



## KARBON HOMES

### Anti-Social Behaviour (ASB)

FINAL Internal Audit Report: 1.26/27

22 June 2026

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# AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix B, the overview of our findings is detailed below.

**Conclusion:** Our review confirmed that the Group has an Anti-Social Behaviour (ASB) Policy and supporting ASB Procedure in place, outlining the agreed approach to recording, managing, and tackling ASB. We verified that a central system is used to record and manage ASB cases, with set timeframes in place to monitor timeliness. Our audit confirmed that reporting arrangements are in place regarding ASB performance, and the Group also holds regular forums to discuss ASB themes and survey results, as well as the results of relevant Tenant Satisfaction Measures (TSM) on its handling of ASB.

As part of our audit we have undertaken sample testing for four entities (Karbon Homes, 54North Homes, Leazes Homes, and Byker Community Trust), and noted discrepancies with each.

Our review identified **two medium** and **five low** priority actions regarding the Group's approach to managing ASB. This includes instances of non-compliance against the ASB Policy. We also identified **one suggestion** relating to the ASB process at Byker Community Trust.

Internal audit opinion:



Minimal Assurance



Partial Assurance



Reasonable Assurance



Substantial Assurance

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).

Audit themes:

- Policies and Procedures**  
The Group maintains an Anti Social Behaviour (ASB) Policy and procedure documents that governs how ASB cases are processed within the Group. The current policy was approved on 29 January 2026 by the Karbon Management Team and the next review is scheduled for January 2029. However, we noted that the procedure was not reviewed and upon further enquiry, it was noted that in practice the procedure will only be subject to formal review and approval when changes are made. **(Low)**
- Roles and Responsibilities**  
The ASB procedure document outlines the roles and responsibilities of the team members involved in processing ASB cases. The document is made available on the Group's Housing team intranet page.
- Training**  
The Group provides a range of training for staff managing ASB including the handling of the cases to legislations that affect ASB cases. However, available evidence were mainly invitee lists and screenshots, which do not confirm participation. For some training, no attendance evidence was retained. As a result, the Group could not demonstrate that all relevant staff completed the training required for their roles. **(Low)**

- **Expected Behaviour and Reporting Process awareness**  
Expected behaviour for tenants is set out in the tenant handbook and the tenancy agreement, these documents defines what constitutes ASB. Also, the Group's website and tenant handbook explains how tenants can report ASB cases.
- **Recording ASB Cases**  
Cases received from various sources are logged with key details, categorised and assigned to the appropriate officer for investigation within the CRM system. Our review identified cases where assignment was delayed. **(Low)**
- **ASB Processes**  
Testing of ASB cases identified that the management of cases in practice does not always align with the ASB procedure. **(Low)**
- **ASB Management**  
The procedure requires that complainants are contacted within one or two working days based on risk level, alongside completing a Risk Assessment Matrix, Internal Action Plan and a Support Action Plan. Our review identified delays in contact and cases where Risk Assessment Matrices or Internal Action Plans were not created. **(Medium)**
- **Regular Contact with Customers**  
The procedure document stipulates that the complainant be contacted every two weeks or as agreed during the initial contact. Our review identified instances where contact was made but was beyond the two week timeframe or the timeframe agreed with the complainant.
- **Actions in relation to live cases**  
The Group uses the CRM system to log and manage ASB cases, including recording key information such as completed reviews, Risk Assessment Matrices, contact dates with complainants, and approval for case closure with corresponding dates.
- **Worsening or escalating Behaviour**  
Cases are reviewed every four weeks, with the Risk Assessment Matrix reviewed every six weeks until closure to ensure instances of worsening or escalating behaviours are considered. However, our review identified instances where both case reviews and Risk Assessment Matrix reviews were not completed within the required timeframes. **(Medium)**
- **Approval ahead of Closure**  
All cases require line manager approval before closure, and this approval is recorded in the CRM system. However, our review identified instances where approval was not logged for closed cases. **(Low)**
- **Regular Forum**  
Monthly and quarterly meetings are held within the Group to discuss themes arising from ASB cases, including sources of cases and actions required to address them.
- **Partnership with appropriate third parties**  
The Group collaborates with third party and governmental agencies to support the management of ASB cases, with evidence of multi agency meetings, safeguarding risk assessments, and joint action logs that record required actions and their status noted.
- **Tenant Satisfaction Measures (TSM)**  
TSM surveys are conducted with customers, and this includes surveys for ASB related metrics. Results are reported and discussed at governance committees.
- **Reporting through Governance structures**  
ASB performance information and insights are reported periodically to various governance forums across the Group. These include the Customer Committee and Board, which receive updates on ASB related performance metrics and the improvement plans linked to these results.

# 01

# SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as\*:

## High

Immediate management attention is necessary.

## Medium

Timely management attention is necessary.

## Low

There is scope for enhancing control or improving efficiency.

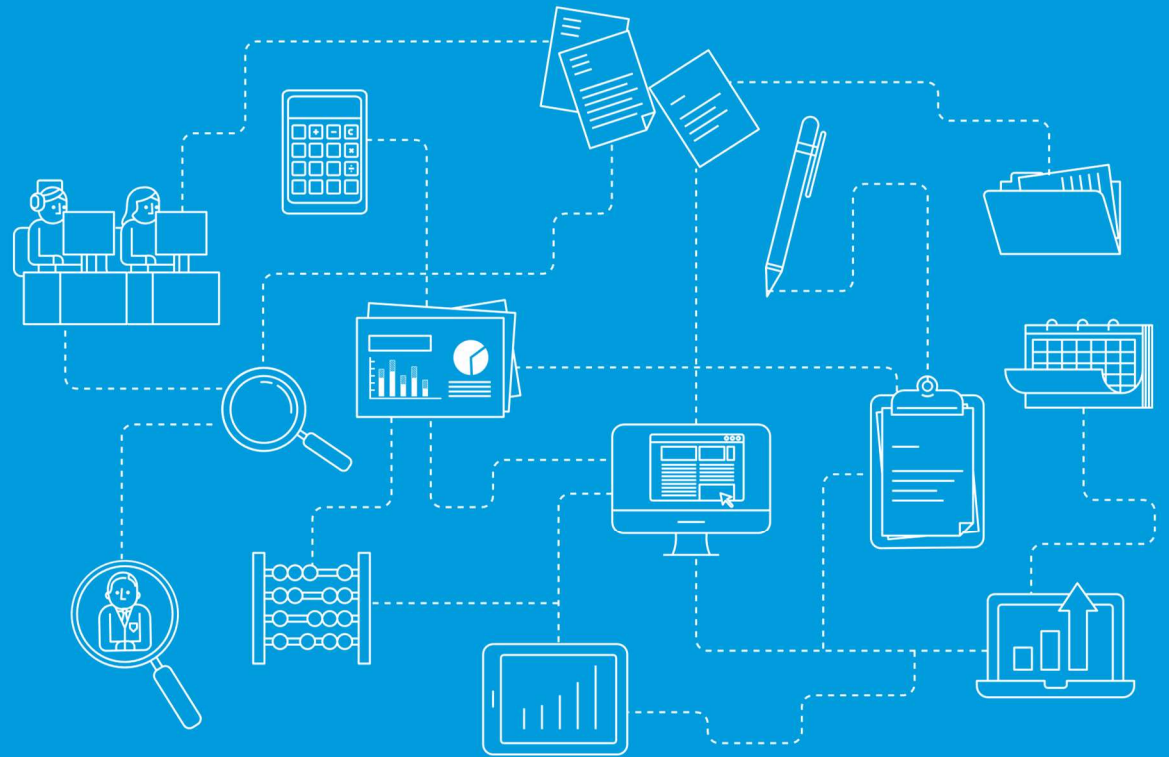
| Ref | Action                                                                                                                                                                                                                                                                                                                                                                                                                                             | Priority   | Responsible Owner                                               | Date             |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------------------------|------------------|
| MA1 | Management will update the documentation around the ASB procedure to reflect the current review schedule.                                                                                                                                                                                                                                                                                                                                          | Low        | Head of Housing - Karbon Group                                  | 30 November 2026 |
| MA2 | Management will implement a structured approach to recording and monitoring training participation. This should include: <ul style="list-style-type: none"> <li>A central training log to capture attendance for all ASB training.</li> <li>Record completion status for all relevant staff, including new starters and existing employees.</li> <li>Retain evidence of attendance to demonstrate compliance with training requirements</li> </ul> | Low        | Head of Housing - Karbon, Head of Housing and Community - Byker | 30 November 2026 |
| MA3 | Management will update the procedure document to ensure that they reflect the current ASB processes in place.                                                                                                                                                                                                                                                                                                                                      | Low        | Head of Housing - Karbon                                        | 30 November 2026 |
| MA4 | Management will implement a daily review process to confirm that cases logged in the CRM are assigned to a Housing Officer.                                                                                                                                                                                                                                                                                                                        | Low        | Head of Housing - Karbon, Head of Housing and Community - Byker | 30 November 2026 |
| S1  | Management will consider whether the current process at Byker Community Trust, where the CRT team emails the housing team, remains appropriate. There is a risk of delays in timely action where communication is not received promptly.                                                                                                                                                                                                           | Suggestion | Head of Housing and Community - Byker                           | 30 November 2026 |
| MA5 | Management will deliver training on the ASB process to ensure staff are aware of their responsibilities, the timeframes they must adhere to, and how each step in the process is to be completed.<br><br>The training will highlight areas that were identified during this audit as non-compliant.                                                                                                                                                | Medium     | Head of Housing - Karbon, Head of Housing and Community - Byker | 30 November 2026 |

\* Refer to Appendix B for more detail

| Ref | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Priority | Responsible Owner                                                     | Date             |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------|------------------|
| MA6 | <p>Management will consider combining the Risk Assessment Matrix (RAM) review and the case review. The case review will assess whether the RAM requires reassessment based on any additional incidents identified during client contact.</p> <p>Following this, the Group will ensure that reviews are undertaken in a timely manner.</p> <p>Where new incidents indicate a higher severity, the team may initiate an immediate review of the RAM, rather than waiting for the scheduled case review.</p> | Medium   | Head of Housing - Karbon,<br>Head of Housing and<br>Community - Byker | 30 November 2026 |
| MA7 | <p>Management will consider adding a review checkpoint within the checklist, allowing the manager to assess case closure. This approach will support a complete review of all relevant facts and evidence before making a closure decision and progressing to closure activities, including completion of the closure checklist.</p>                                                                                                                                                                      | Low      | Head of Housing - Karbon<br>Group                                     | 30 November 2026 |

# Appendices

## 03



## APPENDIX A: CATEGORISATION OF FINDINGS

### Categorisation of internal audit findings

#### Low

There is scope for enhancing control or improving efficiency.

#### Medium

Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.

#### High

Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

| Area                  | Control design not effective* | Non-compliance with controls* | Agreed actions |          |          |
|-----------------------|-------------------------------|-------------------------------|----------------|----------|----------|
|                       |                               |                               | Low            | Medium   | High     |
| Anti-Social Behaviour | 0 (24)                        | 10 (24)                       | 5              | 2        | 0        |
| <b>Total</b>          |                               |                               | <b>5</b>       | <b>2</b> | <b>0</b> |

\* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

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## APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

### Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following objective

#### Objective of the risk under review

Our review will consider the control framework in place to record, manage and respond to reports of anti-social behaviour. We will also review the Group's approach to identifying themes and trends, and how lessons learned can be incorporated into future cases.

### When planning the audit, the following were agreed:

#### Areas for consideration:

- Whether policies and procedures relating to ASB are in place. These are subject to periodic review and approval to ensure that they remain up to date and reflect current operating practice.
- Whether responsibilities and accountability for the management of ASB cases are clear and communicated to all relevant staff.
- Whether staff responsible for dealing with ASB cases have had training for their role.
- How customers are made aware of the standards of behaviour expected of them, and how to report cases of ASB.
- Whether all cases of ASB are logged, categorised and allocated to a responsible person on a timely basis.
- Whether all cases of ASB are managed in accordance with policy.
- How regular contact is maintained with customers in accordance with policy until the case is resolved.
- Whether actions in relation to live cases are logged on a timely basis.
- How cases of worsening or escalating behaviour are identified promptly so that effective decisions can be made on a timely basis.
- Whether cases are subject to an adequate level of review and approval before being deemed closed.
- Whether there is a regular forum or meeting internally to ensure that all relevant staff are aware of new and ongoing cases, and can discuss any themes or trends.
- Whether the Group works in partnership with appropriate third parties (such as the local authority or the police) to deter and tackle ASB.
- How tenant satisfaction measures (TSMs) relating to ASB are collated and reported on.
- ASB is reported through the Group's governance structure to enable an adequate level of visibility of cases, and effective and timely decision-making.
- Our audit will consider ASB cases raised by Karbon Homes, 54North Homes, Byker Community Trust, and Leazes Homes.

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#### **Limitations to the scope of the audit assignment:**

- The scope of the work will be limited to those areas examined and reported upon in the areas for consideration in the context of the objective set out for this review.
- Any testing undertaken as part of this audit will be compliance based and sample testing only.
- We will not comment on the suitability of action taken in respect of cases reviewed.
- We will not interview any external parties during the course of this review.
- We will not interview any tenants during the course of this review.
- We will not guarantee the accuracy of TSM data reported.
- Our review is not intended to guarantee compliance with the any legislation, regulation, or any standard.
- Any samples chosen will be selected from the last 12 months only.
- We will not comment on the suitability or completeness of training, other than to confirm a training process is in place.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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