Internal Audit Report
London Borough of Haringey: Lettings
July 2023

Final Report

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Contents

If you wish to discuss any aspect of this report, please contact Minesh Jani, Head of Internal Audit and Risk Management minesh.jani@haringey.gov.uk.

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01 Executive Summary

This is a summary of matters arising from the audit.

Service Information
Department and Service: Lettings and Rehousing
Audit Sponsor: Assistant Director of Housing Demand
Date of Review: February 2023

Overall Assurance and Direction of Travel
🟢   -

Rationale
For the work carried out by Internal Audit (please see **Appendix A1** for the detailed scope and definitions of assurance ratings) we have provided an overall assurance rating of **Adequate Assurance.**

Priority	Number of recommendations
1 (Fundamental)	-
2 (Significant)	4
3 (Housekeeping)	2
TOTAL	**6**

Key Issues and Unmitigated Risks
• For a sample of five general needs properties advertised via Home Connections and let in the last 12 months, the viewing outcome of one property was not recorded on Home Connections, demonstrating inconsistencies in the monitoring of progress made in letting each property.
• For a sample of five sheltered and five general needs lets made in the last 12 months, we did not receive sufficient evidence to confirm that the rationale for bypassing applicants and resulting allocations were recorded on Northgate, in line with procedural requirements.
• For a sample of five general needs and sheltered properties let in the last 12 months, we noted that formal approval for the resulting allocations was not sought prior to the offer of general needs and sheltered accommodation to the selected applicants in all cases.
• Northgate is not updated to reflect completion of the individual stages defined for the voids re-let process.
• A review of email trails for a sample of five general needs and sheltered properties let in the last 12 months highlighted inadequacies in the communication between the Lettings and Rehousing and New Tenant Liaison Officer (NTLO) Teams.
• The current reporting mechanisms in place are not reflective of the performance of the Lettings Team against a set of defined targets/ KPIs.

Areas Reviewed
Lettings Decision Making
Tenancy Agreements
Monitoring and Reporting

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02   Introduction

As part of London Borough of Haringey's ('the Council') 2022/23 Internal Audit Plan, we have undertaken a review of the control environment around the letting of properties, to provide assurance that there are effective controls in place and that the Council's key risks in relation to this are being managed effectively.

We completed this audit remotely, LBH were unable to provide us with evidence relating to the voids part of the re-let process and so we have not been able to complete testing of the controls in place around the voids process. The voids area of the scope has been removed as agreed with the Head of Audit and Risk Management.

We are grateful to the Head of Lettings and Rehousing and Lettings Officers for their assistance during the course of this audit.

03   Background

As the demand for social housing increases, social landlords face mounting pressure to ensure that the allocation process includes sufficient scrutiny so that limited properties are offered to appropriately eligible customers. It is therefore imperative that social landlords effectively manage their allocations processes to minimise the risk of properties being allocated to ineligible or inappropriate customers. As a tenant-facing service, how the allocations and lettings process is followed in practice has a significant impact on the relationship between tenants and the Council.

The Lettings Team is responsible for making allocations in line with established guidance, which is documented in a series of policies and procedures produced by the Council in accordance with the Housing Act 1996. These procedures include guidance on making direct lets of accommodation and allocations via the Choice Based Lettings (CBL) Scheme operated by the Council.

Further guidance has also been produced by the Council for allocations made via the Community Benefit Society (CBS), an initiative which was introduced in September 2019. This initiative was introduced as a means of increasing the housing supply and discharging the main homelessness duty

with an offer of suitable accommodation from a private landlord, in line with the provisions outlined in Section 148 of the Localism Act[1]. In ensuring that appropriate Private Rented Sector Offers (PRSO) are made to suitable applicants by the CBS, a set of criteria has been defined, against which the Rehousing Team are able to assess the suitability of an offer in accordance with the CBS Nominations Policy.

Between April 2022 and January 2023, 38 private sector lets were made by the CBS, in comparison to the 274 lets of general needs and sheltered accommodation made throughout this period. During this audit, we focused on testing the procedures followed for the letting of general needs and sheltered properties.

In partnership with Home Connections, the Council operates a CBL Scheme which offers applicants the opportunity to bid for available general needs properties advertised via Home Connections. The CBL Scheme assists in ensuring that applicants displaying a reasonable preference for housing are provided with a fair chance of allocation in line with the legal framework of the Housing Act 1996. This is dependent on whether these applicants qualify for participation in the CBL Scheme under the criteria defined in the overarching Allocations Policy maintained by the Council.

Whilst the Council aims to advertise the majority of available properties via Home Connections, exceptional circumstances may arise where an applicant has overriding or specific needs which can only be accommodated via a direct let of accommodation by the Council. The circumstances within which a direct offer would be deemed necessary are detailed within the documented procedures available to the Lettings Team. In the majority of circumstances, the obligation of a direct offer of accommodation arises for management transfer cases and priority households classified as 'Band A'.

The Council also makes direct offers of accommodation in respect of sheltered properties, which are not let via the CBL Scheme. In practice, applicants satisfying the criteria for direct offers of accommodation are identified via the Housing Register maintained by the Council and matched to available properties in accordance with their 'Priority Band' and 'Effective Date'. These applicants are subject to further assessment against the relevant areas specified in the documented procedures in place at the Council.

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[1] Localism Act 2011 - Explanatory Notes (legislation.gov.uk)

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At the time of the audit (March 2023), a 'VD0108 (All Currently Void Dwellings)' Report is run by the Lettings Manager on the Monday of each week for the identification of void properties marked as 'Suitable for Advertising (SFAD)' and 'Ready for Let (RFL)'. This report is distributed to the Senior Lettings Officer and all other teams involved in the lettings function, such as the Housing Repairs Service (HRS) and New Tenant Liaison Officer (NTLO) Team, which allows for each team to provide updates on the statuses of properties marked as SFAD and RFL. Since the audit, the Head of Rehousing and Lettings explained that Northgate has been improved to automatically distribute the report to all teams on a Monday.

In addition to the VD0108 Report, a 'VD0160 Report' is generated on a daily basis, which notifies the Lettings Team of new void properties that have been marked as SFAD. This report is distributed to the Lettings Team, where properties suitable for direct offer of accommodation are identified. Those properties not identified for this purpose are advertised on Home Connections as part of the CBL Scheme. This is completed via reference to the VC1 document that provides details of the properties to be advertised and allows for an assessment of the suitability of these properties for prospective tenants.

The NTLO Team is responsible for conducting property viewings for shortlisted applicants identified via email communication with the Lettings Team. Following a property viewing, the NTLO Team shares the viewing outcome with the Lettings Team, resulting in either a reselection or formal offer being made, subject to verification checks. For lets made on the CBL Scheme, the status of a successful applicant is updated such that no further bids can be placed by this applicant. It is worth mentioning that for sheltered and direct lets, a provisional offer is made prior to a viewing being held by the NTLO Team and viewings for sheltered are conducted by the HUB Co-ordinator.

The Assistant Director of Housing Demand maintains overall oversight of lettings performance via Performance Reports produced by the Head of Lettings and Rehousing and presented at Performance Clinics on a rolling basis. The Council has conducted a review of the current reporting arrangements in place and identified inadequacies in the reporting of performance specific to the Lettings Team. Following this review, the Council has focused efforts on developing metrics/ Key Performance Indicators (KPIs) to further enhance performance analysis of the Lettings Team. At the time of the review, we were advised that performance reporting was a work

in progress and that the proposed KPIs were yet to be approved. We noted that the draft KPIs included the following:

- % Properties advertised or selected for direct lets within one working day of SFAD;

- % Shortlists provided to the NTLO, Viewing Officers or Support Staff within one working day of shortlisting; and

- % Offers made within one working day of learning the viewing outcome.

Areas for Further Improvement and Action

Definitions for the levels of assurance and recommendations used within our reports are included in **Appendix A1.**

We identified areas where there is scope for improvement in the control environment. The matters arising have been discussed with management, to whom we have made recommendations. The recommendations are detailed in the management action plan below.

Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.1	**Updates to the Housing Management System** The Council utilises Northgate to manage and monitor the statuses of void properties throughout the voids re-let process. We reviewed a sample of five general needs and five sheltered properties let in the last 12 months to ensure that each stage of the lettings process was followed had been recorded in Northgate. Whilst we confirmed our sample had followed the procedure, Northgate is not consistently updated with key dates and events. We noted: • Three instances where the 'Target Date' and 'Event Date' were not recorded within the events log for each stage of the lettings process on Northgate (Reference: 154765, 89328 and 154037). • For the seven remaining properties, we did not receive any evidence of an events log from Northgate and were therefore unable to determine whether updates reflecting the progress made in letting each property were administered (Reference: 148394, 150886, 130474, 135537, 153174, 108258, 122208). A lack of clearly documented events in Northgate meant that it was difficult to monitor when each stage of the lettings process was completed and whether allocations	The Council should ensure that Northgate is updated to reflect the progress of each property against the stages of the voids re-let process. The Council should remind staff involved in the lettings function of their responsibilities in ensuring that updates to each property are reflected on Northgate as appropriate. The Council should explore the reporting functionality of Northgate, which could assist with evaluating performance against a set of defined KPIs. Regular checks should be undertaken by management to confirm that each stage of the lettings process is consistently recorded in Northgate.	2	Accepted. We have carried out a review of our use of Northgate and have agreed actions that will ensure that we are fully utilising the system's functionality. Reporting options will be utilised and exception reporting will be monitored to ensure consistent use of the system.	September 2023 Head of Rehousing and Lettings/ Lettings Manager

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Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	were made within reasonable timeframes to minimise the void period. *Risk: The Housing Management System is not updated to reflect the status of each property in the voids re-let process, delaying the re-let of properties and resulting in lost financial income.*				
4.2	**Lines of Communication** The Letting Properties through Home Connections Procedure requires the NTLO to communicate viewing outcomes with the Lettings Team via email. In instances where the viewing outcome has not been communicated within 24 hours of the property viewing, the Lettings Officer is expected to learn the outcome via a call with the NTLO. We selected a sample of five sheltered and five general needs properties let in the last 12 months and noted that: • For two sheltered lets, we were unable to confirm the date on which the viewing was conducted as communication of the viewing date was not identified (Reference: 135537 and 153174). • In one instance concerning a management transfer case, we did not receive evidence to confirm that a viewing was conducted for the property (Reference: 154765). • One instance where the Lettings Officer requested for the NTLO to confirm a viewing date for a property following the communication of the shortlist (NP1). Further review of the email trail found that confirmation of the viewing date was not received	The Council should ensure that Northgate is updated to reflect the status of properties where the voids re-let process has been initiated. In addition to the current communication arrangements in place between the teams involved in the lettings function, the Council could consider implementing a system workflow with the ability to alert/notify relevant teams of updates and actions requiring completion. For example, a reminder to result the viewing outcome for a property within 24 hours of the viewing.	2	Accepted. All services involved need to update Northgate. Phone calls and emails are currently the process used across Council services to record outcomes. Since May 2023, Viewings Officers have been recruited within the Lettings Team and outcomes of viewings are shared immediately with Lettings staff. Viewings events are recorded on Northgate within 1 working day of the viewing. The ability for Northgate to progress to flag the next task will be explored with IT in September 2023.	September 2023 Head of Rehousing and Lettings

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Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	between 9 April and 22 April 2022 (Reference:108258).				
	We take the view that whilst email can be an efficient mode of communication, there is a risk that emails are missed due to a lack of oversight. This could lead to delays in allocating available properties and in turn, contribute to longer void turnaround times.				
	Risk: There are inadequacies in the communication between the teams involved in the lettings function of the Council, resulting in a failure to progress properties in line with the KPIs.				
	This could contribute to longer void turnaround times and any financial loss incurred by the Council.				
4.3	**Tenancy Allocation Records**	The Council should ensure that both Home Connections and the Northgate Housing Management System are updated to reflect the status of each void property during the voids re-let process.	2	Accepted.	July 2023
	The 'Letting Properties through Home Connections Procedure' details that, for general needs lets advertised via Home Connections, the Lettings Officer will shortlist applicants in order of banding and the oldest effective date within that banding on Home Connections.			Whilst the reasons for bypassing an applicant are recorded on Home Connections, there will be occasions where this is also recorded on Northgate.	Lettings Team Manager
	The procedure also requires that a clear reason for bypassing applicants is recorded on both Home Connections (for general needs lets) and Northgate, the Council's Housing Management System.	Moreover, the Council could consider utilising the functionality of Northgate or other system/software to document the rationale for bypassing applicants when making allocations. This could be an efficient means of maintaining an audit trail in support of each allocation to demonstrate appropriate decision making.		This needs to be consistent and when the procedures are reviewed, consideration will be given whether the information is required on both systems.	
	We selected a sample of five sheltered and five general needs properties let in the last 12 months to confirm that sufficient evidence is retained in support of each allocation to demonstrate appropriate decision making.			The process will though be different for sheltered lets	
	For three general needs lets, we were able to confirm that the viewing outcome and reason for bypassing each shortlisted applicant was recorded on Home Connections.				

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Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	In addition, we found that, where a property was not allocated to the individual ranking higher in priority, clear reasoning was provided for moving down the shortlist. However, we noted one case where the viewing outcome for a general needs property was communicated via email between the Lettings Officer and NTLO but was not recorded on Home Connections (Reference: 122208). It was noted that a direct offer of accommodation was made for the remaining general needs lets as a result of management transfer cases. Therefore, there was no requirement for this property to be advertised on Home Connections. For all our sample, we did not receive evidence to confirm that the rationale for bypassing applicants and resulting allocations were recorded on Northgate, in line with procedural requirements. *Risk: The Council cannot demonstrate probity in the decision-making process in respect of each tenancy allocation.*			which is currently a manual process. To record each by-pass activity on Northgate will not be practical as each household has very specific needs and to record each property and reasons for by-pass on Northgate will take a disproportionate amount of time. We want to work with Northgate to move having an automated sheltered housing list whereby a shortlist can be created for each available property, which captures the need of the household.	October 2023 Lettings Team Manager
4.4	**Tenancy Allocation Approvals** Through a review of the policies and procedures made available for use by the Lettings Team and a walkthrough of the lettings process followed in practice, we noted that a requirement for the formal review and approval of resulting allocations has not been documented and is not undertaken prior to final offers being made to successful applicants. *Risk: The Council allocates properties inappropriately, resulting in reputational damage to the Council.*	The Council should develop a formal process for the review and approval of decisions made. This process should be documented in the relevant policies and procedures made available to members of the Lettings Team.	2	Accepted. We will review our processes and identify stages where sign off of decisions would be appropriate based on risk Policies and procedures will be amended accordingly.	October 2023 Head of Rehousing and Lettings / Lettings Manager

Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.5	**Weekly Meetings** The Head of Lettings and Rehousing advised that weekly meetings are held between the Lettings Team, HRS and NTLO Team. These meetings serve as a reporting function, allowing for discussion on the statuses of void properties listed on a 'VD0108 (All Currently Void Dwellings)' Report, which is generated on a weekly basis. In advance of each meeting, the VD0108 Report is distributed to the HRS and NTLO Team by the Head of Lettings and Rehousing. The Head of Lettings and Rehousing informed us that all teams are required to provide updates on the status of each property contained in the VD0108 Report prior to the weekly meeting. We reviewed the VD0108 Reports dated 26 February and 6 March 2023 and confirmed that updates on sheltered and general needs properties were provided by the Lettings Team. However, we noted that updates were not provided by the HRS and NTLO Team for all properties contained within the VD0108 Reports subject to our review. *Risk: letting performance is not effectively monitored throughout the voids re-let process, contributing to delays and longer void turnaround times resulting in unnecessary loss of rental income and contribute to any financial losses already incurred by the Council.*	The Council should ensure that Northgate is updated to reflect the status of properties throughout the voids re-let process. To allow for the identification of those properties requiring immediate attention at the weekly meetings held between the Lettings Team, HRS and NTLO Team. Moreover, updates made to Northgate in real time could contribute to an improved oversight of void turnaround times and reduce the administrative burden of updating the VD0108 Report in advance of the weekly meetings.	3	Accepted. This has been implemented with the Lettings Team updating Northgate notes prior to the weekly meetings. Other services have started this but needs to be consistent.	Complete
4.6	**Key Performance Indicators (KPIs)** The Head of Lettings and Rehousing informed us that Performance Reports are produced on a rolling basis and presented at Performance Clinics chaired by the Assistant Director of Housing Demand.	As planned, the Council should continue to focus efforts on defining KPIs against which performance specific to the	3	Accepted. This will need support from IT to be able to establish performance outcomes.	September 2023 Head of Rehousing and Lettings /

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Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	A review of the Registrations and Lettings Team Performance Report covering lettings performance between October and December 2022 found that although updates on lettings performance (for example, total lets and progress against the Housing Register) were provided, performance of the Lettings Team against a set of KPIs was not reported. Discussion with the Head of Lettings and Rehousing established that the Lettings Team Performance Report is currently being revised to include a performance analysis of the Lettings Team against a set of clear targets/KPIs. Through a review of the work in progress Registrations and Lettings Team Performance Report, we were able to confirm that clear targets/KPIs have been defined. Whilst we note that this Performance Report is still under development, we have referenced in our recommendation KPIs observed at clients operating in a similar capacity. *Risk: There is inadequate scrutiny and challenge at the right level over lettings performance. This could lead to missed opportunities in identifying areas for improvement to streamline the current procedures followed in practice.*	Lettings Team can be monitored. KPIs could include: • Average number of days to re-let empty homes; • % Tenancy turnover; • % Overall satisfaction with new home; and • % Homes empty. The targets specified in the new Registrations and Lettings Team Performance Report should be reiterated within the documented procedures available to the Lettings Team to ensure compliance with KPIs. In addition, these reports should be presented to the Senior Management Team (SMT) and Performance Clinics with appropriate regularity.			Lettings Team Manager

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05   Audit Observations

5.1 Examples of good practice identified

- The Council maintains a series of policies and procedures which provide guidance to staff on the processes that should be followed in the letting of general needs and sheltered accommodation. In addition, documented procedures for making direct lets and final offers of accommodation under Part 6 of the Housing Act 1996 are also in place at the Council. Our review of the 'Letting Properties through Home Connections', 'Supported Housing Lettings (Sheltered and Good Neighbour)', 'Making Direct Offers of Accommodation under Part 6 Procedures' and 'Making Final Offers of Accommodation under Part 6 Procedures' policies and procedures found that all were clear and easy to follow.

  Moreover, we found that these policies and procedures had version control, highlighting the date of the last review, description of changes and the reviewer. Further review of the version control for these policies and procedures noted that these were up to date, with the most recent review dates for all policies and procedures falling between April 2022 and January 2023.

- A review of the 'Making Final Offers of Accommodation under Part 6 Procedures' document found that a flowchart has been attached as Appendix B to depict the process for making offers under Part 6 of the Housing Act 1996. This flowchart directs staff to a series of template letters developed for use during the offer stage of the lettings process.

- The lettings policies and procedures in place at the Council include instruction on shortlisting applicants for general needs and sheltered accommodation. Here, a set of criteria have been defined, against which applicants are assessed during the shortlisting stage of the lettings process for both general needs and sheltered properties (for example, applicant band and medical needs).

- The Council has also developed documented procedures for making a Private Rented Sector Offers (PRSO) under the CBS Scheme in the form of a 'CBS Nominations Policy'. Our review of this policy found it to be clear in describing the processes that should be followed when making a PRSO to accepted homeless households. Furthermore, we noted that the CBS Nominations Policy clearly outlines the criteria against which the Rehousing Team should assess the suitability of a PRSO. In addition to the CBS Nominations Policy, a 'Making Private Rented Sector Offers Procedure' is in place, which was last reviewed in April 2022. This procedure provides supplementary guidance on making a PRSO, including the factors to consider when assessing the suitability of an offer in the form of a 'Suitability Checklist' attached in Appendix A of the procedure. It is noted that this checklist is to be used in conjunction with the criteria defined in the CBS Nominations Policy (N.B. We were unable to determine whether a sample of CBS allocations were made in line with the requirements of the policies and procedures due to delays in the provision of information to Internal Audit).

- Via a walkthrough of the lettings process with the Senior Lettings Officer and the Lettings Officer, we confirmed that for our sample of 10 void properties let in the last 12 months, the process followed in practice for the letting of both the general needs and sheltered accommodation properties was in line with the documented procedures.

- The Head of Lettings and Rehousing advised that, for sheltered accommodation lets, case notes detailing the reasons for bypassing shortlisted applicants are maintained on a shared drive. We selected a sample of five lets for sheltered accommodation in the last 12 months and confirmed that for all our sample, the rationale for bypassing shortlisted applicants was documented within the case notes. However, we noted that these reasons were not documented on Northgate, in line with the procedural requirements. To this effect, we have raised a recommendation in **Section 04.**

- For a sample of four general needs lets made in the last 12 months, we noted that the viewing outcome and reason for bypassing each shortlisted applicant was recorded on Home Connections by the NTLO. In addition, we were able to confirm that where a property was not allocated to the individual ranking higher in priority, clear reasoning was provided for moving down the shortlist. However, we noted similar issues around updates not being made to Northgate and have raised a related recommendation in **Section 04.**

- Weekly meetings are held between the Lettings Team, HRS and NTLO Team to discuss progress made on sheltered and general needs voids

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marked 'Suitable for Advertising' and 'Ready for Let' on the VD0108 Report run at the start of each week. We reviewed the VD0108 Reports dated 26 February and 6 March 2023, which confirmed that updates on all sheltered and general needs voids were provided by the Lettings Team. However, we noted inadequacies in the reporting of updates by the HRS and NTLO Team and have therefore raised a related recommendation in **Section 04.**

- SMT meetings are held on a weekly basis as a means of providing updates on performance across Lettings and Rehousing. This was confirmed through a review of meeting minutes dated 23 January, 30 January, and 6 February 2023.

- For a sample of five sheltered and five general needs properties let in the last 12 months, we confirmed that a tenancy agreement signed by both the Tenant and the Hub Coordinator/NTLO was retained on file.

5.2 Risk Management

In conducting our review, we have focused on those risks and areas outlined within our Terms of Reference, as outlined in **Section A1**, as well as any areas that came to our attention during the audit.

5.3 Value for Money

KPIs are important for monitoring the performance of all service areas involved in the lettings function of the Council. An adherence to performance targets specific to lettings performance would contribute to the efficiency of processes currently followed in practice and improve void turnaround times reducing the cost implications that would usually arise from properties remaining void for substantial periods of time. Moreover, monitoring performance via the use of KPIs could allow for the identification of areas for improvement. For targets to be regarded effective performance measures, they must fulfil the SMART criteria:

- **Specific**: targets must be clearly defined and precise to avoid misunderstanding and wasted effort.

- **Measurable**: targets must be quantifiable to measure progress and success.

- **Achievable**: targets must be realistic and larger goals should be split into smaller, more achievable goals to motivate team members to contribute towards their achievement.

- **Relevant**: targets must align with the overall objective.

- **Time-bound**: targets must have deadlines to ensure their achievement in a time-efficient manner.

During our review, we were able to confirm that this issue has been identified by the Council and that efforts are currently being focused on revising the current reporting arrangements in place to allow for a more detailed performance analysis of the Lettings Team. This should result in an improved oversight and monitoring of lettings performance, specifically in relation to void turnaround times. In turn, this would allow for the application of sufficient scrutiny over lettings performance, such that areas for improvement can be identified for the purposes of streamlining the processes currently in place.

5.4 Sector Comparison

A number of peer organisations formally monitor the individual stages of the lettings process, with specific targets for each stage. This practice allows for more granular analysis of where delays are arising and how processes can be changed to remove bottlenecks and unnecessary delays. The Northgate Housing Management System utilised by the Council defines the individual stages of the voids re-let process. However, our sample testing found that this functionality of Northgate is not used by the Council to monitor lettings performance.

We take the view that the Council could benefit from the use of this functionality to monitor and report on lettings performance against clear targets. This would allow for the potential identification of improvements to further streamline the processes currently in place for the letting of properties by the Council. To this effect, we have raised a recommendation in **Section 04**.

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A1 Audit Information

Audit Control Schedule	
Client contacts:	Denise Gandy, Assistant Director of Housing Demand Leigh Richmond, Head of Lettings and Rehousing
Internal Audit Team:	Mark Chalkley, Engagement Manager Hannah Parker, Field Manager Maariya Ismail, Internal Auditor
Finish on site / Exit meeting:	21 March 2023
Last information received:	21 March 2023
Draft report issued:	5 June 2023
Management responses received:	5 July 2023
Final report issued:	7 July 2023

Report Distribution List		
Report	**Name**	**Job Title**
Draft & Final	Minesh Jani	Head of Audit and Risk Management
Draft & Final	Vanessa Bateman	Deputy Head of Audit and Risk
Draft & Final	Denise Gandy	Assistant Director of Housing Demand
Draft & Final	Leigh Richmond	Head of Lettings and Rehousing
Final	Beverley Tarka	Director of Adults, Health and Communities
Final	David Joyce	Director of Placemaking and Housing
Final	Jon Warlow	S151 Officer
Final	Andy Donald	Chief Executive

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Scope and Objectives

Audit objective: To provide assurance that adequate controls are in place around the management of lettings.

The review considered the following audit risk areas:

- There is an inconsistent approach to assessing applications for housing

- LBH cannot demonstrate probity in the decision making process in respect of each tenancy allocation.

- Terms of tenancies are not enforceable

- Void properties are not let in a timely manner.

- There is inadequate scrutiny and challenge at the right level over lettings performance

Statement of Responsibility

We take responsibility to the London Borough of Haringey 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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Definitions of Assurance Levels	
Level	**Description**
Substantial Assurance:	Our audit finds no significant weaknesses and we feel that overall risks are being effectively managed. The issues raised tend to be minor issues or areas for improvement within an adequate control framework.
Adequate Assurance:	There is generally a sound control framework in place, but there are significant issues of compliance or efficiency or some specific gaps in the control framework which need to be addressed. Adequate assurance indicates that despite this, there is no indication that risks are crystallising at present.
Limited Assurance:	Weaknesses in the system and/or application of controls are such that the system objectives are put at

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	risk. Significant improvements are required to the control environment.
Nil Assurance:	There is no framework of key controls in place to manage risks. This substantially increases the likelihood that the service will not achieve its objectives. Where key controls do exist, they are not applied.

Definitions of Recommendations	
Priority	**Description**
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Direction	
Direction	**Description**
⇒	Improved since the last audit visit.
⇐	Deteriorated since the last audit visit.
⇔	Unchanged since the last audit report.
No arrow	Not previously visited by Internal Audit.

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