

Affordable Housing Grants to Registered Housing Providers

The review focused on the provision of grants provided to Registered Housing Providers (RP) and community led housing organisations for affordable rented homes which are within Local Housing Allowance (LHA) rent limits. Applications for these grants are received online from RPs, which mainly comprise of Housing Associations as well as community led housing organisations and other non-profit housing providers.

The objective of the audit was to review the effectiveness of the system of internal control which governs the timely delivery of the affordable housing plan (for rental units within Local Housing Authority limits) through the Council's grants application process and provide an independent opinion on how effectively the risks associated with affordable housing grants were managed.

During the course of the audit both the member of staff responsible for grant administration and the newly appointed manager with responsibility for oversight left the Council. Internal Audit work was curtailed at that point. Based on the work completed, a **Limited Assurance** audit opinion was assigned. The key findings of the review were as follows:

- There has been insufficient oversight of administration and record keeping, hence issues with data had not been promptly identified
- The Housing Delivery Board had met infrequently and had not set requirements for progress reporting of grant awards
- The Grant Tracker, the primary record of the progress of grant applications progress and grant award was not fit for purpose and had been poorly maintained. The source and accuracy of the data used for summarisation and reporting could not be relied upon
- Data requested by Internal Audit was not readily available and required reconstruction, which upon Internal Audit review were modified
- There was no interface between Pro-Contract, the Grant Tracker, and the ABW accounting system, and reconciliations could not be provided
- Data was not sufficiently granular to determine whether grants were only awarded within permitted criteria, delivery timelines, within budget, or to the expected build standard
- The legal advice in the Decision Pathway Report stating the importance of a robust monitoring process had not been fully implemented and the Council could not be assured that grants provided did not constitute over-compensation
- No confirmation was received that the risk register referred to in the Housing Delivery Plan existed.

The findings from this audit have been discussed and agreed with relevant senior management who have developed a detailed action plan. Consistent with our methodology, this area will be subject to a detailed follow up in Quarter 3. A new team was swiftly put in place to administer and oversee the award of grants. The audit findings and associated management actions were agreed with this team and include the following as some key actions:

- Review of the affordable housing funding policy
- Improvements in governance and oversight arrangements
- Greater clarity over data and certainty that what was recorded in the Grant Tracker was correct
- Reconciliations between the Grant Tracker, ABW and Pro-Contract to ensure a 'single record' of activity

- Consistency and completeness of record keeping and evidence to ensure grants were properly awarded, the use of grants was monitored, and assessments made that grants provided value for money.