



Southway Housing Trust

Assurance Review of Voids Management

January 2025

Final



Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Poor Void Performance.

SCOPE

The review considered the management and co-ordination of specialist type works that are undertaken to void properties. This included asbestos surveys and removal, and property clearances.

KEY STRATEGIC FINDINGS



The current suite of policies and procedures pertaining to voids were last reviewed in 2021 and have not been updated since.



The Trust's relet subcontractor list does not accurately reflect all subcontractors currently engaged.



Key observations from the sample testing include the following: the 'Spec 1' form is not being utilised to log void works; the 'Schedule of Works' spreadsheet is not being updated on the original void schedule sheet; and 'Post Inspection Forms' are not being fully completed by staff.



Sample testing that focused on Asbestos management revealed that although Asbestos Survey forms were available, no confirmation of Certificate of Clearance was provided for testing.

GOOD PRACTICE IDENTIFIED



The Risk Register effectively identified relevant risks associated with void performance, with appropriate mitigating controls in place and clear assignment of responsible owners.

ACTION POINTS

Urgent	Important	Routine	Operational
1	4	5	0

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)
8	Directed	Section 1.2 of the Southway Void Standard Document outlines the procedure for managing asbestos-related work, specifying that when asbestos is identified, the property be sealed and recorded in the asbestos register database. Removal is to be conducted by an approved contractor, with all clearance certificates submitted to the compliance team. The Asbestos Policy that was provided to the auditor (version 6.0) was approved in October 2019 and was due for review in 2020/21. It was subsequently established that a newer version, approved in 2023 and due for review in 2025) was available A review of three properties revealed that while asbestos survey forms were present, the clearance certificates were not provided during the fieldwork. Additionally, post-inspection forms in one case had an incomplete job number, while another showed an alteration to the surveyor's name and modifications to the template, removing the date and signature sections, with no signature provided.	1. Clarification be obtained that all asbestos surveys are complete, and certificate of clearance are obtained, and all documents are submitted to the compliance team. 2. Ensure that post-inspection forms are accurately completed with all required information, including job numbers and signatures. 3. Implement controls to prevent unauthorised alterations to post-inspection forms, and ensure any changes are properly authorized and documented.	1	<i>All requested asbestos surveys were sent to auditor at time of audit as requested. 28 Brandwood had a removal of mastic required Disposal Note Provided. 28 Brandwood is a Gecko Void so overseen by the Development Team.</i> We have implemented a digital post inspection form to completely remove any future risks of incomplete forms. This will also provide a digital audit trail.	N/A Completed	N/A Head of Property Investment

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)
4	Directed	A review of the works order process for four samples revealed the following: The Spec 1 form, introduced in May 2024, was missing for a job conducted in June 2024. The variation tracker provided by Structec for additional works was not signed or authorised to confirm the extra work completed, and this tracker is not used or maintained for other contractors. While invoices and post-inspection forms were provided for all samples, one post-inspection form listed additional work needed, but there was no review process to verify the efficiency of the completed work. It was noted that a review process for post-inspection forms is planned for future implementation once these forms are incorporated into T-Mobile.	1. Issue a formal communication to remind all staff of the mandatory use of the Spec 1 form and ensure it is consistently applied for all works undertaken. 2. Implement a standardised variation tracker for all external contractors. For contractors using their own trackers, ensure these documents are reviewed and approved to verify the completion of additional work. 3. Introduce a "Rework or Additional Works" form to ensure all required work is completed and to establish a clear audit trail. For PS jobs, incorporate this form as an additional step in the post-inspection process once it is integrated into T-Mobile.	2	1. <i>This missing Spec 1 form was during the transition period from paper to electronic copies. All Spec ones are now in electronic format. Housing Management raise the job, and the Spec 1 form comes down to TM. All Spec 1 void forms will be rejected if not completed correctly and monitored by the Void Coordinator. Communication issued to staff.</i> 2. <i>Variation tracker already in place – these are reviewed and saved weekly. Will add an electronic signature process to the Structec forms.</i> 3. <i>In development – additional field to be added to the electronic post inspection form to add and additional works or 'snags' to be completed.</i>	Complete (Trackers) will be unified for the next financial year 31/12/24 31/12/24	System generated Head of Property Investment Head of Property Investment

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	A review of specialist works identified over the past 12 months included a sample of five void works. The review found that the processes were carried out efficiently in three instances. However, in two cases, the post-inspection forms did not include job numbers. Additionally, one case was identified where the post-inspection form was incomplete, lacking a signature, date, and accompanying photographs.	Post inspection forms be in full, including all required fields and supporting photographs to provide a thorough audit trail. This is essential for effective management and future allocation of void properties.	2	We have implemented a digital post inspection form to completely remove any future risks of incomplete forms. This will also provide a digital audit trail. Process cannot be completed without all fields being complete.	Complete	N/A
7	Directed	A review of the Trust's relet sub-contractors' spreadsheet revealed that it includes the names, functions, and details of only two contractors. However, testing identified invoices from Dyno and Scope IT, neither of which were listed on the relet sub-contractors' spreadsheet.	The relet sub-contracts list be updated to include all subcontractors currently in use. Regular review and updates of this list during monthly void improvement group meetings will help maintain its accuracy and ensure comprehensive oversight.	2	<i>The approved sub - contractor list is held in Ebis- auditor was incorrectly sent another contractor list.</i> <i>Contractors reviewed on an annual basis.</i>	N/A	N/A
10	Delivery	Screenshots of the finance system shared by the Finance Business Partner confirmed there is an agreed budget under Void Relet and Void Repair. Furthermore, breakdown of the Q1 accounts lists the actual expenditure to date but does not provide for any variance to budget or forecast for void repairs.	Quarterly accounts breakdown to incorporate year to date budget variance as well as the forecast for void repairs.	2	<i>Quarterly accounts do include Year to date budget variance as well as the forecast for void repairs as standard. Q1 this year was a one off where forecasts weren't completed in the accounts & we accrued to budget instead.</i>	N/A	N/A

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)
1	Directed	The Trust maintains a suite of policies and procedures, aligned with the Southway Void Standard document, which was last reviewed in 2021. However, the document does not specify the next review date or identify the responsible owner. The document outlines the void standards for the quality of the finished product, establishing minimum expectations for incoming customers. Additionally, it details health and wellbeing standards, as well as internal and external standards.	The Southway Void Standard document and its related policies be updated at the earliest opportunity. Where applicable, the document be revised to incorporate related procedures alongside the established standards, ensuring clear guidance and direction for employees.	3	<i>The standard/specification which has been renamed Empty Homes Specification is in the process of being reviewed with completion set for end of November. Review date will be added to this document once finalised.</i>	30/11/24	Head of Property Investment
2	Directed	The Empty Homes Policy was reviewed and approved in November 2021 by the Strategic Director of People and Places, with the next review scheduled for Q3 2022-23. The policy is intended to support the efficient management of empty homes by outlining the process for recording the number of days taken to relet properties and complete repairs or refurbishments. However, the Policy does not specify a timeline for these activities, which may create a gap in the effective management of empty homes. Additionally, the review of responsibilities indicates that the Strategic Director of People and Places listed as the responsible owner, but this role has since been updated to the Executive Director of Landlord & Communities.	The Empty Homes Policy be reviewed and approved at the earliest opportunity to ensure current controls are documented and to incorporate recent changes in roles and responsibilities, ensuring that the Policy accurately reflects the current organisational structure.	3	<i>The Southway Empty Homes Policy was last approved 2021 and is returning to the People and Places Committee November 2024. It was agreed with the Committee to defer to this date as the pilot work that was due to inform it had not progressed.</i> <i>We would normally change names when getting the next formal approval and this has been actioned.</i>	Complete	N/A

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)
3	Directed	The Trust maintains a spreadsheet titled "Relet Structure," which lists employee names along with their assigned roles. A review of the spreadsheet revealed that the Business Transformation Manager and the Executive Director of Landlord & Communities were not included.	The Relet Structure spreadsheet be updated to include the names and roles of all relevant employees. It is further recommended that the spreadsheet be reviewed and updated on a regular basis to ensure that any changes or additions to staff are accurately and promptly recorded.	3	<i>Neither the Business Transformation Manager or the Executive Director have direct responsibility for reletting homes and should not be included in the structure chart.</i> <i>Regular updates for relevant team members in place – agreed to use role titles not names.</i>	Complete	N/A
5	Directed	The Trust's Tenancy Termination Procedure, last reviewed in 2021, lacks a scheduled date for its next review. According to the procedure, once a property is flagged as "on notice" in the Open Housing software, the tenant is to receive a termination letter, notice to quit, and terms and conditions. Following this, a Termination Form is to be completed and DocuSign with the tenant to confirm a pre-termination inspection. A review of three void properties confirmed that in two cases, the termination letter and notice to quit were issued as required. In the third case, involving an abandoned property, notice was sent to the tenant. However, evidence of the Termination Form, which requires tenant confirmation of the pre-inspection, was found in only one case, and it had been signed by hand rather than through DocuSign. In the second case, the form had been completed but could not be downloaded due to technical issues so assurance of DocuSign form cannot be provided.	The Termination Form be DocuSigned for all properties to ensure tenant authorisation and compliance with the pre-termination inspection process.	3	<i>The team has questioned this recommendation as they don't have to use DocuSign 100% of the time. There are plenty of examples in the team in particular completing paperwork outside of DocuSign as they're often with the tenant in person. A tenant signing something by hand (which in this case it was) is acceptable.</i> <i>The procedure is reviewed every 3 years so will be due very soon. When it is reviewed, the team will make it clearer that either DocuSign or by hand is acceptable.</i>	31/03/25	Age Friendly Housing Manager

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)
9	Delivery	A review of the People and Places Committee minutes confirmed that voids were discussed as part of the standing agenda in May and July. Additionally, the Risk Register indicates monthly Void Improvement Group meetings are conducted which, in discussion with management, confirmed an action plan is maintained. However, performance monitoring is not explicitly addressed in the Southway Housing Trust Empty Property Specification and Standard Document 2021.	The Southway Empty Property Specification and Standard Document 2021 be updated to include monitoring arrangements to ensure regular oversight and effective execution of void properties.	3	Agreed, this will be completed by the end of November.	30/11/24	Head of Property Investment

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
No operational effectiveness matters were found.				

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	-
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	4, 5, 6, 7, & 8	-

Other Findings



The Trust's Risk Register was last presented to the Audit and Risk committee in July 2024 and Parent Board from September 2023. Appropriate mitigating controls are put in place to risks identified in relation to void performance with responsible owner assigned.



The void management process involves submitting a Spec 1 form via T-Mobile, sending a Schedule of Works to contractors for external jobs, and raising PS jobs within the Open Housing system. For external jobs, purchase orders (POs) are raised, and upon completion, invoices and post-inspection forms with photos are submitted. PS jobs are similarly reviewed in the Open Housing system, with completed post-inspection forms including photos. The void management system is then updated to reflect that the property is ready for re-let, and this is communicated via the team's channel. Non-compliance with these arrangements was noted during audit testing. **(Recommendation 4 refers).**

**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	9	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.		-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Partially in place	10	-

Other Findings

A review of the People and Places Committee minutes confirmed that voids were discussed as part of the standing agenda in May and July. Performance monitoring is not explicitly addressed in the Southway Housing Trust Empty Property Specification and Standard Document 2021.

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:	1 st July 2024	1 st July 2024
Draft Report:	23 rd September 2024	27 th November 2024
Final Report:	28 th November 2024	
Revised Draft Report:	5 th December 2024	
Revised Final Report:	10 th January 2025	