

# Kilkenny County Council

## Internal Audit Report [REDACTED] Review of Housing Grants Schemes

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### Report Distribution

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Audit Committee Members

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### Introduction

Kilkenny County Council administers grants to assist persons in carrying out works for the purposes of rendering a house more suitable for their needs. There are three types of Housing Grant Schemes:

- Housing Adaption Grant for People with a Disability
- Mobility Aids Housing Grant Scheme
- Housing Aid for Older People

The Housing Grant Schemes were introduced under the Housing (Adaption Grants for Older People and People with a disability) Regulations 2007. Housing Authorities administer the grant schemes on behalf of the Department. Further Administrative Guidance documents were issued to Local Authorities in February 2014. The Department of Housing, Planning and Local Government fund up to 80% of the approved cost of the works carried out under the schemes subject to maximum limits on each scheme. The local authority funds the balance. All three schemes are means tested. The percentage grant allocated is dependent on the household income of the applicant.

### Objectives

The objective of the audit is to provide reasonable assurance that Kilkenny County Council are complying with the legislation and guidelines issued by the Dept. of Housing, Planning and Local Government when administering the Housing Grant Schemes.

### Approach

Internal Audit spoke with staff of the Housing Grants Dept. who are involved in processing of housing grant applications. A random sample of 60 applications were checked spanning the three different grant schemes. This represents over 20% of grants paid in 2017.

### Scope & Limitations of scope

The scope of the review was limited to 60 applications representing over 20% of the grants paid in 2017. Internal Audit examined that all grants paid in 2017 were fully recouped.

2017	No. of Grants Paid	Grant Amount
		€'000
Adaption Grants	74	880
Mobility Grants	28	135
Elderly Grants	167	851
Total	269	1,866

**Audit Risk**

- Non compliance with regulations and guidelines.
- Insufficient audit trail.
- Inadequate segregation of duties
- Income not being recouped in a timely manner.

**Co-operation of Management and staff**

Internal Audit received full co-operation from Council Management and staff throughout the course of this review and would like to thank them for their assistance.

# *Summary of Findings and Recommendations \**

## **Findings**

1. Staff have a good knowledge and understanding of the schemes.
2. Appropriate segregation of duties are in place regarding processing, approving and recoupment of grants.
3. All grants paid in 2017 were recouped from the Dept.
4. Recoupment of grants from the Dept. not carried out in a timely manner.

## **Recommendations**

1. Grants should be recouped from the Dept. on a monthly basis. The recoupment should be reconciled with an Agresso report of grants paid in the month.

*\* This summary should not be read in isolation but in conjunction with control weakness in certain areas identified and detailed below.*

# Detailed Findings & Recommendations

## *1. General*

- 1.1 Procedure documents are in place for staff in regard to processing applications for all three grants. Procedures are in line with the Administrative Guidance Documents, as amended issued by the Department of Environment, Community & Local Government in February, 2014. I recommend that a formal procedure document be prepared for the recoupment process.
- 1.2 All grants paid out in 2017 were fully recouped. The recoupment of grant payments from the department were processed on an ad hoc basis in 2017. There were three substantial recoupment's carried out in July, November and December. Approx €1.9 million was paid out in grants in 2017. Kilkenny County Council can recoup 80% of these costs. **I feel these amounts justify recoupment's being carried out on a monthly basis. This will benefit the councils cashflow position as well as improving the accuracy of the recoupment process.**
- 1.3 In order to ensure that all costs are recouped, each monthly recoupment should be reconciled against a monthly report of grants paid from agresso. This reconciliation should be signed by the staff member preparing the recoupment.

## *Management Actions*

- 1.1 A formal procedure document will be prepared for the recoupment process.
- 1.2 There was a staff resource issue in 2017, resulting in over 70% of all grants being recouped in the Q4 of the year. Having reviewed 2015 & 2016, recoupment's were done on a much more regular basis during the full year. Please note that due to the nature of the Grant Scheme, awaiting works to be completed by contractors etc., the greater value of the recoupment is generally done in the Q.3 and Q.4.

**Action:**                    **Aim to recoup on a monthly/bi monthly basis.**

## ***2. Housing Adaption Grant for People with a Disability***

- 2.1 15 applications examined out of 74 applications paid.
- 2.2 An Occupational Therapist report was not requested in the case of one application . This grant was for the installation of a stair lift. Therefore any specifications or requirements specific to the applicants needs were not taken into account. On the same application there was no inspections carried out by technical staff, therefore the grant was paid without a technical inspection. **A technical report should be obtained before all grants are approved and paid.**
- 2.3 Applicants who receive grants in excess of €10k are required to submit a Tax Clearance Cert to show they are tax compliant. One applicant who received a grant of approx €30k did not submit a tax clearance cert. Payment should not have been released until Tax Clearance Cert was received. No Tax Clearance Cert was received from the contractor in this case either. **Tax Clearance Certificates should be submitted by all applicants receiving a grant of over €10k. A valid Tax Clearance Cert should also be submitted by all contractors taking part in the scheme, irrespective of the grant value.**

### ***Management Actions***

- 2.2 This refers to a grant for a stairlift. As an OT report had already been issued for this applicant under a previous grant for a bathroom conversion under a different scheme and it was to cover the replacement of an existing straight stairlift, the Senior Executive Officer approved grant without a further OT inspection. The fact it was a replacement stairlift, as an exception a technical inspection did not take place.
- 2.3 Tax Clearance Certificate not submitted. This was requested at the time but was not followed up.

**Action: Final check on submission of tax certificate certificates is checked by Staff Officer before recoupment is made.**

### ***3. Mobility Aids Housing Grant Scheme***

- 3.1 11 applications examined out of 28 applications paid.
- 3.2 No Letter of Undertaking received from one applicant. The Letter of Undertaking is a statement signed by applicant and contractor stating that Kilkenny County Council will not be held accountable for any disputes arising between the applicant and contractor.
- 3.3 One applicant had work completed prior to receiving grant approval. Grant was subsequently paid. No technical inspection was carried out prior to grant payment being issued. **A technical report should be obtained before all grants are approved and paid.**

### ***Management Actions***

- 3.2 No Letter of Undertaking received from one applicant – this was an oversight in the process.
- 3.3 Stair lift had already been installed by the family prior to the OT's assessment as the lady could not be discharged from hospital until stair lift was installed. This application had been prioritised as an Emergency case by the applicant's Doctor. When OT called, he recommended that in light of applicant's age and the necessity to facilitate discharge from hospital that the grant be paid. In light of this recommendation, SEO, Housing approved this grant. As an exception, no technical inspection carried out as believed OT report sufficient.

**Action: Technical inspection of all works to be carried out.**

#### ***4. Housing Aid for Older People***

- 4.1 34 applications examined out of 167 applications paid.
- 4.2 3 applications had not submitted a Tax Clearance Certificate from the contractor carrying out the works. **A valid Tax Clearance Cert should also be submitted by all contractors taking part in the scheme, irrespective of the grant value.**
- 4.3 There was an issue with the CE Orders approving the grant applications. 20 out of the 34 examined had either no Order Reference number or were not dated. **All CE orders should be dated and should include a sequential reference number.**
- 4.4 One application received a grant higher than the maximum grant allowed under the terms of the scheme. **Applications should be dealt with consistently and in line with the terms of the scheme.**

#### ***Management Actions***

- 4.2 Tax clearance can now be checked on line when contractors submit their tax clearance number. All tax clearance certificates should be printed and put on file. In the case of the 3 certs not on file, I would believe these were checked but not printed.  
**Action: All tax clearance certs to be printed and put on file.**
- 4.3 **Noted that all CE orders should be dated and should include a sequential reference number**
- 4.4 On compassionate grounds this application received the max grant available under the scheme. Signed memo approving grant on file from the Senior Executive Officer, Housing Dept. on file.