



Hinckley & Bosworth Borough Council – Internal Audit Report  
**Responsive Repairs**  
December 2022

**Final Report**

**mazars**

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## ***Disclaimer***

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## 01 Introduction

As part of the Internal Audit Plan for 2021/22, we have undertaken an audit of responsive repairs at Hinckley and Bosworth Borough Council (“the Council”). The objective of the audit was to evaluate the adequacy of the system of internal controls and its application in practice with the area under review.

We are grateful to the Head of Housing, the Repairs Manager, the Housing Repairs Helpdesk Team Leader, and all other staff for the assistance they provided to us during the course of the audit.

This report summarises the results of the internal audit work and, therefore, does not include all matters that came to our attention during the review. Such matters have been discussed with the relevant staff.

## 02 Background

An effective, efficient, and robust responsive repairs service is key to providing tenant satisfaction for Registered Providers (RPs). Additionally, there are important statutory considerations regarding the repairs function by landlords. For example, the Landlord and Tenant Act of 1985 states that landlords are responsible for carrying out repairs to the properties they own and rent to tenants. Furthermore, the Regulator of Social Housing Standard (RSH) requires a cost-effective maintenance and repairs services to homes and communal areas, that responds to the needs of and offers choices to tenants and has the objective of completing repairs and improvements first time.

The Council is responsible for over 3,200 homes in the borough and uses contractors and an in-house team to carry out responsive repairs. In 2021-22, a total of 31 different contractors were used. Out of 10,269 jobs completed in 2021-22, 5,677 (55%) were carried out by the in-house team.

Day-to-day management of the repairs service sits with the Head of Housing and Repairs Manager. The Council operates a phone line to report repairs and the Repairs Call Centre logs the repairs onto the housing management system, Orchard. Additionally, repairs can be logged on the Council’s website through a standard form. Accuserv is the software used to manage contractor repairs and was implemented by the Council in early 2022.

RPs are currently struggling nationally to ensure that responsive repairs are completed in a timely manner in the wake of the pandemic. There is a government recognised shortage of skilled labourers, causing RPs to experience a backlog combined with an inability to access homes for long periods of time during measures to restrict the spread of Covid-19. This is the case with the Council who are operating a backlog of repairs to complete, which began during the Covid-19 pandemic. The Council has sought to use additional contractors to help to reduce the backlog.

Repairs are split into four categories, which have the following timescales and performance. A risk-based approach has been taken with a focus on ensuring Emergency repairs are completed within timescales.

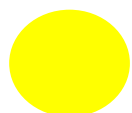
KPI	Target	2021/22	June 2022	September 2022
% of Priority 1 (Emergency) works completed on time	1 day	100%	100% →	100% →
% of Priority 2 (Urgent) works completed on time	5 days	99.41%	97.41% ↓	96.96% ↓
% of Priority 3 (Routine Repairs) works completed on time	28 days	65.21%	74.68% ↑	70.3% ↓
% of Priority 4 (Planned) works completed on time	91 days	75%	76.8% ↑	68.7% ↓

Each repair is required to be approved. The Repairs Call Centre team have an authorisation limit of £50. In the Responsive Maintenance department, staff can only approve job orders and payments within the Council’s scheme of delegated authority. Once a team member has raised the job, and it has been approved by a member of staff with sufficient authority, it will be sent to Finance for approval before being paid (once the work has been carried out).

The Council monitors performance on the completion of repairs, reporting to the Senior Leadership Team on a quarterly basis. The Council also reports on tenant satisfaction with repair works carried out. After every repair, a tenant satisfaction slip is given to the tenant to return. At the end of 2021-22, the Council had received 2,148 responses (21%) from tenants, with a satisfaction rate of 96.83% reported. The satisfaction figure as of September 2022 was 98.9%.

## 03 Key findings

### Assurance Rating



**Moderate Assurance**

### Rationale

Based on the agreed scope and rating criteria (see Appendix A1 for the detailed scope and definitions of the assurance ratings, there is **Moderate** assurance over the system of internal control evaluated.

We have identified some areas with room for improvement relating to KPI reporting and analysis of repairs data. Further detail regarding the recommendations is in **Section 04** and a summary of key observations is included below.

Priority	Number of Recommendations
High	-
Medium	2
Low	2
<b>TOTAL</b>	<b>4</b>

### 3.1 Examples of areas where controls are operating reliably

- The Council has a Responsive Repairs Procedure Manual on the staff intranet. We reviewed the Manual and found that it detailed how to receive a repairs request via phone and raise this as a job on Orchard; how to log customer complaints, guidance for surveyors carrying out pre- and post-inspection works. The Manual goes on to detail specific procedures for boiler, gas, asbestos, and void inspections.

- We reviewed the tenancy agreement template and confirmed that tenants are informed of their responsibility to report repairs to the Council.
- The Council's website includes a section dedicated to housing repairs. There is a link to a repair report form, as well as the four different categories of repair: Emergency Work, Urgent Work, Routine Work and Planned Work. Additionally, there is guidance on repair appointments, access to tenant homes, and customer service during and after the repair.
- Guidance is available for tenants on common repairs issues along with links to videos showing how to carry out simple repairs.
- Members of the Housing Repairs Helpdesk are given instructions and guidance on how to categorise repairs as the correct priority. The Council also uses pre-inspection visits where this is deemed necessary to ensure that the repair is completed in a timely manner but also that it is completed first time.
- Authorisation limits for job approvals are set up on Orchard for members of the Responsive Maintenance team. We selected a sample of 14 out of 17,010 repairs carried out (and paid for) between April 2021 and March 2022 and confirmed all 14 were authorised within the user's limit.
- The Council has oversight over all open and completed jobs within Orchard. Weekly reports are available which include the number totals for the live jobs, their estimated value, the number of jobs logged but not raised with contractors or the in-house team, and the date the contractor diaries are booked up to. Additionally, there are figures on the number of live jobs Out of Target, their estimated value, and the number of new jobs raised in the last seven days. As of 1 August 2022, we note that there are 873 live jobs, of which 582 are Out of Target.
- We reviewed completed repairs data for 2021-22 and confirmed that there were no duplicate job orders/numbers listed.
- We selected a sample of four out of 31 contractors used by the Council and requested meeting minutes for the most recent progress meeting. We received minutes for three contractors and

confirmed that any issues were discussed within these meetings with corresponding actions. For example, queries about the standard of scaffolding and the percentage of first-time fix rate on repairs. The former issue resulted in a site meeting being organised between a member of the Council and the scaffolding team. For the fourth contractor, PRB, we were informed that meetings are held on an ad-hoc basis as they are not used as frequently. We were informed that there had been no issues with PRB.

- Repairs over £1,001 should have a post inspection. We obtained completed repairs data from April 2021 to March 2022 which detailed 303 repairs out of 307 over £1,001 had received a post inspection. This equates to 99%. (N.B we sought to obtain an explanation for the four repairs with no post inspection recorded, however, this was not provided during the audit fieldwork)
- We confirmed that the figure reported to the SLT on customer satisfaction with repairs, 96.83% in 2021/22, was correct according to the spreadsheet with the collated responses.
- We confirmed that opportunities to seek improvements are identified at Housing Repairs team meetings. We received the past three quarterly meetings of the team where we noted that current issues were discussed, and solutions presented. For the last three meetings, the implementation of Accuserv, staffing issues at the Repairs Helpdesk and in-house repairs team were key topics.

### 3.2 Risk Management

The Council has a section of their Risk Register dedicated to Housing Repairs. There are ten risks allocated to Housing Repairs: Fraud; Financial procedures, Staffing levels, Tenants' heating affordability, Material costs, funding, Business Plan, Safety and Compliance, Legionella Contamination, and Covid-19 restrictions.

With regards to the relevant risks outlined above, we confirmed that meetings are held with contractors where they are held to account for their performance. Additionally, we confirmed that the Council carries out satisfaction surveys for its repairs, records the responses and reports these to their SLT. We also confirmed that there was a clearly outlined procedure for categorising repairs.

We noted that the monitoring of figures for Right First Time Repairs and the timeliness of repairs could not be confirmed by our testing due to the manual corroboration of these figures by the Repairs team. This was due to the implementation of Accuserv in early 2022 which caused issues with the reported data in Orchard. We have included a recommendation on this in **Section 04** below.

### 3.3 Value for Money

It is not uncommon in the sector for RPs to move their responsive maintenance functions in-house, with many, including the Council, delivering responsive repairs through a combination of in-house and contractor services, citing the extra control of having an in-house service as an effective base to improve the efficiency of repairs work and subsequently maximise tenant satisfaction. Potential cost savings are also a major factor, with procurement and contractual costs of using external parties often much higher than running the service in-house.

The Council has an in-house repairs service that conducts more than half of all works orders and in 2021-22 made use 31 contractors. With such a volume of contractors used it is essential that clear oversight is maintained of performance and whether the Council is receiving value for money. We understand that regular meetings take place with the larger contractors.

Unlike other organisations, we understand that the Council has not carried out analysis of repairs in relation to:

- Repairs costs per property
- Repeating component failures identified
- Number of contractor jobs Out of Target (exceeding deadlines)
- The average delay of contractor repairs.

Such analysis may identify improvements to processes and value for money opportunities. We have raised a recommendation in relation to this in Section 04 below.

### 3.4 Sector Comparison

Reporting on repairs is an essential tool for all social housing providers, as each repair may be processed by several colleagues in different

teams and go through multiple stages. Accurate reporting allows management to identify which stages of the process could be improved upon and where changes to processes may be required. The majority of peer organisations report on the percentage of jobs completed on time, per priority type, and the number of repairs done right the first time as a KPI. We note that the Council are in line with sector practice here and also report on customer satisfaction levels.

Post inspections are a vital part of the repairs process, as they are used to confirm that repairs have been completed to a satisfactory standard. It is therefore important that post inspections are conducted for a range of repairs provided, especially for work orders with a high value. We noted that the Council aim to carry out post inspections for 1% of repairs between £28 and £250; 10% of repairs between £251 and £1,000, and 100% of repairs over £1,001.

Many housing providers are now reviewing their business processes and assessing how technology can improve the service that they provide. With regards to repairs and maintenance, we have seen other RPs take a digital approach with the use of iPads and other tablet devices to complete inspections on site, using apps that are linked to the housing management system. During post inspections, the Council's in-house team will make notes either their tablet, and the information would be transferred onto Accuserv once the surveyor returns to the office. The tablets used by contractors on site do not currently have Accuserv access. In addition, at peers, we see a more digital process to issuing satisfaction surveys. At present, the Council issues a paper slip when the repair is completed. The return rate of surveys in 2021/22 was approximately 20%.

## 04 Areas for further improvement and action plan

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.

We note that we were unable to test whether repairs reported by tenants were entered onto the system. The Council's process is for tenants to either call the Repairs Helpdesk, who will then directly log the repair, or complete an online repair form.

Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility
4.1	<p><b>KPI reporting</b></p> <p>The Council report KPIs on Right First-Time statistics on repairs as well as the timeliness of repairs, for all four repair categories. The reporting is delivered on a quarterly basis to the SLT. We were unable to test the accuracy of the Right First Time and timeliness figures, as performance is manually calculated and supporting data is not retained.</p> <p>We were informed that the implementation of Accuserv in early 2022 impacted the accuracy of figures reported in Orchard. As a result, the Repairs team manually corroborate figures between Accuserv and Orchard.</p> <p><i>Risk: The Council receives incorrect performance statistics on repairs, such that they are unaware of where improvements could be made.</i></p>	<p>The Council should:</p> <ul style="list-style-type: none"> <li>Ensure that any KPIs reported can be substantiated by retention of base data where possible; and</li> <li>Fix the data issue between Orchard and Accuserv.</li> </ul>	Medium	These are currently in progress.	<p>March 2023</p> <p>Housing Repairs Manager</p>
4.2	<p><b>Repairs analysis</b></p> <p>The Council uses Orchard and Accuserv to record responsive repairs carried out for both in house and contractor repairs. From the system, reports can be extracted for all repairs. Information can be viewed such as the contractor used, repair</p>	<p>The Council should consider carrying out regular analysis on repair spending and contractor data to identify performance improvements.</p>	Medium	This action will be reviewed and any service improvements required will be implemented.	<p>March 2023</p> <p>Housing Repairs Manager</p>

Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>category, the date that the repair was entered into the system and the date of completion.</p> <p>Unlike other organisations, we understand that the Council has not carried out analysis of repairs in relation to:</p> <ul style="list-style-type: none"> <li>• Repairs costs per property</li> <li>• Repeating component failures identified</li> <li>• Number of contractor jobs Out of Target (exceeding deadlines)</li> <li>• The average delay of contractor repairs.</li> </ul> <p>We understand that this is due to limited resources, however, this analysis can help to identify improvements to processes.</p> <p>We carried out such analysis and identified 16 properties where over 20 repairs were carried out from April 2021 to March 2022. For contractors, we identified that one contractor had 41 repairs open that were already Out of Target and had an average delay of 188 days for repairs with a 28-day timescale. We have been informed that contractor delays are expected due to the backlog experienced at the moment.</p> <p><i>Risk: The Council has insufficient oversight on its repairs performance.</i></p>				
4.3	<p><b>Responsive Repairs Procedure Manual</b></p> <p>The Council have a Responsive Repairs Procedure Manual in place that details the process of the various types of repairs, how to raise them and correctly log them on Orchard, the Council's housing management system.</p> <p>The Manual does not include:</p> <ul style="list-style-type: none"> <li>• The date of creation or review;</li> </ul>	<p>The Council should ensure that:</p> <ul style="list-style-type: none"> <li>• The Manual is reviewed on a regular basis and approved at an appropriate level at the Council;</li> </ul>	Low	Agreed. The manual will be revised and then subject to annual review.	<p>December 2023</p> <p>Housing Repairs Manager</p>



Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<ul style="list-style-type: none"> <li>Next due date for review;</li> <li>The document owner; and</li> <li>The document approver.</li> </ul> <p>The Council uses Accuserv in addition to Orchard for recording contractor repair works. The use of Accuserv is not referenced in the manual.</p> <p><i>Risk: Documented policies and procedures are not adequately reviewed, leading to lack of awareness of processes.</i></p>	<ul style="list-style-type: none"> <li>System changes are appropriately reflected in the Manual when necessary; and</li> <li>The Manual includes version control such as date of last review and approval.</li> </ul>			
4.4	<p><b>Repairs Satisfaction Surveys</b></p> <p>At present, the Council issues a paper slip when the repair is completed. At peers, we see a more digital process to issuing satisfaction surveys, for example, text message. In addition, using paper forms increases the risk of lost forms.</p> <p>The Council's return rate of surveys in 2021/22 was approximately 20%. Satisfaction with the repairs service is currently positive with 98.75% satisfaction in June 2022 and 98.9% satisfaction in September 2022.</p> <p><i>Risk: The Council may not be receiving sufficient tenant feedback on repairs due to the method used to obtain feedback. As a result, improvement to the service may not be identified.</i></p>	<p>The Council should consider digitising the feedback process for the service, for example, sending customers a text or a short email survey.</p>	Low	<p>This we do, and are required to do with new tenant satisfaction measures coming in.</p>	<p>April 2023</p> <p>Housing Repairs Manager</p>

## A1 Information

Audit Control Schedule	
<b>Client contacts:</b>	Madeline Shellard: Head of Housing Gary Upton, Housing Repairs Manager
<b>Internal Audit Team:</b>	Peter Cudlip: Partner Sarah Knowles, Senior Audit Manager Hannah Parker, Field Manager Aman Sair, Internal Auditor
<b>Finish on site / Exit meeting:</b>	21 September / 13 September 2022
<b>Draft report issued:</b>	15 November 2022
<b>Management responses received:</b>	28 November 2022
<b>Final report issued:</b>	1 December 2022

Report Distribution List		
Report	Name	Job Title
Draft & Final	Gary Upton	Housing Repairs Manager
Draft & Final	Madeline Shellard	Head of Housing
Draft & Final	Sharon Stacey	Director (Community and Development Services)
Draft & Final	Ashley Wilson	Head of Finance (Section 151 Officer)
Final	Bill Cullen	Chief Executive

### Scope and Objectives

Audit objective: To provide assurance that the Council has adequate controls in place over its arrangements around responsive repairs.

Our audit considered the following risks relating to the area under review:

- Policies and procedures - Documented policies and procedures for repairs are not in place. Information on the Council's repairs processes, such as timescales, is not communicated to tenants.
- Job recording and allocation - Repairs reported by tenants are not captured in the repairs system which may result in a delay in job completion and ultimately customer dissatisfaction. There is unauthorised expenditure on responsive repairs resulting in financial loss to the Council.
- Value for money- Failure to deliver value for money due to unnecessary or inappropriate repair works being carried out. The use of sub-contractors does not provide value for money.
- Repairs quality - The quality of repair work does not meet the Council's standards which may lead to the failure of delivering value for money and ultimately customer dissatisfaction.
- Performance monitoring and improvements - Reporting does not provide accurate performance information on the key service aspects including target v actual timeframes, right first time, repair costs and quality of repairs work. Where issues are identified these are not addressed. Opportunities to seek improvements are not identified and carried forward to improve the responsive repairs process and overall management of assets, resulting in issues re-occurring.

The objective of our audit was to evaluate the adequacy of key controls and the extent to which controls have been applied, with a view to providing an opinion on the extent to which risks in this area are managed. 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.

The limitations to this audit were that testing was performed on a sample basis and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

Definitions of Assurance Levels	
Level	Description
Substantial	The framework of governance, risk management and control is adequate and effective.
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Definitions of Recommendations	
Priority	Description
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.
Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk.
Low	Scope for improvement in governance, risk management and control.

## Statement of Responsibility

We take responsibility to Hinckley and Bosworth Borough Council 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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