

Craigowen Housing Association
Audit fieldwork 2024/25

Tenant participation and engagement

14 April 2025



Ref: CH/bc/jmcc

Private and Confidential

Billy McCraight Esq
General Manager
Craigowen Housing Association
150 Hollywood Road
Belfast
BT4 1NY

Sumer NI
4th Floor
Glendinning
House
6 Murray Street
Belfast
BT1 6DN

14 April 2025

Dear Sir

Re: Tenant participation and engagement

Introduction and background

1. We have completed our internal audit fieldwork visit in relation to Craigowen Housing Association's ("the Association") systems for Tenant participation and engagement. This report summarises our findings.

Assignment opinion and summary of recommendations

Satisfactory

2. We consider that the existing systems in place in relation to the Association's processes for tenant participation and engagement are broadly adequate and can provide satisfactory assurance regarding the effective and efficient achievement of the Association's objectives

3. However, in our opinion, there are a number of improvements which could be made to the Association's processes for tenant participation and engagement. In particular, we have identified a need for the Association to establish more defined metrics to help measure

progress against the Tenant Participation Strategy and to enhance the level of reporting to the Board in this respect.

4. We have attached at Appendix A, the key findings and recommendations identified in the course of our work. These are set out as follows:

Findings	Appendix	Number of recommendations		
		P1	P2	P3
Tenant Participation Strategy	A	-	-	3
Total		-	-	3

5. These findings were discussed with Mr Billy McCreight (General Manager) on 11 March 2025. A draft of this report was issued on 24 March 2025. Initial client comments were received on 7 April 2025 and a revised draft report was issued on 8 April 2025. Final client comments were received on 11 April 2025.

6. We have attached definitions of the assurance ratings and our priority levels at Appendices B and C.

Scope

7. This review was undertaken in accordance with the Association's Internal Audit Plan. The fieldwork focused on assessing the following control objectives

- a) to consider the adequacy and effectiveness of the measures used by the Association to track and assess delivery against the Tenant Participation Strategy; and
- b) to consider whether there is sufficient reporting to the Board on the Association's tenant participation and engagement activities.

8. This report is addressed to the General Manager, and it is not to be released beyond the Association's Board and staff without our prior written consent. No duty of care is accepted to any party other than those to whom the report is addressed. No responsibility is accepted for any

reliance placed upon our report, should it be used for any purpose other than that stated above.

Basis of assurance

9. We conducted our internal audit work in accordance with the Standards issued by the Chartered Institute of Internal Auditors UK and Ireland ("CIIA"). Our work included an examination, on a test basis, of transactions processed in accordance with the Association's systems of control.

10. We planned and performed our internal audit work to obtain reasonable assurance that the systems were operating as described. However, you should not rely on our work to identify all instances of fraud or error which may exist. The responsibility for these matters rests with management and the General Manager.

Key findings

Background

11. The Association has established a Tenant Participation Strategy covering the period from 2019 to 2024 ("the Strategy"). The Strategy sets out how the Association involves its tenants in the design, delivery and continuous improvement of its services and references the existence of the Tenant Participation Strategy (2015 to 2020) published by the Department for Communities ("DfC") in January 2016 but does not currently provide any direct alignment to DfC's strategic principles.

12. Recognising the special needs of the Association's tenants, the Association intends on establishing a new Tenant Participation Strategy in 2025, incorporating any learnings arising from this internal audit review.

13. We note that within the Association's latest Regulatory Framework Judgement (2022/23) received from DfC, the Association received a score of 1 (the highest score available), which indicates that the Association was able to demonstrate that it meets regulatory standards for Governance, Finance and Consumer.

14. We note that Consumer Standard 1 states that "Craigowen HA has managed its business so that tenants and other customers find it easy to participate in and influence decisions at a level they feel comfortable with". The Department reported that the Association had "met" this standard. The findings in this report aim to enhance the Association's existing controls for tenant participation and engagement and specifically in terms of measuring progress against the Tenant Participation Strategy.

Measures established by the Association to track and assess delivery against the Tenant Participation Strategy

15. Our review identified that the Strategy includes a section titled "Recommendations and Proposed Action". Included within this section of the Strategy are 16 separate actions, some of which are business as usual activities completed by the Association and some of which are stand-alone actions. Our review identified that over the course of the current Strategy period i.e. 2019 to 2024, delivery of, and progress against, these actions has not been formally measured by the Association. It is therefore difficult to evidence and determine the extent to which the Strategy actions have been delivered and to what success levels. We also noted that the actions included in the Strategy are quite high level in nature and are not supported in all instances, by defined metrics and target completion timeframes, making measuring outcomes difficult. We have provided further detail on these findings at **Appendix A**.

Reporting to the Board

16. Our review identified that the Association reports the outcome of the Tenant Satisfaction Survey ("the Survey") on an annual basis to the Board. The Survey is issued on an annual basis to all tenants and aims to ascertain the extent to which tenants are satisfied with the services provided by the Association. The completion of the Survey on an annual basis is included as one of the 16 Strategy actions noted above.

17. However, we noted that with the exception of the Survey, there is no further formal reporting to the Board on overall progress against the Strategy actions. We also noted that there is no formal reporting to the Board regarding the steps being taken by the Association to address any issues raised by tenants. There is also an opportunity for increased trend reporting in respect of the Survey i.e. to identify any issues that are recurring or reported by tenants year on year. We have provided further detail on these findings at **Appendix A**.

18. Whilst management indicated that activities relating to tenant participation and engagement have been communicated to the Board through other Board agenda items throughout the year, Tenant Participation and Engagement, as a stand-alone item, has not been a Board agenda item.

Other matters

19. We would like to take this opportunity to thank the Association's management and staff for their assistance and co-operation during this assignment.

20. If you have any queries in relation to this correspondence, please do not hesitate to contact Christine Hagan or Barney Conway.

Yours faithfully

Sumer Accountants NI Ltd

Email: christine.hagan@sumerni.co.uk
barney.conway@sumerni.co.uk

Tenant Participation Strategy

A

Findings

A1. Our review identified the following points of improvement for the Association to consider when establishing and implementing a new Tenant Participation Strategy:

- a) *alignment to the 10 key principles outlined in DfC's Tenant Participation Strategy* – we note that DfC's Tenant Participation Strategy, dated January 2016, sets out 10 key principles for tenant participation. While the Association's Strategy for 2019 to 2024 references DfC's Tenant Participation Strategy, it does not include reference to its 10 principles. We consider that the Association could document how its tenant participation activities aligns to these 10 key principles (or any subsequent changes made by DfC);
- b) *establishing measurable outcomes* – our review identified that the Association's Strategy for 2019 to 2024 includes a section titled "Recommendations and Proposed Action". Included within this section of the Strategy are 16 separate actions, some of which are business as usual type activities completed by the Association and some of which are stand-alone actions. Our review identified that over the course of the current Strategy period i.e. 2019 to 2024, delivery of, and progress against, these actions has not been formally measured by the Association. It is therefore difficult to evidence and determine the extent to which the Strategy actions have been delivered and to what success levels. We also noted that the actions included in the Strategy are quite high level in nature and are not supported in all instances, by defined metrics and target completion timeframes, making measuring outcomes difficult. Our review of Tenant Participation Strategies in other Northern Ireland Housing Associations identified the use of overarching objectives along with information to set out what actions the Association will take to achieve each objective and also when they intend on completing each action. This provides a useful structure for monitoring and reporting on delivery of the Strategy;
- c) *reporting to the Board* - we noted that with the exception of the Tenant Satisfaction Survey (the outcomes of which are reported annually), there is no further formal reporting to the Board on the Strategy actions. Whilst we understand that activities relating to tenant participation and engagement have been communicated to the Board through other Board agenda items, Tenant Participation and Engagement, as a stand-alone item, has not been a Board agenda item. Once a defined structure for measuring delivery of the Strategy has been established, the Association should consider introducing "Review of progress against the Tenant Participation Strategy" as a periodic agenda item at Board meetings;
- d) *Tenant Participation Survey* - our review identified that the Association reports annually to the Board on the outcome of the Tenant Satisfaction Survey. The Survey is issued on an annual basis to all tenants and aims to gauge the extent to which tenants are satisfied with the services provided by the Association. The completion of the Survey is included as one of the 16 actions included in the existing Strategy. We noted the following matters for the Association to consider, specifically in relation to the Tenant Satisfaction Survey:
 - i. *Action Plan* – our review identified that a documented Action Plan is not currently established to set out how the Association addresses any of the issues raised by tenants as part of the Tenant Satisfaction Survey; and
 - ii. *trend reporting* – our review identified that the Association's reporting on the Tenant Satisfaction Survey is currently restricted to reporting the outcomes of the survey on an annual basis. The Association may wish to present the data from prior year surveys alongside the current year data to help identify any trends and to highlight any issues or concerns that are raised by tenants on a recurring basis. If the Association is pro-active in addressing issues raised by tenants, this, in theory, should be reflected in the responses provided by tenants over a longer period. This trend reporting might be useful to inform Board decisions.

Tenant Participation Strategy

A

Effects						
A2. Failure to ensure that delivery of the Association's Tenant Participation Strategy can be reliably measured increases the risk that tenant participation and engagement activities are ineffective.						
Recommendations and management action plans						
Recommendations	Priority	Status (Recommendation accepted / not accepted)	Comment	Responsibility	Timeframe	
A3. We recommend that as part of developing a new Tenant Participation Strategy, the Association should: a) ensure that its tenant participation activities are aligned to the 10 key principles set out in the DfC Tenant Participation Strategy; and b) establish defined metrics with target completion dates to help measure progress in delivering the Tenant Participation Strategy.	3	Accepted	The Tenant Participation Strategy is due to be revised. The General Manager will prepare a draft for FARC review that is aligned with DfC principles.	GM/FARC	4/6/25	
		Accepted	The General Manager will propose a set of metrics designed to measure the delivery of the TPS, and present these to FARC for review.	GM/FARC	4/6/25	
A4. We recommend that the Association reports periodically to the Board on progress against the Tenant Participation Strategy.	3	Accepted	A report outlining TP activities undertaken and including the metrics used to measure delivery will be prepared at 6 monthly intervals for Board review.	General Manager	27/8/25	

Tenant Participation Strategy

A

Recommendations and management action plans						
Recommendations	Priority	Status (Recommendation accepted / not accepted)	Comment	Responsibility	Timeframe	
A5. We recommend that the Association: a) develop a documented action plan to set out how the Association addresses the issues raised by tenants as part of the Tenant Satisfaction Survey; and b) provide year on year comparison data when presenting the outcomes of the Tenant Participation Survey to the Board.	3	Accepted	An annual Tenant Satisfaction Survey will be undertaken in August each year. Following this a report will be prepared for Board review setting out measures to address issues raised by Residents.	General Manager	27/8/25	
		Accepted	This recommendation will be included in the TSS report provided to the Board.	General Manager	27/8/25	

Assurance rating definitions

Level of assurance	Definition
Satisfactory	Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Priority ratings

C

In prioritising recommendations for action, we have used the following definitions:

Priority rating	Definition
1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
3	Failure to implement the recommendation could lead to an increased risk exposure.