

Internal Audit

Final Report

Department of Neighbourhood and Planning

Housing

Waiting List Management

7th October 2010

CONTENTS

EXECUTIVE SUMMARY	3 – 5
Overview	3
Audit Opinion	3
High Risk Issues	4
Medium Risk Issues	4
Risk Profile	5
AUDIT SCOPE AND OBJECTIVES	6
AUDIT FINDINGS	7 - 16
Control Objective 1 - There is a clear and comprehensive written policy for waiting list management that is easily available, accessible and understandable by Housing staff and all current and prospective tenants.	7
Control Objective 2 - The policy and processes comply with central government guidance and legal requirements.	9
Control Objective 3 - Applicant ranking and prioritisation systems are seen to be fair and objective, and tenancies are allocated promptly and consistently. Unsuccessful bidders are given appropriate feedback and reasons for not being allocated tenancies.	11
Control Objective 4 - Performance management and benchmarking is carried out and comparisons made with high performing authorities. Customer feedback and surveys are used to monitor levels of satisfaction and achieve continuous improvement and reflect best practice.	14
ACTION PLAN	17
Explanation of Audit Opinion and Risk Rating	19

Distribution List

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EXECUTIVE SUMMARY

Overview and Background

The introduction of Choice Based Lettings (CBL) by the Homes 4 Wiltshire (H4W) partnership broadly coincided with the setting up of the new Unitary Wiltshire Council in April 2009. The launch, a month earlier, in March 2009, transferred responsibility for the allocation of rented housing stock, previously managed and allocated by Registered Social Landlords (RSLs) and Salisbury Housing Management, to H4W operating from the Browfort Office in Devizes.

Earlier this year following the issue of new central government guidance, "Fair and Flexible" in December 2009, an extensive consultation exercise was conducted with service users, landlords, stakeholders and the general public. The H4W Service Review sought to ensure that Wiltshire residents and other interested parties were consulted and their views obtained, and that the council had proper regard to the latest guidance issued by the Department of Communities and Local Government (DCLG). This revised guidance had been prompted in part by a House of Lords appeal court judgement on the operation of a Choice Based Letting (CBL) scheme by the London Borough of Newham. Following on from this review, a revised H4W Policy 2010 has been produced and the audit has examined the controls and operation of the CBL system against the latest guidance and best practice.

The **Action Plan on page 18** of this report shows the risks identified during the audit which we believe require consideration by managers. Managers have completed this section of the report by carrying out their own risk assessments in terms of impact and likelihood using the four point scales as detailed in the **Risk Profile section on page 5**. Managers have also shown what actions they will be taking to manage the identified risks, as well as the target dates for the completion of these actions.

Audit Opinion

The Internal Audit opinion for Waiting List Management is **Substantial Assurance** – whilst there is a basically sound system of control, there are weaknesses which may put some of the service objectives at risk.

Overall we found the operation of the CBL system by the Devizes Office to be well run and our testing has shown that the application, registration, short listing and matching processes are well controlled. However given the pressure on suitable available rented housing to meet the local needs in the county, the numbers of bids received is very high. H4W is therefore faced with a very difficult task in managing the expectations, and frequent disappointments, of those registered and bidding for accommodation, and dealing with the volume of individual cases this presents.

In some areas, the new system appears to have adversely affected the prospects of existing tenants wishing to transfer compared with the previous points-based system, which gave greater discretion to officers to approve transfers and award points. Conversely, those faced with the greatest housing need (Platinum, Gold Plus or Gold bands) have tended to fare better in finding permanent accommodation to meet their assessed priority needs, especially in those areas where the numbers of applicants faced with homelessness has been high. Previously, they were often faced with the prospect of being housed in temporary accommodation.

Our testing found examples of where those bidding and initially shortlisted subsequently had been 'skipped' (i.e. discounted from being matched to a property) due to their not meeting eligibility criteria (e.g. for properties reserved for older tenants under RSL rules, which did not appear in the advertisement for the property). Such late exclusion from consideration for a property results in both disappointment and unnecessary processing.

The lack of opportunities for transfer by existing tenants, in competition with those in greater housing need who achieve higher bandings, is starkly reflected in the very long shortlists and statistics showing the poor success rate for those in the bronze category. However, there is provision within the 2010 policy that:

In order to make best use of the housing stock, landlords may label up to 20% of properties for Transfer applicants only (i.e. for current tenants of that landlord). Overall, in line with legislation, priority must be given to applicants in the Reasonable Preference categories.

Greater clarification, promotion and practical application of this provision would help to prevent potential reputational damage arising from the disappointment, frustration and lack of opportunity for tenants who wish to transfer, but whose bids are repeatedly unsuccessful.

We also found some minor discrepancies in the presentation of performance data and statistics and the absence of any initiatives to compare and contrast the Council's performance with the many other councils who operate CBL schemes. Such benchmarking would provide a useful means of assessing effectiveness, efficiency and best practice.

The following Action Plans have been proposed by management to ensure that risk management strategies are put in place to avoid or reduce the identified risks, and to ensure that any residual risks are appropriately managed to reduce any impact or likelihood of these risks materialising. Frequent monitoring of the management of identified risks is essential.

Medium Risk Issues (as risk-rated by management)

Risk	Action Proposed by Management	Profile Ref
Failure to clarify eligibility criteria in advertisements risks fruitless applications being submitted, wasted time in processing and disappointment for applicants.	This risk relies heavily on involvement from our partner landlords and is a direct result of their advertising criteria. Homes 4 Wiltshire will bring this matter to the next Homes 4 Wiltshire partnership meeting. A common approach to lettings will eliminate these risks, however a lack of co-operation may reduce our ability to improve the risks highlighted.	1
Failure to manage the perception of lack of opportunity for transfers by existing tenants and clarify the rules that allow a percentage of properties to be labelled for <i>Transfer applicants only</i> , could result in reputational damage to the Council.	Head of H4W has produced a management transfer procedure to provide WC Housing Management with a tool for applying this section of the policy. Other landlords are making use of this policy change and regularly advertising properties for their own tenants. Head of H4W will raise at the next H4W partnership meeting the possibility of advertising for transfers only not specifying their own tenants.	2
Failure to benchmark performance effectively against comparable systems in other Councils misses opportunities for setting more challenging targets and improving performance.	Head of H4W has made contact with Mendip, Swindon, Hampshire and BANES requesting stats and housing structures for comparison. To date very little response and very difficult to compare systems which operate very differently. Will strive to obtain some comparable data.	3

Risk Profile

The following profile shows management’s assessment of the likelihood and impact of the risks identified during the audit.

The numbers stated on the risk map refer to the risk references identified above.

Impact	Significant	L	M	H	H
	Moderate	L	M	M 2	H
	Minor	L	L	M	M 1 and 3
	Insignificant	L	L	L	L
		Rare	Unlikely	Possible	Almost Certain
Likelihood					

AUDIT SCOPE AND OBJECTIVES

Audit Scope

To provide assurance that systems of internal control established within the housing waiting list management process are operating adequately and effectively.

Audit Objectives

1. There is a clear and comprehensive written policy for waiting list management that is easily available, accessible and understandable by Housing staff and all current and prospective tenants.
2. The policy and processes comply with central government guidance and legal requirements.
3. Applicant ranking and prioritisation systems are seen to be fair and objective, and tenancies are allocated promptly and consistently. Unsuccessful bidders are given appropriate feedback and reasons for not being allocated tenancies.
4. Performance management and benchmarking is carried out and comparisons made with high performing authorities. Customer feedback and surveys are used to monitor levels of satisfaction and achieve continuous improvement and reflect best practice.

AUDIT FINDINGS

Control Objective 1:

There is a clear and comprehensive written policy for waiting list management that is easily available, accessible and understandable by Housing staff and all current and prospective tenants.

1.1 A clear and comprehensive policy exists

The H4W 2010 policy has been reviewed following extensive consultation. A number of changes were made in the wake of the Government's latest statutory guidance document "Fair & Flexible" issued by the DCLG in December 2009. This replaced the earlier guidance on housing allocations issued in August 2008.

Our examination found the Policy 2010 document, endorsed by the Wiltshire Council Cabinet in April 2010, to be clear and comprehensive. It sets out and explains how H4W operates and the key elements of the policy. These include:

- Aims and choice
- The H4W Partnership
- Equalities statement
- Eligibility & Local Connection
- Banding
- The Register
- Homeless Applicants
- Waiting Time
- Vulnerable Applicants
- Finding a property including
- Advertising, bidding, audit findings

1.2 The policy is easily available and accessible by Housing staff and prospective tenants

The H4W website is adequately signposted on the Wiltshire Council website under 'Housing advice' and an online copy of the H4W 2010 Policy is accessible. The site provides full details of the policy and how to register and bid using the CBL system. For those who are not familiar with the internet, assistance is available at Council Offices and libraries from Customer Services. Here assistance can be given with registration and paper applications and guidance notes are provided.

1.3 Provision is made to ensure the policy is understood by prospective tenants with language, learning or other difficulties.

There is effective provision for assisting those with language / reading problems, to enable them to understand how the system operates. Easy read application forms are available as well as translation into other languages on request for non-native speakers from customer services and housing staff and at libraries and other contact points.

1.4 Account is taken of prospective tenants with special needs, interests and requirements to ensure they understand the system and receive adequate assistance in registering, filling out forms and bidding.

For vulnerable applicants, assistance is available from housing officers and other support agencies as well as link officers for particular groups. On receipt of applications (both online and paper), vulnerable applicants are identified and home visits offered. This involves Home Visiting Officers (HVOs) seeing applicants at home to help them understand the process for choosing suitable properties, the banding system, how to bid and how properties are offered.

During financial year 2009/10, 930 home visits were carried out by H4W HVOs operating in each of the four hubs. From these visits the following categories were identified (cases may fall into more than one category):

- Vulnerable 973
 - Medical Needs 905
 - Support & Welfare 640
- 2,518

We tested the arrangements for home visits to check that there is an adequate and fair process for revising bandings in respect of applicants identified as potentially vulnerable or in need of support due to medical or other factors.

Five recent home visits were chosen at random from records of visits. Assessment reports and documentary evidence held on the Abris system were examined to confirm that they supported decisions where bandings were changed as a result of review. All sampled home visits and reviews of bandings were found to be adequately documented, with assessment reports supported by, for example, medical and other professional reports and recommendations from support agencies.

Decisions to change bandings were found to be taken fairly and objectively, and were based on sound documented evidence from reliable sources. Such decisions are not taken lightly, and, based on our sample of visits, we were impressed by the rigour and thoroughness in carrying out assessments.

**Control Objective 2:
The policy and processes comply with central government guidance and legal requirements.**

2.1 The policy and processes comply with central government guidance and advice.

The Government's 'Fair and Flexible' statutory guidance provides a summary of key issues. These include:

- the Government's strategic view of the objectives and outcomes which local authorities must achieve and those they should seek to achieve in their allocation policies. It also sets out the importance of their responsibilities under the Local Government Act 1999 to involve, inform and consult with local people.
- the main legislative provisions governing the allocation of social housing, including the requirement to provide for 'reasonable preference'.
- the implications of the House of Lords judgement in the case of Regina (on application of Ahmad) v Newham LBC, which, among other things, removes the requirement to provide for cumulative preference to be taken into account in prioritising applicants.
- the reinforcement of flexibilities local authorities have within the allocation legislation to meet local pressures by:
 - adopting local priorities alongside the statutory reasonable preference categories
 - taking into account other factors in prioritising applicants, including waiting time and local connection
 - operating local lettings policies
 - emphasising the importance of close working between authorities and registered social landlords.

Our testing found that all these factors are adequately embodied within the revised 2010 policy.

2.2 Adequate records are maintained for each housing application and to support bids under CBL

Responsibilities for determining statutory duties under homelessness legislation fall to Housing Options and are not dealt with in this report. However, priority is given to applicants who, by virtue of their housing needs, fall into the higher bandings.

We tested 5 recent shortlists and their associated bids and applications. All were found to have been properly processed and adequate records of supporting references scanned onto the Abrisas online system.

In 3 cases, the successful bidder was not the top ranked bidder and a number of higher ranked bidders had been skipped. Examination of the customer records (CRM) screens, and other notes and data held, provided satisfactory reasons for skipping. For example, offers of accommodation from other shortlists had been or were being made, or a property was unsuitable by reason of age or location. Such reasons reflected in some cases the local rules applied by RSLs.

In one case, four of the higher ranked applicants had to be skipped as they did not qualify for consideration because there was a local age restriction on the property. However, this was not apparent from the advertisement.

The numbers of bids received for the advertised properties were often very high ranging from 33 to 152, an average of 105 for the five shortlists we examined. This average figure compares with an overall average for all CBL shortlists in 2009/10 of 123.

Risk 1

Failure to clarify eligibility criteria in advertisements risks fruitless applications being submitted, wasted time in processing and disappointment for applicants.

Control Objective 3:

Applicant ranking and prioritisation systems are seen to be fair and objective, and tenancies are allocated promptly and consistently. Unsuccessful bidders are given appropriate feedback and reasons for not being allocated tenancies.

3.1 Applicant ranking and prioritisation systems are seen to be fair and objective

H4W rations what is an extremely scarce resource and this, inevitably, means that there are likely to be dissatisfied users who do not see the system as fair and objective. This has been widely recognised and is a principal reason for ensuring that the CBL system is clear, easy to understand and transparent. It is a major challenge to persuade clients and the general public that this is the fairest system.

3.2 Other views on the fairness of CBL Schemes

House of Lords appeal judgement - the 'Ahmad' case.

The issue of whether CBL systems are fair has been strongly debated. In 2009, a House of Lords appeal judgement, concerning the CBL system operated by the London Borough of Newham, overturned a Court of Appeal ruling that a system for determining priorities in allocating housing was, in one respect, irrational, and therefore unlawful. The case is complex, but it is instructive to note that, in coming to their judgement, the Law Lords expressed some interesting views on the difficulty of operating housing allocations, and on the benefits of facilitating transfers:

"Housing allocation policy is a difficult exercise which requires not only social and political sensitivity and judgement, but also local expertise and knowledge."

"Allowing transfers to same-sized accommodation does not increase the accommodation available, but neither does it decrease it. The property left by the transferring tenant becomes available to others, either under the direct offer scheme or under the choice based letting scheme. It may or may not be less attractive than the property to which the tenant has moved. This is a very subjective matter. Different tenants want different kinds of property in different locations. Within limits, the whole point of the scheme is to allow people some choice about where to live. This too must be good housing management. It makes sense to allow tenants to move to properties or locations which they prefer. Happy tenants are much more likely to be good tenants."

Department for Communities and Local Government

In 2006, the DCLG published a paper entitled 'Monitoring the Longer Term Impact of Choice Based Lettings'. The following extracts give an insight into the views of users about CBL:

'Applicants who had been bidding unsuccessfully over long periods of time felt demoralised. From their perspective the proactive nature of CBL was worse than the old system. This appears to be due to the fact that regular bidding (and being unsuccessful) meant that housing issues were at the forefront of people's minds, whereas with the old system they did not have to constantly think about them. These people also felt that with a simple waiting list system and lettings administered by social landlord staff they would rise up the list, and could check periodically to see how long their wait was likely to be. With CBL, however, they could not predict how long they would have to wait. For this group of applicants CBL was not seen as an advantageous system.'

Related to this point, applicants who did not have a priority often felt they were being let down by CBL. Whilst they acknowledged that people in dire circumstances should have priority, they felt that some people knew how to 'play the system' and were getting priority status when they were not really entitled. This group thought that 'ordinary' people, like themselves, were the least likely to benefit from CBL, which was not thought to be fair.

A major issue across all areas and all applicant groups was the lack of personalised feedback for respondents, as had been found in the previous applicants study (2004). Applicants found the currently available feedback was not of help to them. It was felt that more personalised feedback would be more useful. There were suggestions of how such feedback could be offered, including being able to see a personal bidding history (dates, properties bid on, outcomes), receiving an email after unsuccessful bidding with some explanation of why the bid was unsuccessful, and having review sessions with housing staff after a set number of unsuccessful bids. Applicants thought that these types of personalised feedback would help them to maximise their chances of success.'

The paper concluded with the following comments:

'Choice Based Lettings represents a radical departure in the traditional rather paternalistic world of social housing. Despite the fact that it implies some transfer of power to the customer, the CBL concept has caught the imagination of many housing staff. It has been embraced by many landlords as symbolic of a commitment to modernisation.'

Other concluding comments highlighted the following two important challenges for CBL:

- *Promoting improved comprehension of 'allocations policies'.*
- *The need to address the understandable disillusionment of some lower priority applicants, by educating them more effectively on their realistic prospects of being accommodated in social housing.*

These wider views of CBL continue to have resonance for the Wiltshire scheme.

3.3 Audit testing

Recent shortlist outcomes were examined across a range of different properties and county locations. The numbers of bidders and their ranking and bandings were analysed.

In the period 29th July to 2nd August, 43 properties were advertised under the Choice Based Lettings system.

The following table (see below) illustrates the total bids received for all properties and the average number per property by banding. It also shows the numbers of top ranked bidders in terms of their band e.g. of the 43 properties, 15 had top ranked bidders in the Platinum band.

The table shows that of the 43 properties advertised, 40 (93%) of the top ranking bidders were in the Platinum, Gold Plus and Gold bands. The average number of bids for properties, where the highest ranked bid was banded Platinum, was 198. For highest ranked Gold Plus bands, the average number of bids was 99, for Gold 16, for Silver, 3 and for Bronze, 2.

Total bids for top ranked Platinum shortlists were 2,970 (15 properties), Gold Plus 1,989 (20 properties), Gold 81 (5 properties), Silver 3 (1 property) and Bronze 3 (2 properties).

ANALYSIS OF PROPERTIES ADVERTISED THROUGH CBL 29th July – 2nd August 2010				
Band of top ranked bidder	No Properties Allocated	% of total properties advertised	Total Bids	Ave bid per property
Platinum	15	35%	2,970	198
Gold Plus	20	46%	1,989	99
Gold Plus & above	35	81%		
Gold	5	12%	81	16
Gold & above	40	93%		
Silver & below	3	7%		
Silver	1	2%	3	3
Bronze	2	5%	3	2
Total	43	100%	5,046	117

3.4 Conclusions from testing

From our testing, we concluded that the system operates fairly and transparently, although the volume of bids makes the task of providing personalised feedback to unsuccessful bidders on most shortlists unmanageable.

The statistics show that demand for some properties is extremely high, and that the shortlists for these properties are dominated by bidders in the highest bands. It is therefore easy to understand the disappointment and frustration among bidders in the lower bands at their persistent lack of success in comparison with higher banded bidders.

To manage bidders' expectations, the outcomes of bidding cycles are published to give transparency to the bands of the top ranked bidders. Statistics are also provided in regular newsletters to illustrate the shortage of advertised properties to meet the needs and of those in priority housing need. Nevertheless there remains a lack of opportunity for existing tenants to transfer to accommodation that better suits their needs. To manage this, there is now provision for landlords to label up to 20% of properties for Transfer applicants only (i.e. for current tenants of that landlord).

Also it is now proposed to publish the eventual successful bidders' bands rather than those of the top-ranked bidder when the initial short listing is carried out. In practice, because of the facility to bid for a number of properties, higher ranked bids are often 'skipped' because bidders have been offered other properties. So the final outcome can be that a lower banded bidder is successful. Publishing successful bidders' bands should provide a more accurate reflection of successful bids than simply showing the band of the top ranked shortlisted bidder.

The sheer volume of bids received, and the multiplicity of bids for a number of properties, makes the provision of personalised feedback to unsuccessful bidders very challenging for H4W. However until the true reality of the major shortage of available properties is fully understood by those bidding with lower bands, they will continue to be disappointed by their lack of success.

Risk 2

Failure to manage the perception of lack of opportunity for transfers by existing tenants and clarify the rules that allow a percentage of properties to be labelled for *Transfer applicants only*, could result in reputational damage to the Council.

Control Objective 4:

Performance management and benchmarking is carried out and comparisons made with high performing authorities. Customer feedback and surveys are used to monitor levels of satisfaction and achieve continuous improvement and reflect best practice.

4.1 Performance management is carried out and reported to senior management.

Regular reports are produced and reported quarterly to senior management showing:

- New applications received
- Numbers on the Housing Register
- Total lettings.

Extensive statistics are maintained and published regularly online on the Abris website and in CBL Newsletters. They include details of outcomes, shortlists and bids made with top ranked bands.

4.2 Accuracy of CBL data

In reviewing performance statistics, we found a couple of minor anomalies in the way the statistics were being kept and have brought these to the attention of the H4W staff. These were not significant and have not affected the accuracy of any published data. However it is important that all statistics are carefully checked before being used in reports to senior management, on the Abris website or in Newsletters, to prevent the publication of inaccurate or misleading data.

4.3 Benchmarking

As yet there do not appear to be any easily accessible benchmarking standards for CBL schemes across the country, despite there now being a large number of such schemes in operation. Suitable comparisons to demonstrate, for example, which quartile a council falls into, have not been made. This misses the opportunity to gauge how effectively and efficiently the Wiltshire CBL scheme is operating and to facilitate setting realistic performance indicators and targets for improvement.

At present performance measures employed are:

- Properties to be shortlisted within 3 working days of bidding ending.

Performance here appears to be good with the number of properties shortlisted outside of 3 days each month being in single figures for all but one month in 2009/10. Finding suitable comparators would however provide a useful means of evaluating, more objectively, how effectively the CBL scheme is operating.

- New applicants to be registered within 10 working days of receipt of an application.

The table below for 2009/10 shows an average of only 22% of paper applications meeting this target. While this appears to be rather low, without wider benchmarking data it is difficult to make more useful and objective comparisons. Online applications (available from August 2009 onwards) achieved a better performance averaging 42% registrations within 5 working days.

Financial Year 2009/10			
New CBL Applications registered within 10 working days (paper applications) or 5 working days (online applications)			
	<u>Total New Applications</u> <u>(Online applications in brackets)</u>	<u>Paper Applications Registered within 10 working days</u>	<u>Online Applications Registered within 5 working days</u>
April	581 (0)	5%	n/a
May	600 (0)	6%	n/a
June	624 (0)	13%	n/a
July	629 (0)	9%	n/a
August	676 (190)	11%	100%
September	692 (202)	10%	100%
October	643 (254)	6%	59%
November	645 (236)	26%	44%
December	458 (147)	87%	85%
January	647 (259)	68%	71%
February	743 (252)	22%	21%
March	849 (310)	0%	19%
Total Applications	7,787 (1,850)	22% (average)	42% (average)

Risk 3

Failure to benchmark performance effectively against comparable systems in other Councils misses opportunities for setting more challenging targets and improving performance.

4.4 Customer Feedback

A survey was carried out by H4W between August and October 2009 among some 2,000 individuals registered with CBL.

Around 1,100 customers replied who had placed a bid following their accessing of details of available properties, which was by way of:

- H4W Website (70%)
- Visiting the local library (9%)
- A friend or family looks for me (7%)
- Visiting a local Wiltshire Council Office (6%)
- Telephoning the H4W team (5%)
- Through the e-mailed weekly newsletter (1%)
- Having the newsletter sent to them (1%)
- Visiting a local shop or information point (1%)
- No reason given (0%)

Of these who had not bid, the following reasons were given for not bidding:

- I do not want to move at present (35%)
- I have not seen anything I would like to bid for (24%)
- I do not understand the bidding system (17%)
- Other (14%)
- I have no way of bidding (10%)

It can be seen that overall, the large majority used the Abris website to access property details (70%). These were followed by visits to Wiltshire Council Offices and libraries, and from assistance from friends and family (21%). Important data was obtained from those who had not bid and this showed that the principal reasons were that either nothing suitable was advertised or they did not wish to move at present (59%). Other main reasons were not understanding the bidding system (17%) or having no way of bidding (10%). These results point to a need to improve communication on how the system works and facilitating bidding for those who have difficulty doing this.

4.5 Lessons learned are used to improve processes and performance

As part of the Action Plan for the H4W Service Review, a Marketing Working Group was established in June 2010 to look at general marketing issues including advertising, reviewing the application form and provision of information to applicants.

Also planned is a 'mystery shopping exercise' to assess areas of concern. These measures should help to address some of the findings of the 2009 survey and improve understanding and operation of the CBL scheme by applicants. A repeat of the 2009 survey would be helpful to monitor the success of these initiatives and help identify what opportunities may exist for further improvement.

ACTION PLAN

Risk Ref	Cross Ref	Risk & Implications	Audit's Risk Rating	Management's Risk Rating	Action Proposed by Management	Responsible Officer and Target Date
1	2.2	Failure to clarify eligibility criteria in advertisements risks fruitless applications being submitted, wasted time in processing and disappointment for applicants.	Medium	Medium Impact = Minor Likelihood = Almost Certain	This risk relies heavily on involvement from our partner landlords and is a direct result of their advertising criteria. Homes 4 Wiltshire will bring this matter to the next Homes 4 Wiltshire partnership meeting. A common approach to lettings will eliminate these risks, however a lack of co-operation may reduce our ability to improve the risks highlighted.	Head of H4W 11 th October 2010 with future actions following the partnership meeting
2	3.4	Failure to manage the perception of lack of opportunity for transfers by existing tenants and clarify the rules that allow a percentage of properties to be labelled for <i>Transfer applicants only</i> , could result in reputational damage to the Council.	Medium	Medium Impact = Moderate Likelihood = Possible	Head of H4W has produced a management transfer procedure to provide WC Housing Management with a tool for applying this section of the policy. Other landlords are making use of this policy change and regularly advertising properties for their own tenants. Head of H4W will raise at the next H4W partnership meeting the possibility of advertising for transfers only not specifying their own tenants.	Head of H4W 1 st November 2010

Risk Ref	Cross Ref	Risk & Implications	Audit's Risk Rating	Management's Risk Rating	Action Proposed by Management	Responsible Officer and Target Date
3	4.3	Failure to benchmark performance effectively against comparable systems in other Councils misses opportunities for setting more challenging targets and improving performance.	Medium	Medium Impact = Minor Likelihood = Almost certain	Head of H4W has made contact with Mendip, Swindon, Hampshire and BANES requesting stats and housing structures for comparison. To date very little response and very difficult to compare systems which operate very differently. Will strive to obtain some comparable data.	Head of H4W 1 st December 2010

Explanation of Audit Opinion and Risk Rating

Audit Opinion

Full Assurance – There is a sound system of control designed to achieve the service objectives, with key controls being consistently applied.

Substantial Assurance – Whilst there is a basically sound system of control, there are weaknesses which may put some of the service objectives at risk.

Limited Assurance – Weaknesses in the system of control are such as to put service objectives at risk.

No Assurance – Control is generally weak leaving the system open to significant error or abuse.

Risk Profile Matrix Rating

Red = High Risk

High level risks are significant risks to the effective delivery of the service. Risk management strategies should be put in place to appropriately manage the identified risks within a short timescale. Frequent monitoring of the management of identified risks is essential.

Amber = Medium Risk

Medium level risks are risks which must be managed to ensure the effective delivery of the service. Monitoring of the risk should be regularly undertaken.

Green = Low Risk

Low level risks are risks which are not considered significant to the effective delivery of the service, but which should nevertheless be managed and monitored using existing management processes.