findings

At the time of the Follow Up review there were a total of 32 open actions in the Housing team. Using our priority rating, eight were 'High', 23 were 'Medium' priority and one 'Low' priority. Of the 32 open actions, based on available evidence/updates Internal Audit have assigned an implementation status to each recommendation with Internal Audit verifying six as implemented and a further two closed ("Superseded"). In some cases, Internal Audit were unable to provide assurance or verify the implementation status as the Councils did not provide an update or required documentation during the fieldwork period. Fieldwork was extended in order to provide greater chance of receiving information to close actions.

The assessed status of recommendations is shown below. A table showing the results of the implementation of recommendation by report is provided over the page.



Priority of overdue recommendations



Further details of the four actions considered as ‘Overdue’ are included in **Section 02** of the report.

Year	Audit report	Actions Reviewed	Implemented			Overdue			Superseded			Not Yet Due	Total
			High	Medium	Low	High	Medium	Low	High	Medium	Low		
2017/18	Rent Collection and Collection of Arrears	1	-	-	-	-	-	1	-	-	-	-	1
	Leaseholder Charges	5	1	1	-	2	1	-	-	-	-	-	5
	Gas Safety	2	-	-	-	-	1	-	-	1	-	-	2
2018/19	Housing Repairs (Matsoft Processes)	6	1	2	-	-	3	-	-	-	-	-	6
2019/20	Rent In Advance/Rent Deposit Scheme	4	-	-	-	1	2	-	-	1	-	-	4
	Regulatory Compliance – Housing	7	-	1	-	2	4	-	-	-	-	-	7
	Contract Management and Procurement – Housing	1	-	-	-	1	-	-	-	-	-	-	1
2020/21	Rent Collection and Recovery of Arrears	1	-	-	-	-	1	-	-	-	-	-	1
	Leaseholder Charges	2	-	-	-	-	2	-	-	-	-	-	2
	Tenancy Management	3	-	-	-	-	3	-	-	-	-	-	3
Total		32	2	4	-	6	17	1	-	2	-	-	32
			6 (19%)			24 (75%)			2 (6%)			-	

03 Management Actions Overdue

Details of the management actions overdue are included below. Definitions of our recommendation gradings are included in **Appendix A1**.

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
<p>Rent Collection and Collection of Arrears (2017/18)</p> <p>An alternative solution to the regular payment of housing benefit into the Rent's suspense account for Worthing Emergency Housing before it is allocated out by the Cashiers, should be established.</p> <p>Risk: Where the suspense account is continuously used in this way, there is the risk that the amounts may not be correctly re-allocated into the appropriate accounts, leading to potential financial loss for the Council.</p>	Low	<p>Overdue - Partially Implemented.</p> <p>Internal Audit were informed by the Performance, Policy and Strategy Lead that "This is still ongoing as a work around as the Orchard system is only set for Adur and cannot take the benefits payments for Worthing in the same way".</p> <p>We were unable to verify when and if resolution to this issue was expected.</p>	<p>We confirm that this is an ongoing area of work. The Orchard system currently is only set for Adur and cannot take the benefits payments for Worthing in the same way.</p> <p>Updated timeframe for completion in March 2025 once new Systems and Applications Team Leader confirmed in post and they undertake this work.</p> <p>Updated Timeframe: March 2025</p>
<p>Leaseholder Charges (2017/18)</p> <p>The Council should document a Leasehold Management Policy, which outlines the legislative framework (and timescales) within which it is required to operate for the various leasehold functions and services that it provides. The policy should:</p> <ul style="list-style-type: none"> · Outline any local policy decisions in respect of the management of leaseholders, recovery of charges etc. and detail how these requirements will be achieved; · Clearly state how the Council will deal with major repair costs, including outlining the statutory processes that have to be completed and the timescales to ensure the recovery of costs (e.g. invoice or issue S20B notice within 18 months of cost being incurred; and · State at what level the cost of repairs will be pursued (e.g. minor costs above the £250 legislative rate may not be cost effective for the Council to pursue where there are only a few leaseholders, but if there were several 	High	<p>Overdue - Partially Implemented.</p> <p>Internal Audit confirmed that a Leasehold Service Charge Income Collection Policy was presented to the Joint Strategic Sub Committee Meeting in June 2023.</p> <p>Examination of the policy confirmed that while this did include expected controls for the management of leasehold charges and recovery actions, this did not provide an overview of the following:</p> <ul style="list-style-type: none"> - Management of Leaseholds; - Controls relating to major repairs, nor the statutory processes to be followed; and - The threshold of repair costs which will be pursued by the Council. 	<p>Gaps identified are addressed through the Leasehold Management Policy Leasehold Management Policy 2020-2025.pdf</p> <p>Leasehold Major Works charges are covered in our Payment Policy for Leasehold Major Works Charges v1.pdf</p> <p>Minutes from the meeting where the Leaseholder Management Policy were agreed are as follows: the 23rd March 2023 Joint Audit and Governance Meeting and extended at the Joint Strategic Subcommittee for Adur on the 24th March 2024.</p> <p>There are 3 Leasehold Policies:</p> <p>1) Leasehold Management Policy</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
<p>then the costs and effort would be worth it). Once documented, the Policy should be approved by the relevant senior management, member and committee</p> <p>Risk: Where an up to date documented and approved policy does not exist, there is a risk that the Council's objectives and/or responsibilities are not known and may not therefore be achieved.</p>		<p>Internal Audit were also provided with a Leasehold Management Policy (2020-2025). Examination of the policy confirmed that this identified it had been reviewed in March 2024, however no meeting minutes were provided to confirm ratification.</p> <p>Further examination of the policy confirmed that while this outlined the policy's principles, and the Council's principles to the management of leaseholds held, this did not outline the following:</p> <ul style="list-style-type: none"> - Controls for the management of leaseholds held by the Council; - Controls relating to major repairs nor the statutory processes to be followed; or - Threshold of repair costs which will be pursued by the Council. 	<p>2) Payment Policy for LH Major Works Charges</p> <p>3) Leasehold Service Charge Income Collection Policy</p> <p>Reference to the Major repairs process is referenced within this document.</p> <p>Major Works Policy amendments Required:</p> <ol style="list-style-type: none"> 1. Threshold for repair costs which will be pursued 2. S20B reference to policy <p>Updated timeframe for completion: 30th November 2024</p>
<p>Leaseholder Charges (2017/18)</p> <p>Once the Council's policy re leasehold management has been agreed, and procedures have been reviewed and updated, training should be provided to all relevant staff on how processes should be undertaken, particularly in relation to major works.</p> <p>Evidence should be retained to support training provided, to whom and when.</p> <p>Risk: Where staff are not provided with training, there is an increased risk that they do not undertake processes correctly</p>	Medium	<p>Overdue - Unable to Verify</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that the recommendation was implemented at the time of the follow up (May 2024). However, we were not provided with documentation to validate the recommendation status.</p>	<p>Informal training has been provided to staff. However, formal training will be undertaken on 10th December 24. Evidence to support this will be a training booklet and certificate.</p> <p>Updated timeframe for completion: 31st December 2024.</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
<p>or consistently lead to errors or omissions which may result in financial loss to the Council.</p>			
<p>Leaseholder Charges (2017/18)</p> <p>Once the Major Works Payment Policy has been decided the Council should review how implementing payment loans/arrangements will for major works will be achieved. An agreed process, which reflects policy requirements should be effected to ensure that any future loans/arrangements are correctly actioned. Legal Services and Finance should be involved in any discussions to ensure that all legal and financial requirements are met. The agreed process should be formalised in a documented procedure which details the forms that need to be completed, by whom and when and how supporting information/documentation should be retained.</p> <p>Risk: Where a defined process for effecting payment arrangements does not exist, there is an increased risk that arrangements are not correctly made or that legal requirements are not satisfied, and this may impact on the Council's ability to recover all relevant costs leading to possible financial loss.</p>	High	<p>Overdue</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that the process for the implementation of payment loans or arrangements for major works undertaken were incorporated within the Major Works Policy. However, this was not provided at the time of the follow up (May 2024) and therefore we were unable to validate the recommendation status.</p> <p><i>Subsequently to issuing our draft report, we were provided with a further document, "PAYMENT POLICY FOR LEASEHOLD MAJOR WORKS CHARGES". This includes details of leasehold financial assistance including extended and deferred payment options. However, the version provided did not record a review/approval date and included draft text/comments – and we are therefore unable to confirm the policy has been approved / gone live.</i></p>	<p>The process for the implementation of payment loans or arrangements for major works undertaken are incorporated within the Major Works Policy and the Leasehold Service Charge Income Collection Policy at the June 2023 at the Adur Joint Strategic Subcommittee. Further updates are planned to meet the audit requirements.</p> <p>Updated timeframe for completion: 30th November 2024.</p>

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<p>Gas Safety Inspections (2017/18)</p> <p>Documented procedures should be developed to detail all processes undertaken in respect of gas servicing. Once developed, these procedures should be reviewed and updated regularly and subject to version control.</p> <p>Procedures should be made available to all relevant staff within a central location.</p> <p>Risk: Where up to date procedures covering all processes do not exist, there is a risk that staff may follow incorrect procedures, resulting in possible processing errors and financial loss to the Councils.</p>	Medium	<p>Overdue - Partially Implemented.</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that a Gas Safety Policy was being drafted by the Councils, but (as set out above) had not been completed or approved at the time of the audit (May 2024).</p> <p>Examination of the draft policy noted that this did not include detailed operating procedures (separate to or as part of overall Policy) for the processes to be followed by members of staff in respect of gas servicing.</p>	<p><u>Gas safety policy</u> is not a draft but an interim policy that has been approved at the <u>23rd March 2023 Joint Audit and Governance Meeting</u>.</p> <p>As part of the Improvement Plan and Regulatory referral, work to review and update all health and safety compliance policies and procedures to ensure effective control is underway.</p> <p>Updated timeframe for completion: March 2025.</p>
<p>Housing Repairs (2018/19)</p> <p>The process for making variations to works should be documented within a procedure and be available to all relevant staff.</p> <p>Risk: Where processes are not documented, there is risk that staff are unsure of the process to be followed and this may lead to errors and/or inconsistencies.</p>	Medium	<p>Overdue - Partially Implemented.</p> <p>Internal Audit were informed by the Performance, Policy and Strategy Lead that a draft Responsive Repairs Policy was under review by the Councils but was not approved and ratified at the time of the follow up review (May 2024).</p> <p>Examination of the draft Responsive Repairs Policy found that this referenced the process for variations to works, which was documented in section 17 – Works Order Variation.</p>	<p>As part of the Improvement Plan and Regulatory referral, work to review and update all health and safety compliance policies and procedures to ensure effective control is underway. A draft response repairs policy including works variations is completed and will be approved in 2024.</p> <p>Updated timeframe for completion: March 2025.</p>
<p>Housing Repairs (2018/19)</p> <p>Adur Homes Post Inspection requirements should be documented within a Policy.</p>		<p>Overdue – Partially Implemented.</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that a Responsive Repairs Policy was under review by the Council but was not</p>	<p>As part of the Improvement Plan and Regulatory referral, work to review and update all health and safety compliance policies and procedures to ensure effective control is underway. A draft</p>

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<p>Risk: Where Policy requirements are not documented, there is a risk that they are unknown and are not therefore complied with.</p>		<p>approved and ratified at the time of the follow up review (May 2024).</p> <p>Examination of the draft Responsive Repairs Policy found that this referenced the Post Works Inspection requirements; detailed within section 18 – Quality Assurance (Pre and post Works Inspection).</p>	<p>response repairs policy including post inspection requirements is completed and will be approved in 2024.</p> <p>Updated timeframe for completion: March 2025.</p>
<p>Housing Repairs (2018/19)</p> <p>Enhancement of the Mats system is required to enable reporting of PIs once agreed.</p> <p>Risk: Where there is no mechanism for PI reporting, monitoring and identification of any performance issues cannot occur.</p>	Medium	<p>Overdue - Not Implemented.</p> <p>The Performance, Policy and Strategy lead stated that the recommendation was not implemented at the time of audit, with additional work required with the Digital team.</p> <p>We were unable to confirm when additional work might be completed.</p>	<p>We are able to select from a number of parameters to report status of works. Screen grab provided for an example period 01/01/24 - 31/01/24 and include parameters for reporting. Jobs complete, queued, in progress for example.</p> <p>Updated timeframe for completion: Complete (screenshots added to Huddle 29/08/24)</p>
<p>Rent In Advance/Rent Deposit Scheme (2019/20)</p> <p>The RiA/DG process should be reviewed, and the documented procedure updated to reflect the necessary process requirements for this scheme only.</p> <p>In addition, the process to be followed if the applicant is only going to claim DHP should be recorded in a separate procedure.</p> <p>Once updated/generated documented procedures should be dated and be made available to all relevant staff and any procedural changes should be highlighted to staff.</p> <p>Risk: Where documented procedures do not reflect procedural requirements, there is a risk that staff do not</p>	Medium	<p>Overdue - Not Implemented.</p> <p>The Performance, Policy and Strategy lead stated that the recommendation was not implemented at the time of follow up audit (May 2024).</p> <p>We were unable to confirm when the revised completion date was anticipated.</p>	<p>Private Sector checklists ensure awards are appropriately made and steps required to be eligible for an award i.e. owed a prevention, relief or full housing duty under the Homeless Reduction Act.</p> <p>The documents were updated in February 2022 to differentiate between self-sourced and service offered private sector accommodation.</p> <p>A spreadsheet is maintained to record dates of completion for each</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
<p>follow the process and some requirements are not therefore completed. This could lead to clients receiving RiA/DG funds where they are not eligible and may increase the possibility of financial loss due to inability to recover the debt.</p>			<p>individual task related to the process of letting a PRS property. Housing Needs Managers review cases to check all documents on file and eligibility. The checklist is submitted to the Housing Needs Manager/Duty Managers with request for RIA funds for sign off before funds are released.</p> <p>In relation to a separate process for those 'only claiming DHP', casework is varied and complex , when eligible (i.e. in receipt of Housing Benefit) DHP is applied for, amount of award affects amount of RIA needed. it is part of the process rather than stand alone.</p> <p>Updated timeframe for completion: 30/09/2024</p>
<p>Rent In Advance/Rent Deposit Scheme (2019/20)</p> <p>Every form used in the RiA/RD process which is used to collect the personal data of the client (and/or their family members) needs to be reviewed and relevant privacy notice added.</p> <p>Furthermore, where personal data is collected and recorded within forms and the Councils are relying on a client's consent to process the information then the relevant consent(s) need to be obtained.</p> <p>The Housing Needs Manager should liaise with the Councils' Senior Information Governance Officer (SIGO) in order to affect this.</p> <p>Risk: Where the required consent and privacy notices are not contained on forms, the Council is in breach of the DPA 2018</p>	<p>High</p>	<p>Overdue - Not Implemented.</p> <p>The Performance, Policy and Strategy lead stated that the recommendation was not implemented at the time of follow up audit (May 2024).</p> <p>We were unable to confirm when the revised completion date was anticipated.</p>	<p>Consent is acquired at the point a homeless application is made.</p> <p>Further consent is acquired, and Privacy Notices issued for landlord and tenant at the point of securing PRS and has been in place since 05.09.2023</p> <p>Complete and Implemented since 05.09.23 for Opening Doors (Recorded on PRS, Prevention & File Management sheet columns W & X) .</p> <p>Updated timeframe for completion for all other PRS: 30.08.2024.</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
and GDPR and should the ICO investigate this the Council may face significant fines.			
<p>Rent In Advance/Rent Deposit Scheme (2019/20)</p> <p>Relevant debt recovery actions should be taken in respect of all outstanding RiA Debts.</p> <p>Housing Management should be provided by Exchequer Services, with details of those agreements where debts are not being repaid, as agreed, in order that they are aware of such outstanding issues.</p> <p>Risk: Where debt recovery does not occur, there is an increased risk that outstanding monies are not collected, and financial loss therefore occurs.</p>	Medium	<p>Overdue - Unable to Verify</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that the recommendation was implemented at the time of the follow up audit (May 2024). However, we were not provided with documentation to validate the recommendation status.</p>	<p>This procedure is in place with details of those agreements where debts are not being repaid, as agreed, in that they are aware of such outstanding issues.</p> <p>Updated timeframe for completion: Complete (Report sent via Huddle 20/08/2024)</p>
<p>Regulatory Compliance – Housing (2019/20)</p> <p>The Council should reconcile the different regulatory compliance schedules and timetables with other Council property systems, (such as the property terrier, housing management system etc.) to ensure that all and every single housing property is included in the different regulatory compliance schedules and timetables used to ensure compliance with the various legislative requirements.</p> <p>Risk: Where all Council housing buildings/assets requiring regulatory checks are not identified, there is a risk that the Council is failing in its' regulatory duties and putting the health and safety of its tenants at risk.</p>	Medium	<p>Overdue - Partially Implemented.</p> <p>The Performance, Policy and Strategy lead stated that “this is one of the main areas for the Improvement plan and Regulator’s action - full and ongoing review of data across all compliance areas has been underway for the last 12 months with spreadsheets and systems being updated accordingly. Working with IT to transfer this data into the new MATS compliance system for a more electronic interface with contractors.”</p> <p>Examination of the Housing Improvement Plan 2023-25 confirmed that this included a Delivery Outcome which related to the provision of a consolidated asset management stock condition data. The Improvement Plan action planner stated that as of April 2024, the asset management system</p>	<p>Work continues on the data collection and transfer to the MATS databases for Compliance and Asset Management.</p> <p>Target date for Compliance is end of August 2024 and Asset Management following full stock condition survey project finishing in October.</p> <p>Both systems will be linked, and one address list will be the source of this data.</p> <p>A full reconciliation with the housing management system will also be completed whilst a one system option is investigated.</p> <p>Updated timeframe for completion: July 2025</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
		was created, however data from the stock condition survey was not transferred.	
<p>Regulatory Compliance – Housing (2019/20)</p> <p>All regulatory documents should be retained in a central location (Google Drives).</p> <p>Documents known to be held in other locations should be moved to the central repository.</p> <p>Staff should be reminded of this requirement and advised not to retain documents in any other area, particularly within local drives.</p> <p>This recommendation should be considered in line with recommendation 3.3.</p> <p>Risk: Where regulatory documents are not all held in a central location, there is an increased risk that the Council does not have all the records and information it requires and compliance with regulatory requirement may therefore not be achieved.</p>	Medium	<p>Overdue - Unable to Verify</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that the recommendation was implemented at the time of the follow up (May 2024). However, we were not provided with documentation to validate the recommendation status.</p>	<p>Identified through the housing improvement plan.</p> <p>Currently documents have been moved and are stored in a central compliance folder in the shared google drive - with items being tracked for compliance on an additional spreadsheet. We are currently migrating over to a central system for compliance based in matsoft - which will also store documents by property and asset to ensure the golden thread needed for the housing safety act.</p> <p>Updated timeframe for completion: Some areas are already implemented onto the central database and others following shortly with the aim to have all compliance areas by end of March 2025 at the latest.</p>
<p>Regulatory Compliance – Housing (2019/20)</p> <p>Adur Homes should review when the last Asbestos management surveys were undertaken and urgently progress any outstanding ones.</p> <p>Furthermore, the outcomes of the surveys should be recorded and monitored, and a monitoring process should be effected to ensure that assessments are undertaken every 12 months.</p>	High	<p>Overdue - Unable to Verify</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that this was being addressed through the Housing Improvement Plan with this being part of the contract development for cyclical works. Therefore, the Council</p>	<p>System still available to verify. Processes remain in place for surveys to be reviewed if available or arranged if not before works commence.</p> <p>Updated timeframe for completion: Complete. As above the current system allows access to view if a survey is available and if not, then</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
<p>Risk: Where the Council does not carry out an asbestos survey every 12 months, the Council is in breach of the regulations and can face penalties. There is also a risk that residents health and safety is put at risk leading to potential lawsuits, financial penalties and reputational damage.</p>		<p>deemed that this recommendation was implemented at the time of the follow up.</p> <p>We were not provided with the Asset Management spreadsheet which detailed properties with a completed Asbestos Survey within the (extended) fieldwork portion of the review, and therefore we were unable to complete sample testing to provide assurance to the implementation status.</p>	<p>one is arranged and filed. A full programme to survey all properties is within the scope for further development but subject to budgets and contract but processes in place as stated to ensure these are available/completed before works commence.</p>
<p>Regulatory Compliance – Housing (2019/20)</p> <p>The Electrical Testing spreadsheet should continue be reviewed and updated to ensure it accurately reflects those properties where an inspection has been undertaken with completion dates and outcomes recorded.</p> <p>As noted in rec 3.2 above, certificates obtained from inspections should then be retained in a centralised location.</p> <p>Risk: Where inspection records are not reviewed regularly and kept up to date, there is a risk of non-compliance with the Landlord and Tenant Act 1985 and properties needing an inspection could be missed. This could lead to financial loss, penalties and breach of legislation.</p>	Medium	<p>Overdue - Unable to Verify</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that this was being addressed as part of the Regulator’s Referral and Improvement Plan. Therefore, the Council deemed that this recommendation was implemented at the time of the follow up.</p> <p>We were not provided with the Asset Management spreadsheet which detailed properties with a completed electrical inspection within the (extended) fieldwork portion of the review, and therefore we were unable to complete sample testing to provide assurance to the implementation status.</p>	<p>System still available to verify. Processes remain in place for outstanding surveys to be completed with major programme underway and ongoing update of spreadsheet.</p> <p>This work is in conjunction with the database development to bring all asset and compliance data into one system and away from spreadsheets.</p> <p>Updated timeframe for completion: Current position is for the central database to replace current records, and this is planned to be live by the end of September 2024. Major works programming to visit and inspect all outstanding properties by the end of August 2024 with following works being planned from this.</p>
<p>Regulatory Compliance – Housing (2019/20)</p>	Medium	<p>Overdue - Not Implemented.</p>	<p>Loler and servicing reports are stored in the central compliance</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
<p>The Council should ensure that appropriate processes are in place to ensure compliance with the LOLER.</p> <p>An internal monitoring record should be developed to ensure that all lifts are maintained/inspected every 6 or 12 months in accordance with requirements.</p> <p>Results of these inspections and/or maintenance visits should be centrally maintained and recorded to allow for any remedial actions to be undertaken in line with recommendations and/or legislation timescales.</p> <p>Risk: Where the Council fails to retain inspection reports and to record the results of the risk assessments (and subsequently, the need for any follow up works), there is a risk that the Council is in breach of the LOLER and may face large financial penalties, as well as the possible harm to lift users. Where the results of the inspections are not recorded, required remedial works may not be identified and rectified.</p>		<p>The Performance, Policy and Strategy lead stated that the recommendation was not implemented at the time of follow up audit (May 2024).</p> <p>We were unable to confirm when the revised completion date was anticipated.</p>	<p>folder, in a specific lift folder broken down by building and type of inspection in the shared google drive - with items being tracked for compliance on an additional spreadsheet. We are currently migrating over to a central system for compliance based in matsoft - which will also store documents by property and asset to ensure the golden thread needed for the housing safety act.</p> <p>Updated timeframe for completion: As stated above regarding all compliance areas, some areas are already implemented onto the central database and others following shortly with the aim to have all compliance areas by end of March 2025 at the latest.</p>
<p>Regulatory Compliance – Housing (2019/20)</p> <p>Management should monitor and record the outcomes of inspections and/or maintenance visits to ensure any rectification needed is identified. Management should also ensure that any rectifying actions undertaken address the issues originally identified/raised.</p> <p>Where applicable, any documentation (inspection reports, new certificates etc.) received which support the completion of rectification works should be retained.</p> <p>Rectification of recommended actions and/or issues identified should be performed in a timely manner and/or in line with established timescales (i.e. recommended by specialists or legislation).</p>	High	<p>Overdue - Unable to Verify</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that the recommendation was implemented at the time of the follow up audit (May 2024). However, we were not provided with documentation to validate the recommendation status.</p>	<p>Full report provided to the Regulator, and this is replicated for the H&S Board and includes all compliance areas.</p> <p>We are currently migrating over to a central system for compliance and asset based in matsoft, which is in development - which will also store documents by property and tie into the repair system, this will also look to flag failures in any compliance report and allow this to be tracked and reported, to ensure the golden thread needed for the housing safety act.</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
<p>Risk: Where issues identified from compliance checks are not rectified in a timely manner and management do not monitor these to ensure that rectification occurs in a timely manner, there is an increased risk that the Council continues to be non-compliant and risks the health and/or safety of the public/staff.</p>			<p>Updated timeframe for completion: As stated above regarding all compliance areas, some areas are already implemented onto the central database and others following shortly with the aim to have all compliance areas by end of March 2025 at the latest.</p>
<p>Contract Management and Procurement – Housing (2019/20)</p> <p>(i) The Contracts Register should be reviewed for completeness and brought up to date.</p> <p>(ii) A timetable of all contracts that are greater than £100,000 and due to terminate should be produced and the tender evaluation panel and evaluation criteria should be timetabled for agreement and documenting in accordance with the Joint Councils CSOs.</p> <p>(iii) The Joint Councils CSOs should be updated to stipulate that initial evaluations undertaken by individual tender evaluation panel members should be retained on file.</p>	High	<p>Overdue - Unable to Verify</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that the recommendation was implemented at the time of the follow up (May 2024). However, the Housing Contract Register was provided after the final deadline provided and therefore, we were unable to complete sample testing to provide assurance to the implementation status.</p>	<p>All current contracts are being reviewed and retendered where applicable and timetable developed with new contracts being developed for capital and revenue works.</p> <p>Updated timeframe for completion: Ongoing. This is a staged approach with the most urgent being dealt with now (2024/25 financial year) and others falling into the programme as and when they are required or coming to the contract end.</p>
<p>Rent Collection and Recovery of Arrears (2020/21)</p> <p>The rent collection procedure should be updated to reflect the current actions being taken to collect arrears. This should include following the suggested actions on Orchard as well as alternative actions taken when Orchard suggested actions are not considered appropriate.</p> <p>Risk: Where procedures are not kept up to date, there is a risk staff are not aware of and do not therefore follow current procedures.</p>	Medium	<p>Overdue - Unable to Verify</p> <p>Internal Audit were informed by the Performance, Policy and Strategy lead that the Rent Collection policy was updated to reflect the Council's current actions to collect arrears identified. However, we were not provided with the Rent Collection policy to validate the recommendation status.</p>	<p>The new Rent Collection Procedure can be accessed here (and sent via pdf of 06/08 and by Huddle 20/08/24)</p> <p>A new rent arrears recovery procedure was written on 1/10/22 then checked and verified by the councils' legal team. The housing team's rental income and arrears work is guided by the revised maximising income procedure guide</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
			<p>A “health check” of MRI/Orchard the council housing management system pertaining to the collection of rental income has been carried out in July 2024 with the councils IT and housing systems team. We await MRIs report to clarify the optimal operational function of the current system and evaluate the training to system users.</p> <p>Updated timeframe for completion: 30/10/24</p>
<p>Leaseholder Charges (2020/21)</p> <p>Minimum leaseholder service standards, to which the Council commits, should be set and the Leasehold Team should devise KPIs based on the service standards, to allow the standard of service to be more easily monitored and measured.</p> <p>Furthermore, the service standards should be documented within the Leaseholders Handbook.</p> <p>Risk: Where service standards are not set, monitored and reported, there is a risk that expected standards are not known and that any poor performance is not identified and addressed.</p>	Medium	<p>Overdue - Not Implemented.</p> <p>The Performance, Policy and Strategy lead stated that the recommendation was not implemented at the time of follow up audit (May 2024).</p> <p>We were unable to confirm when the revised completion date was anticipated.</p>	<p>We will set KPI's for our service standards for monitoring and update the Leasehold Handbook in December 2024.</p> <p>Updated timeframe for completion: 31/12/24</p>
<p>Leaseholder Charges (2020/21)</p> <p>The Council should agree an approach to the way in which leaseholder observations, responses and correspondence are held.</p> <p>Risk: Where observations and the resulting response(s) are not held in the correct location, there is a risk that the observation is not considered when the works are conducted,</p>	Medium	<p>Overdue - Not Implemented.</p> <p>The Performance, Policy and Strategy lead stated that the recommendation was not implemented at the time of follow up audit (May 2024).</p>	<p>Currently records are kept on G Drive within the leasehold folder. Documents can be scanned to NEC System. Expected completion date July 2025 due to the size of this task.</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
and this may result in leaseholder dissatisfaction, complaint and/or Council reputation loss. There is also a risk that information is held in duplicate locations.		We were unable to confirm when the revised completion date was anticipated.	Updated timeframe for completion: July 2025
<p>Tenancy Management (2020/21)</p> <p>(i) The Tenancy Strategy should be reviewed and updated regularly (i.e. every three years).</p> <p>(ii) Once updated and finalised the new Tenancy Strategy should be made available to all staff and updated on the Adur & Worthing Councils website.</p>	Medium	<p>Overdue - Not Implemented.</p> <p>The Performance, Policy and Strategy lead provided the following update:</p> <p>“Work to update the strategy hasn't been undertaken and consideration is being given to the review process, including if it should be part of the new wider Housing Strategy.”</p>	<p>The preliminary work for the new tenancy strategy has been completed and the research and evaluation of tenancy types concluded. The new tenancy strategy document will launch with the Councils' new tenancy agreement and tenant handbook in 2024/2025. A draft has been produced and it is important to note that this requires extensive consultation with residents, and this will take time.</p> <p>Updated timeframe for completion: March 2025</p>
<p>Tenancy Management (2020/21)</p> <p>Once generated, documented procedures should be dated and be made available to all relevant staff. Procedures should be reviewed and updated annually.</p> <p>The 'maximising rental income' procedure should also be subject to regular reviews and updated.</p>	Medium	<p>Overdue - Not Implemented.</p> <p>The Performance, Policy and Strategy lead stated that a draft Adur Council Tenancy Policy was created at the time of the follow up review (May 2024).</p> <p>Examination of the draft Adur Council Tenancy Policy found that while this provided guidance for tenants, it did not document internal procedures for the benefit of Council officers or maximising rental income for the Council.</p>	<p>The maximising rental income policy is to be submitted in its draft form to the full committee in 2024.</p> <p>The service is in phase 1 or redesign progressing to stage 2 in the fourth quarter of 2024/5 when all policies and procedures will be reviewed in line with revised processes for service delivery.</p> <p>Updated timeframe for completion: March 2025</p>
<p>Tenancy Management (2020/21)</p>	Medium	<p>Overdue - Not Implemented.</p>	<p>The tenancy service team have been trained, have logins and</p>

Recommendation and Risk	Priority	Forvis Mazars update and revised timescale	Updated Management Response/Timeframe
<p>(i) Management should develop a mechanism to record and maintain appeals processes documentation.</p> <p>(ii) Considerations should also be given to undertake spot checks ensuring compliance with the process described, including an independent review of appeals cases.</p>		<p>The Performance, Policy and Strategy lead confirmed that this recommendation was not incorporated at the time of the follow up (May 2024).</p> <p>We were unable to confirm when the revised completion date was anticipated.</p>	<p>access to information at work the tenants online filing system. This is where all scanned documentation pertaining to a tenancy is to be kept. Including appeals to tenancy services discretionary decisions.</p> <p>Updated timeframe for completion: 01/01/25</p>

04 Management Actions Superseded

Details of the management actions assessed as Superseded are included below. Definitions of our recommendation gradings are included in **Appendix A1**.

Recommendation and Risk	Priority	Forvis Mazars update
<p>Gas Safety Inspections (2017/18)</p> <p>The Council should have a documented, approval policy which sets out its' objectives and legal obligations, and how these will be achieved, in respect of the servicing of gas installations within its' properties.</p> <p>Risk: Where an up to date and published policy does not exist, there is a risk that the public is not aware of, or does not understand, the importance of the inspection and servicing of the gas appliances within their property so may delay access to their property thus preventing the Council from ensuring their appliances are safe.</p>	<p>Medium</p>	<p>Superseded.</p> <p>Internal Audit were informed by the Performance, Policy and Strategy Lead that a Gas Safety Policy was being drafted by the Councils but had not been completed or approved at the time of this follow up (May 2024).</p> <p>From review of the draft policy shared with Internal Audit, we noted that this did include detail of requirements, including in relation to managing Tenant Appliances and carrying out servicing. However, the document remains a work-in-progress with tracked changes/live queries.</p> <p><i>Subsequently to issuing our draft report we were provided with an updated document, "Interim Adur Homes Gas Safety Arrangements and Procedures" (March 2024). As previously this covers Council objectives and obligations alongside wider processes for gas servicing. As such we believe this recommendation may be closed but have assigned a status of superseded noting that the policy is of interim status and subject to future review.</i></p>
<p>Rent In Advance/Rent Deposit Scheme (2019/20)</p> <p>Performance targets should be set, monitored and reported on a regular basis to senior management & Members.</p> <p>Risk: Where performance is not reported to senior management and Members, there is an increased risk that they are not aware of performance issues and decision making may therefore be impacted.</p>	<p>Medium</p>	<p>Superseded.</p> <p>During initial fieldwork the Performance, Policy and Strategy lead stated that the recommendation was not implemented at the time of follow up audit (May 2024).</p> <p>We were subsequently informed that new senior officers have joined the service since the recommended audit action and disagree that performance targets should be set. We were told that RiA/RDS are used as prevention tools as an alternative to a homeless application and is already reported as part of quarterly HCLIC DLUHC data collection. Obviously the higher the number the better but collection of further performance targets would be unnecessary duplication of data that's already available.</p> <p>As such we have assess this recommendation as closed but note that this is due to the residual risk being deemed acceptable due to wider mitigations in place as opposed to the partial or alternative implementation of the original recommendation.</p>

A1 Audit Information

Agreed Audit Objective and Scope

The effectiveness of internal audit relies upon there being a robust process for establishing that audit recommendations have been implemented. The purpose of this review has been to establish whether the Councils is effectively dealing with recommendations raised. The recommendations from the following Housing team audit reports were reviewed during this follow up:

Audit reports followed up

- Rent Collection and Collection of Arrears (2017/18)
- Leaseholder Charges (2017/18)
- Gas Safety (2017/18)
- Housing Repairs (Matsoft Processes) (2018/19)
- Rent In Advance/Rent Deposit Scheme (2019/20)
- Regulatory Compliance – Housing (2019/20)
- Contract Management and Procurement – Housing (2019/20)
- Rent Collection and Recovery of Arrears (2020/21)
- Leaseholder Charges (2020/21)
- Tenancy Management (2020/21)

Our approach involved obtaining sufficient audit evidence through sample testing, observation and discussions with management and staff, in order to independently confirm the implementation of recommendations.

Scope Limitations

In giving this assessment, it should be noted that assurance cannot be absolute. The most an Internal Audit service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control. Any testing performed was conducted on a sample basis. Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

The audit fieldwork was originally due to commence 15 April 2024, with testing to be completed by 23 April 2024. As set out in Section 01, due to the Council being unable to provide sufficient documentation we extended fieldwork on multiple occasions in order to allow for responses, prior to setting a final deadline, 29 May 2024. As we did not receive responses to a number of recommendations by this stage, we were unable to provide assurance in relation to a number of recommendations incorporated within the scope. These have therefore been reported on as Overdue by default, with further details included within Section 02 and 03.

Definitions of Assurance Levels and Recommendation Priority Levels

In order to assist management in using our internal audit reports, we categorise our recommendations according to their level of priority, as follows:

Definitions of Recommendations	
High (Priority 1)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.
Medium (Priority 2)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Low (Priority 3)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Definitions of Status	
Implemented	Recommendations for which we have received suitable evidence to confirm that actions have been taken to ensure the related risk is mitigated.
Overdue	Recommendations not fully implemented which have passed the due date for implementation. Some parts of the recommendation may be implemented, or progress has been made, however, the recommendation as a whole has not yet been completed.
Superseded	Recommendations for which the related risk is no longer applicable due to organisation change or alternative control. A new recommendation has been raised which has superseded the original recommendation.

Statement of Responsibility

We take responsibility to Adur & Worthing Councils for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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