Internal Audit

FINAL

Southway Housing Trust

Assurance Review of Complaints Follow Up

2023/24

February 2024

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk of regulatory attention due to non-compliance with Complaint Handling Code.

KEY STRATEGIC FINDINGS

- **The Trust has a Complaints Handling Policy in place, however, there are no formally documented procedures to support the process.**
- **There are standard complaint response letter templates but these are not always being used.**
- **There are plans to develop compensation procedures and centralise this process to ensure a consistent approach.**
- **The Trust has identified that there is no formal process to capture lessons learned and the need to review how these can be analysed.**

GOOD PRACTICE IDENTIFIED

- **A comprehensive training presentation has been developed and all staff involved in complaints are required to attend.**
- **There is regular performance monitoring on complaints and this forms one of the Business Critical Indicators.**

SCOPE

The review considered the arrangements for monitoring, handling and responding to customer complaints, including reporting to Senior Management and Board. The review also considered the Trust's self-assessment against the Housing Ombudsman's Complaint Handling Code by: validating the Trust's self-assessment against the code; reviewing the progress in implementing any actions arising from the self-assessment; and considered the Trust's reporting of the self-assessment against the requirements set out in Part C Section 2 of the Code.

ACTION POINTS

Urgent	Important	Routine	Operational
0	5	7	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	In February 2023 the Trust prepared a comprehensive presentation that has been delivered to staff involved in the complaints process. There are, however, no documented procedures, process flowcharts, timescales and guidance on the use of template letters and forms provided to support the Policy and training.	Formal documented complaints procedures be developed and be made easily accessible to the necessary staff.	2	*Agreed.*	*May 2024*	*Customer Hub Manager- Customer Experience*
5	Directed	A review of a sample of five Stage One complaints identified that three of these had not used the template letter and, in one instance, the letter stated the complainant had only 10 days to respond, whilst the template states 21 days. As these were not the standard template letters, they did not include the lessons learned section.	Standard template letters be used at all times to respond to complainants.	2	*Agreed. We are checking each Stage 1 and letter templates have been amended.*	*March 2024*	*Customer Hub Manager- Customer Experience*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	As part of the testing, it was noted that the initial complaint for 15 Ashby Avenue was made on 2nd May 2023 and logged in Open Housing as 11th May 2023. The response was made on 15th May 2023, although this remains within the 10 day response time. Two other complaints reviewed showed a difference in dates between the initial complaint being received and the date logged in Open Housing.	The initial date the complaint was received by the Trust be logged in Open Housing to ensure designated timescales can be met and monitored.	2	*This complaint was logged in error, but we have amended this and are following the process as outlined in the recommendation.*	*Complete*	
9	Directed	The Trust has identified issues around compensation being given as different teams have dealt with the cases. The Trust is developing a procedure that will sit alongside the Compensation Policy that will set out a structure for compensation related to complaints. it is understood that there will be more than one person making a decision, from a designated group/panel, and it will consider the Ombudsman Remedies guidance to ensure it is compliant. It was noted that an acceptance form was provided in some cases where compensation was offered as part of a complaints response. However, evidence of these being signed and returned was not available during the audit and clarification on the use is required.	As planned a compensation procedure be documented to set out the structure and approval of amounts based on the Ombudsman Remedies.	2	*Agreed.*	*May 2024*	*Customer Hub Manager- Customer Experience*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
11	Delivery	A validation exercise of the performance indicators reported from April to October 2023 confirmed they were reported correctly with the exception of May 2023. The report states 0% completed on time for Stage Two. However, the audit identified one case, which was completed in 20 days, within target. Performance was, therefore, 100%.	The performance indicator for May 2023 stage two be corrected to 100% to ensure consistency across the year.	2	*Complete.*		
1	Directed	A review of the latest Complaints Handling Policy (v7.5) includes a link to the Compensation Policy from 2019 and not the most recent version.	The link to the Compensation Policy within the Complaints Handling Policy (v7.5) be updated to the latest version.	3	*Complete Policy has been amended on website.*		
3	Directed	The Stage One standard template response letter states the complainant has 21 days from receipt of the response letter to reply. The Complaints Handling Policy now states this should be six weeks.	The stage one standard template response letter to be updated to reflect the new Complaints Handling Policy with six weeks to respond.	3	*This has now been completed.*		
4	Directed	A review of all staff involved in the complaints process as part of our testing identified two staff had not received any complaints training, one has since left the Trust. The remaining member of staff was an oversight and will be included in a session in the next four weeks.	Complaints training be delivered to all staff by the end of February 2024 as planned.	3	*The Head of Communities missed the training in Feb/March 2023. We won't be able to deliver this by the end of February, due to staff resource but we will complete by end of March.*	*March 2024*	*Complaints Officer*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Directed	The Complaints Policy states each complaint will be assigned to an officer who will be responsible for dealing with it and the Trust will confirm this within five working days of the complaint being made. This date is recorded in the notes section within Open Housing, however, it was found to not be completed by all staff.	All staff involved in complaints be reminded that must note the date of the initial confirmation that the complaint has been assigned.	3	*Agreed will implement from 1st March.*	*March 2024*	*Customer Feedback Specialist*
8	Directed	As part of testing 86 Houghend Avenue was reviewed. The Stage Two response was issued on 16th November 2023, however, Open Housing has this logged as closed on 19th October 2023 and completed on 16th November 2023.	Confirmation be obtained that the correct closed date has been logged for 86 Houghend Avenue.	3	*We will make a note on Open Housing to show the correct date.*		*Customer Feedback Specialist*
10	Directed	Testing identified that 1 Aycliffe was offered a £50 amazon voucher as part of compensation in August 2023, however, no evidence is available to confirm this has been issued.	Confirmation be obtained that the £50 amazon voucher offered to the complainant for 1 Aycliffe has been issued.	3	*This wasn't issued as a separate offer of £500 compensation was accepted on review. Action complete.*		

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
12	Delivery	Lessons learned are captured in template letters but there is currently no facility to record these actions within Open Housing to enable analysis of the trends and themes. A proposal to increase the Complaints Team will enable the Trust to review lessons learned translating to actions. The intention is to produce a monthly report and link in with the Communications Team and the Involvement Team (Including Tenants) who attend Service Improvement Groups to show they are truly learning from their customer feedback.	As planned the analysis of lessons learned be captured/acted upon and form part of regular reporting.	3	*Facility is set up in Open Housing. From 1st March we will start to collect the data and feed this into the section of Open Housing.* *We will be able to analyse the results from the end of Q1 24/25.*	*July 2024*	*Customer Feedback Specialist*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	The Customer Care Annual Report for 2022/23 stated that complaint handling satisfaction has declined and satisfaction with complaint outcomes has remained below 2%. A complaints action plan is in place which includes the RSM audit recommendations and other improvements identified by the Trust and this is reviewed by Executive Management Team to ensure actions are being followed up.	Consideration be given to developing a more formal process for managing the Complaints Action Plan to monitor completion of actions.	*We will set up Quarterly meetings and Head of Corporate Services will then report progress to the Exec Team.*

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, 2, 3, & 4	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	5, 6, 7, 8, 9, & 10	-

Other Findings	
	The Trust has recently reviewed the Complaints Handling Policy following recommendations from the Ombudsman and improvements identified by officers. This was approved in November 2023. There is also a Compensation Policy, which was last approved in May 2023.
	The previous internal auditors, RSM, carried out a review of the complaints process in 2021/22 and 11 recommendations were made. As part of this review, it was confirmed that 10 have been implemented, one remains outstanding and a recommendation has been made as part of this review.
	The risk register includes a specific risk relating to complaints 'Risk of regulatory attention due to non-compliance with Complaint Handling Code'. A review confirmed that the mitigating controls are in place.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	11, & 12	1
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings
The Customer Complaints Policy Review 2023/24 was reported to the People and Places Committee in November 2023. This included the revised self-assessment originally reported in August 2023, amended to reflect changes by the Housing Ombudsman.
Complaints Performance Indicators are reported to the People and Places Committee on a quarterly basis. These include stage one - % completed in time; stage two - % completed in time. The last report in November 2023 reported stage one % completed in time was 91% (April 2023 67%) and stage two was 100% (April 2023 50%). This has varied over the past six months and shows an improvement in the performance.
Complaints outstanding form one of the Business Critical Indicators the Trust monitor.
The Trust had a £5,000 budget for complaints and to date £17,357 has been spent. The budget for 2023/24 has been increased to £30,000 to be managed centrally by the Complaints Team.
The Trust is looking at resourcing an additional 0.5 FTE post to support the Complaints Officer with workload as they have recognised that the number of complaints and workload has increased, and to assist with lessons learned analysis.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	3rd May 2023	3rd May 2023
Draft Report:	30th January 2024	19th February 2024
Final Report:	19th February 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Southway Housing Trust		
Review:	Complaints Follow Up		
Type of Review:	Assurance	**Audit Lead:**	Clare Parkes

Outline scope (per Annual Plan):	The review considers the arrangements for monitoring, handling and responding to customer complaints, including reporting to Senior Management and Board. The review will consider the Trust's self-assessment against the Housing Ombudsman's Complaint Handling Code by: validating the Trust's self-assessment against the code; reviewing the progress in implementing any actions arising from the self-assessment; and considering the Trust's reporting of the self-assessment against the requirements set out in Part C Section 2 of the Code.
Detailed scope will consider:	The review will set out to provide assurance to the Audit and Risk Committee that the Trust has robust processes in place to for managing complaints. • The processes are supported by appropriate policies and procedures. • The Trust has appropriate arrangements in place to receive and respond to complaints in a manner that is compliant with the RSH expectations and the Housing Ombudsman's Complaint Handling Code. • Appropriate reporting is provided to the Board/Committee in relation to the management of complaints.
Requested additions to scope:	(if required then please provide brief detail)
Exclusions from scope:	

Planned Start Date:	15th January 2024	**Exit Meeting Date:**	17th January 2024	**Exit Meeting to be held with:**	Tom Beswick and Matthew Maouati

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	Y
Are there any particular matters/periods of time you would like the review to consider?	N