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# NPT Homes Self-Assessment

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*Internal Audit Report: NPT-2016/17-06*

*Date: 11 November 2016*

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| <b>Debrief Meeting:</b>              | 4 October 2016   |
| <b>Draft Report Issued:</b>          | 11 October 2016  |
| <b>Responses Received:</b>           | 10 November 2016 |
| <b>Final Report Issued:</b>          | 11 November 2016 |
| <b>Audit Committee Presentation:</b> | 24 November 2016 |

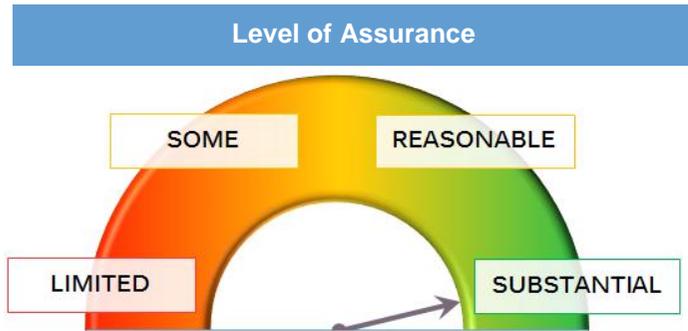
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|------------------------|---------------------------------------------------------|
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The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

This report is prepared solely for the use of the Board and senior management of NPT Homes. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be recited or referred to in whole or in part to other third parties without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

# 1. EXECUTIVE SUMMARY

## 1.1. Conclusion & number of recommendations



|                                     | High     | Medium   | Low      | Suggestion |
|-------------------------------------|----------|----------|----------|------------|
| Design of Controls                  | 0        | 1        | 0        | 0          |
| Control Application / Effectiveness | 0        | 1        | 0        | 3          |
| <b>TOTAL:</b>                       | <b>0</b> | <b>2</b> | <b>0</b> | <b>3</b>   |

**Conclusion:** The primary aim of this audit was to provide assurance over work completed to date and this part of the review found that a robust process had been followed with a good level of stakeholder engagement, including the Board and tenants, and that information documented was evidence-based. However, due to staffing changes and a lack of documented project approach concerns were raised over whether the project was achievable within the original timescales set. As the scope of the review focused on the work undertaken to date we have provided Substantial assurance over this process; however we have raised a recommendation regarding ensuring there is a robust process in place to complete the remainder of the self-evaluation and this needs to be closely monitored.

The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them

## 1.2. Summary of Findings

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

**Effectiveness:**

- Our review identified that all the evidence sampled from the self-assessment storyboards completed to date were tangible and accurate.
- The Regulator had provided feedback on the process stating that it "all sounds fine" and that they were pleased with the engagement with tenants through the Academy.

**Design of control framework:**

- The Board were clearly involved in the self-assessment process, including reviewing completed storyboards.
- NPT Homes had created a dedicated area on its website to provide the information to all stakeholders.

- The organisation had established the 'Academy' to enable effective succession planning for tenant board members, to improve the organisation's approach to self-assessment and to engage with and provide training to tenants and independents who would like to be involved in shaping NPT Homes' future.
- The organisation's self-assessment had been designed around the organisation's Local Outcomes, which were approved by the Board in 2013.
- Lessons learnt were undertaken informally but there was a lack of formal reviews or project planning that would enable the project to continue should significant changes to staff occur.
- The self-assessments undertaken of performance were objective and based on outcomes or end results for customers.

**Application and compliance with control framework:**

- Due to a restructure within the organisation the project had, at the time of the review, stalled and consideration was being given to succession planning and a future plan to enable the full process to be completed within an appropriate timescale.
- We identified a good level of engagement with tenants and other stakeholders as required for the self-assessment return; although noted that the process of engagement could be further refined to make it more effective.

**1.4. SWOT Analysis**

| Strengths                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Weaknesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ NPT Homes engaged well with tenants via the Academy.</li> <li>▪ Consideration had clearly been given to the outcomes required of the self-assessment process and this had been acknowledged by the Welsh Government's Housing Regulation Team.</li> <li>▪ A good framework is in place for undertaking self-assessment using the Local Outcomes previously defined.</li> <li>▪ The method of reporting the information was inclusive to a range of stakeholders with differing needs/requirements.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Tenants expressed a lack of communication from NPT Homes regarding the purpose of their involvement with the storyboards to date.</li> <li>▪ Organisational restructures and staff movements had resulted in a loss of information and focus from the business.</li> </ul>                                                                                                                                                                                                               |
| Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Threats                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <ul style="list-style-type: none"> <li>▪ A formalised project plan and process would enable better succession planning and risk management.</li> <li>▪ Formalising lessons learnt would enable greater improvement of the process in future iterations.</li> <li>▪ Tenants expressed an interest to be more involved in the process from an earlier stage, which would achieve an even more tenant-focused approach.</li> </ul>                                                                                                                        | <ul style="list-style-type: none"> <li>▪ The Welsh Government had approved the concept but had not, at the time of the review, formally provided feedback on the first two storyboards. Although small, this could represent a risk to the project.</li> <li>▪ Requirements may change prior to completion of all eight storyboards and a robust timeline and review process should be considered.</li> <li>▪ Future organisational, environmental or staff changes could impact on delivery of the final storyboards.</li> </ul> |

## 2. BACKGROUND AND SCOPE

### 2.1. Objectives and risks

|                                            |                                                                                                                                                                                                                                                                          |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective of the area under review:</b> | A robust, evidence-based and board-led self-assessment process is undertaken that includes input from stakeholders and results in a true and fair view of the organisation.                                                                                              |
| <b>Risk(s):</b>                            | Self-assessments undertaken do not stand up to robust challenge or scrutiny as they are not evidence-based and have not been effectively challenged. Self-assessment process not fit for purpose leading to potential regulatory intervention and withdrawal of funding. |
| <b>Engagement objective:</b>               | A development review to assess the organisation's approach to self-assessment and provide assurance that it is evidence-based, has had appropriate Board and other stakeholder involvement and has been appropriately challenged.                                        |

### 2.2. Scope of the review

An audit of Self-Assessment was undertaken as part of the approved internal audit periodic plan for 2016/2017. The following areas were agreed to be included within this review:

|                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Areas within scope:</b>                                         | <p>Review of the two self-assessment reports/storyboards reported to the Board to date to ensure they were evidence-based, included appropriate stakeholder involvement (including the Board) and had been challenged.</p> <p>Review of the process for undertaking future self-assessments, including the staff involved, templates/structures, stakeholder involvement and processes to ensure the entire business is covered within an appropriate period.</p> <p>Verification that the process had been appropriately challenged or feedback provided by stakeholders including, if appropriate, the Board and the regulator.</p> |
| <b>Performance measures considered in assignment planning:</b>     | Accuracy of evidence included in the self-assessment; i.e. number or percentage of evidence confirmed to be accurate through sampling.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Additional outcomes / value added expected from the review:</b> | <p>Opportunities for improvement from processes seen at other organisations.</p> <p>Identification of information not yet included on reports/storyboards as evidence of achievement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                             |

### 2.3. Limitations to the scope of the review

- Testing was undertaken on a sample basis only.
- Our work does not provide any guarantee that the organisation's self-assessment meets the requirements of other stakeholders, such as the Board or the regulator.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

### 3. ACTION PLAN

|           |                                                                                       |                                                                                          |                                                                                          |                                                                                                |
|-----------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Priority: |  Low |  Medium |  High |  Suggestion |
|-----------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|

| Ref.  | Summary of Finding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Risk                                                                                                                              | Recommendation                                                                                                                                                                                                                                                                                                                                                                                              | Priority                                                                            | Agreed Action                                                                                                                                                                                                                                                                                      | Responsible Person & Date for Implementation                                                                               |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| 4.1.5 | <p>When challenged if a lessons learnt session had been carried out around the two storyboards already presented staff stated that there had been no formal process but did confirm that between the two completed storyboards methods of delivery had changed due to the feedback and interpretation of the sessions that had occurred.</p> <p>Formal, documented lessons learnt sessions would benefit all parties, especially in light of the personnel changes within the organisation, as they would provide a clear record of what had gone well and what improvements were required and provide a platform to build from.</p> | Previous mistakes or inefficiencies may be repeated that may result in stakeholder dissatisfaction and/or inaccurate storyboards. | Formal, documented lessons learnt sessions need to be undertaken to ensure that opportunities for improvement are identified and acted upon. It is our recommendation that after every storyboard or collection of storyboards is completed and presented to the Board a lessons learnt session is completed. Consideration should be given to the Board having sight of the results of the lessons learnt. |  | The process for carrying out self-assessment will be developed, this will include lessons learnt. The recommendation to carry these out following the completion of storyboards will be included in the process. Consideration will be given to lessons being shared with Board where appropriate. | <p><b>Responsible Person:</b><br/>Angela Priestley, Head of Corporate Services</p> <p><b>Date:</b><br/>31 January 2017</p> |

| Ref.   | Summary of Finding                                                                                                                                                                                                                                                               | Risk                                                                                                                                                                                                    | Recommendation                                                                                                                                                                                                                                                                                                                                              | Priority                                                                            | Agreed Action                                                                                                                                                                      | Responsible Person & Date for Implementation                                                                       |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 4.1.10 | At the time of the review we noted that there had been personnel changes and some organisational restructuring which has had a direct impact on delivery of the project. At the time of our review NPT Homes was re-evaluating the future strategy and timelines of the project. | The project is unlikely to be completed to the originally planned timetable and without a formal plan there may be a lack of clarity, delays or inconsistencies in approach if personnel changes occur. | A formal plan and time line should be prepared for the remainder of the storyboards to ensure that they are completed by the required deadline, originally set as 31 March 2017. This should include sufficient guidance regarding the process to enable a member of staff not currently involved in the process to continue it should staff changes occur. |  | A plan to deliver the remaining storyboards of the 2016/17 self-assessment will be developed by mid November 2016. The plan will include an outline of the process being followed. | <b>Responsible Person:</b><br>Angela Priestley, Head of Corporate Services<br><br><b>Date:</b><br>10 November 2016 |

| Suggestions in line with good practice or processes seen in other organisations |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ref.                                                                            | Finding                                                                                                                                                                                                                                                                                                                                                                                                  | Suggestion                                                                                                                                                                                                                                                              | Management Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 4.1.4a                                                                          | Due to the conflicting evidence regarding tenants' involvement in the process we consider that involving tenants has been partially effective but that improvements could be made around communicating the purpose of the project/meetings and also about the stage of involvement; for example consideration of getting tenants in earlier in the process and having a more collaborative approach.     | We suggest that the method of tenant engagement be reviewed and an open discussion had with members of the Academy to understand how NPT Homes can increase the effectiveness of engagement in the self-assessment process and undertake a more collaborative approach. | <p>A sub group of the academy is agreed at the start of each storyboard review. Members of the sub group are agreed and then become fully engaged in the process of reviewing our performance with the owner of the Storyboard. This is a very collaborative and co-design approach to conducting our self-assessment. The two levels of engagement approach was introduced as a result of lessons learnt. Tenant conflicting evidence may be a result of members from the Academy and the sub group being engaged during the audit process.</p> <p>A Terms of Reference (TOR) for the Academy will be developed to clearly articulate the level of engagement with the Academy and the Academy sub-group during the self-assessment process. We will also establish training requirements prior to the commencement of all Storyboard reviews to ensure all those with the highest level of engagement (sub-group) are able to carry out their role successfully.</p> |
| 4.1.4b                                                                          | We became aware that one member of the Board was also on the Academy and had been involved in the self-assessment process. The organisation should be aware that this creates a conflict of interest as they will both be scrutinising the effectiveness of the organisation by completing the self-assessment and subsequently be required to objectively review the self-assessment as a Board member. | The organisation should consider whether this conflict should be addressed, for example by ceasing the Board member's involvement in the self-assessment process through the Academy.                                                                                   | A Self-assessment TOR will be developed which will include the role of all parties involved and any exclusions that may apply, particularly in the case of Board members. Academy members will be involved in the development of the TOR and the conflict will be raised through this process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Ref.  | Finding                                                                                                                                                                                                                                                            | Suggestion                                                                                                                                                                                                                                                                                               | Management Response                                                          |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 4.1.8 | The use of performance indicators (PIs) is a popular and successful way to measure and monitor performance as long as the right items are being monitored and measured. Although NPT Homes measures PIs these are not integrated into the self-assessment process. | NPT Homes should consider how to integrate the monitoring of relevant PIs into the eight areas of the "Making a Difference" project to ensure that they are regularly monitored, reported and reviewed; thus enabling regular and consistent monitoring of performance to feed into the self-assessment. | It is our intention to bring PIs into our self-assessment where appropriate. |

#### 4. DETAILED FINDINGS

| Ref.  | Controls                                                                                                                                                                                                                                           | Adequate Design (Y/N) | Test Result & Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Recommendation | Priority |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
| 4.1.1 | <p>The Board have steered the process and there is a clearly defined process for undertaking/completing the organisation's self-assessment.</p> <p>There is formal Board approval and the Board has been involved in establishing the process.</p> | Y                     | <p>NPT Homes utilised a Board development day on 17 September 2015 to introduce the concept of the Academy. We reviewed the presentation made to the Board on that day and noted that it clearly laid out that the concept of the Academy is to support Board succession planning and delivery of the self-assessment process at NPT Homes.</p> <p>NPT Homes' approach to self-assessment was subsequently undertaken through the "Making a Difference" program. Included within the presentation there was to be a refreshed approach that included:</p> <ul style="list-style-type: none"> <li>▪ Drafting storyboards for the Academy to review;</li> <li>▪ A rolling programme by a set theme, linked to the storyboards;</li> <li>▪ Providing training to the Academy members; and</li> <li>▪ Engaging with Academy members to undertake research of the given areas.</li> </ul> <p>The presentation did ask for the Board's approval and we confirmed through interview with staff that this was gained at the meeting. As it was a Board development day, rather than a Board meeting, there were no minutes available. Gaining approval from the Board evidenced NPT Homes' commitment to complying with the Welsh Government regulatory framework for housing associations registered in Wales.</p> <p>Further to this there has been a documented plan and approach to the way the "Making a Difference" project has been carried out.</p> |                |          |

| Ref.  | Controls                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Adequate Design (Y/N) | Test Result & Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Recommendation | Priority |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
| 4.1.2 | <p>The self-assessment at NPT Homes has been developed around the organisation's Local Outcomes. These originally covered nine main areas, defined as:</p> <ul style="list-style-type: none"> <li>▪ Communication</li> <li>▪ Economic Stability</li> <li>▪ Getting Involved</li> <li>▪ Governance</li> <li>▪ Health</li> <li>▪ Inside and Outside Our Homes</li> <li>▪ Partnership</li> <li>▪ Secure Homes and Estates</li> <li>▪ Sustaining Tenancies</li> </ul> | Y                     | <p>We carried a review of the scope of the project and the individual plans for the two completed storyboards. We concluded that the plans in place included all of the Welsh Government's requirements. We established that an appropriate process had been undertaken to define the organisation's Local Outcomes, and relevant sub-themes, through previous audits, including in the Strategic Planning review (08.13-14), noting that one of the Local Outcomes, Health, had since been removed.</p> <p>We noted that the progress undertaken to date for completing each of the Storyboards had been a learning process and that improvements had been identified from the process to be taken forward to the next ones.</p> <p>Overall, we concluded that the basis of the storyboards had been appropriately considered and approved by the Board. No issues were noted.</p> |                |          |
| 4.1.3 | <p>Once completed, each storyboard is presented to the Board for consideration and approval.</p>                                                                                                                                                                                                                                                                                                                                                                  | Y                     | <p>Prior to the July Board meeting two storyboards had been completed, Partnerships and Getting Involved, and both were presented to the Board at the July meeting. Prior to July the Board had received updates on the progress of the "Making a Difference" project and this provided opportunities for the Board to challenge and review the most recent developments.</p> <p>Review of the minutes of the July Board meeting evidenced that there had been challenge from the Board and that the storyboards presented had been reviewed, considered and approved. At the Board meeting there were also two Welsh</p>                                                                                                                                                                                                                                                           |                |          |

| Ref.  | Controls                                                                                                                                             | Adequate Design (Y/N) | Test Result & Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Priority          |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
|       |                                                                                                                                                      |                       | <p>Government Regulation Managers who had the opportunity to comment if they wished.</p> <p>This practice ensures that the Board is involved and helps to ensure that the final self-assessments reflect the input of the various stakeholders involved in the project.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |
| 4.1.4 | <p>Tenants have been engaged with during the process and there is a direct link from their feedback/comments to the outcomes of the storyboards.</p> | Y                     | <p>We carried out a group interview session with four members of the Academy to establish their involvement in and views of the self-assessment process. During the session it was established that the members felt that NPT Homes had considered their view points in many cases; however, there was confusion over what the purpose of the meetings had been and they felt that they were unprepared, through a lack of training (see below), which meant that they did not feel that they could fully understand and contribute.</p> <p>The tenants confirmed that they had engaged with the storyboard process but expressed concerns that often a lot of the work had already been completed by staff prior to the tenants' input and that the tenants were used more to sign off the work of the staff, rather than a collaborative approach.</p> <p>The tenants that were spoken to confirmed that they had received some training on, for example, 'Carrying Out Research and Analysing the Findings' and 'Understanding Outcomes' and that they had been asked to complete feedback on that training. From reviewing example feedback forms it was evident that overall the tenants were pleased with the training and had a positive experience of those sessions. This contradicts the interview evidence we obtained and suggests that there may be a disconnect</p> | <p>a) We suggest that the method of tenant engagement be reviewed and an open discussion had with members of the Academy to understand how NPT Homes can increase the effectiveness of engagement in the self-assessment process and undertake a more collaborative approach.</p> <p>b) The organisation should consider whether this conflict should be addressed, for example by ceasing the Board member's involvement in the self-assessment process through the Academy.</p> | <p>◆</p> <p>◆</p> |

| Ref. | Controls | Adequate Design (Y/N) | Test Result & Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Recommendation | Priority |
|------|----------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
|      |          |                       | <p>between the training and the input they were subsequently asked to provide in the self-assessment process. For example, the tenants that we spoke with reported a lack of communication from NPT Homes and in their words there was a lack of "terms of reference" for the project.</p> <p>Due to the conflicting evidence regarding tenants' involvement in the process we consider that involving tenants has been partially effective but that improvements could be made around communicating the purpose of the project/meetings and also about the stage of involvement; for example consideration of getting tenants in earlier in the process and having a more collaborative approach. We are aware that the organisation had started linking the Academy to programmes of work related to future storyboards to ensure they are involved in the process and to enable them to more easily complete the storyboard at the end.</p> <p>Involving tenants in the self-assessment process is vital and from the information we obtained we support that tenants were engaged with by NPT Homes and did contribute to the work but that the process could be further refined.</p> <p>In addition we became aware that one member of the Board was also on the Academy and had been involved in the self-assessment process. The organisation should be aware that this creates a conflict of interest as they will both be scrutinising the effectiveness of the organisation by completing the self-assessment and subsequently be required to objectively review the self-assessment as a Board member. The organisation should consider whether this conflict should be addressed, for example by ceasing the involvement in the self-assessment process through the</p> |                |          |

| Ref.  | Controls                                                                                                                    | Adequate Design (Y/N) | Test Result & Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Recommendation                                                                                                                                                                                                                                                                                                                                                                                              | Priority                                                                            |
|-------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|       |                                                                                                                             |                       | Academy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                     |
| 4.1.5 | Lessons are learnt from the production of each storyboard and these are used to develop the process for future storyboards. | Y                     | <p>Through interviews with staff we were informed that, due to personnel changes within the organisation, there had been a loss of focus and clarity around the direction of the project. Staff members were, at the time of the review, reviewing what had already been developed and considering what areas were to be addressed next. When challenged around if a lessons learnt session had been carried out around the two storyboards already presented staff stated that there had been no formal process but did confirm that between the two completed storyboards methods of delivery had changed due to the feedback and interpretation of the sessions that had occurred.</p> <p>Formal, documented lessons learnt sessions would benefit all parties, especially in light of the personnel changes within the organisation, as they would provide a clear record of what had gone well and what improvements were required and provide a platform to build from. Without these there is an increased risk that previous mistakes or inefficiencies will be repeated that may result in stakeholder dissatisfaction and/or inaccurate storyboards.</p> | Formal, documented lessons learnt sessions need to be undertaken to ensure that opportunities for improvement are identified and acted upon. It is our recommendation that after every storyboard or collection of storyboards is completed and presented to the Board a lessons learnt session is completed. Consideration should be given to the Board having sight of the results of the lessons learnt. |  |
| 4.1.6 | All tenants should be able to access, understand and interpret the self-assessment process regardless of their abilities.   | Y                     | NPT Homes had to ensure that tenants were able to access and understand the actual self-assessment. This was in addition to other performance data provided by NPT Homes in the Annual Report and in tenant newsletters. The self-assessment also needed to be accessible to all stakeholders of NPT Homes. According to guidance, each RSL had to determine the best way to make it accessible to its tenants and reliance on the website alone was unlikely to                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                     |

| Ref.  | Controls                                                                                                                             | Adequate Design (Y/N) | Test Result & Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Recommendation | Priority |
|-------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
|       |                                                                                                                                      |                       | <p>be sufficient for tenants.</p> <p>NPT Homes has provided an area on the website dedicated to the self-assessment under the project banner "Making a Difference". The website was accessible to all and was clear and simple to understand. NPT Homes utilised the functionality of YouTube to also provide video content to ensure all stakeholders were able to be engaged. NPT Homes chose to utilise storyboards as it offered a pictorial representation and again it was an additional method to ensure all tenants were able to understand the process.</p> <p>Overall, it was evident that NPT Homes had employed a range of formats and engagement processes to ensure that the self-assessment was accessible to tenants and other stakeholders.</p>                                                                                     |                |          |
| 4.1.7 | <p>The Welsh Government's Housing Regulation Team has been consulted to ensure that NPT Homes' process meets their requirements.</p> | Y                     | <p>NPT Homes provided information to the Welsh Government in August 2015 on their approach to address the requirement of Registered Social Landlords (RSLs) to publish tenant accessible versions of NPT Homes' Self Assessments.</p> <p>The Welsh Government stated, in August 2015, that they "just wanted to confirm that this all sounds fine." They also were pleased to hear that the Academy was going to be involved in deciding how best to communicate the self-assessment to the wider body of tenants. They did express that communication was one of the priorities of the task at hand but acknowledged that it would take the Academy a bit of time and training to get them up to speed (see 4.1.5 above).</p> <p>Through the review of email correspondence between the regulator and NPT Homes we confirmed that the regulator</p> |                |          |

| Ref.  | Controls                                                                                                                    | Adequate Design (Y/N) | Test Result & Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Recommendation                                                                                                                                                                                                                                                                                                  | Priority                                                                            |
|-------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|       |                                                                                                                             |                       | <p>had been consulted and had confirmed that they were happy with the approach being taken. We also confirmed that the approach communicated was consistent with that reviewed as part of this audit.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                 |                                                                                     |
| 4.1.8 | <p>The self-assessments undertaken of performance are objective and are based on outcomes or end results for customers.</p> | Y                     | <p>The "Making a Difference" project had, at the time of the review, eight core areas and two of these areas had already been completed. For the Partnership area performance information was primarily obtained through feedback from identified primary and secondary partners, which were asked to complete a survey. The results of the survey were consolidated and published on the NPT Homes website and through interviews staff confirmed that there was a commitment to carry out the surveys on an annual basis.</p> <p>For the Getting Involved storyboard some performance indicators (PIs) were used that were more observational than statistical. That being said there were some statistics around attendance at the Annual General Meeting (AGM) and voting, as well as the number of time credits issued. The more observational elements were around tenant stories and feedback from external parties.</p> <p>The use of PIs is a popular and successful way to measure and monitor performance as long as the right items are being monitored and measured. NPT Homes should consider how to integrate the monitoring of relevant PIs into the eight areas of the "Making a Difference" project to ensure that they are regularly monitored, reported and reviewed; thus enabling regular and consistent monitoring of performance to feed into the self-assessment.</p> | <p>NPT Homes should consider how to integrate the monitoring of relevant PIs into the eight areas of the "Making a Difference" project to ensure that they are regularly monitored, reported and reviewed; thus enabling regular and consistent monitoring of performance to feed into the self-assessment.</p> |  |

| Ref.   | Controls                                                                                                                                                                           | Adequate Design (Y/N) | Test Result & Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Recommendation                                                                                                                                                                                                                                                                                                                                              | Priority                                                                            |
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| 4.1.9  | Sufficient evidence is available to support judgements made and to provide the Board and regulator with sufficient assurance over the information included in the self-assessment. | Y                     | As part of the review we carried out a sample of documentation that NPT Homes used to support what had been included in the two completed storyboards. From the information we reviewed it was evident that there was substance to what NPT Homes was reporting. For example, we reviewed tenant feedback forms and survey results from NPT partners and found that the information reviewed tied back to what was reported and published by NPT Homes. Overall the information would enable the Board and regulator to draw their own similar conclusions to NPT Homes.                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                             |                                                                                     |
| 4.1.10 | The self-assessment process is a live tool and is constantly being reviewed.                                                                                                       | Y                     | <p>At the time of the review we noted that there had been personnel changes and an organisational restructure which has had a direct knock on effect on the project. NPT Homes is currently evaluating the position and re-working the future strategy of the project, which has resulted in a delay to the originally suggested time line.</p> <p>Through interviews with staff it was understood that the overall scope had not changed but the time-line of events had. There was no indication of the new time scale and this loss of focus will mean that NPT Homes is unlikely to deliver all of the planned updates to the originally planned Board meetings or to the regulator as originally planned.</p> | A formal plan and time line should be prepared for the remainder of the storyboards to ensure that they are completed by the required deadline, originally set as 31 March 2017. This should include sufficient guidance regarding the process to enable a member of staff not currently involved in the process to continue it should staff changes occur. |  |