

# WHQS Compliance: Data and delivering amidst the Covid-19 crisis

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September 2020

**1.**

How are we assured that our numbers are correct?

**2.**

How are we assured that our interpretation is correct?

**3.**

How tightly is our data journey controlled?

**4.**

How secure is our data?

**5.**

What level of priority does data integrity have

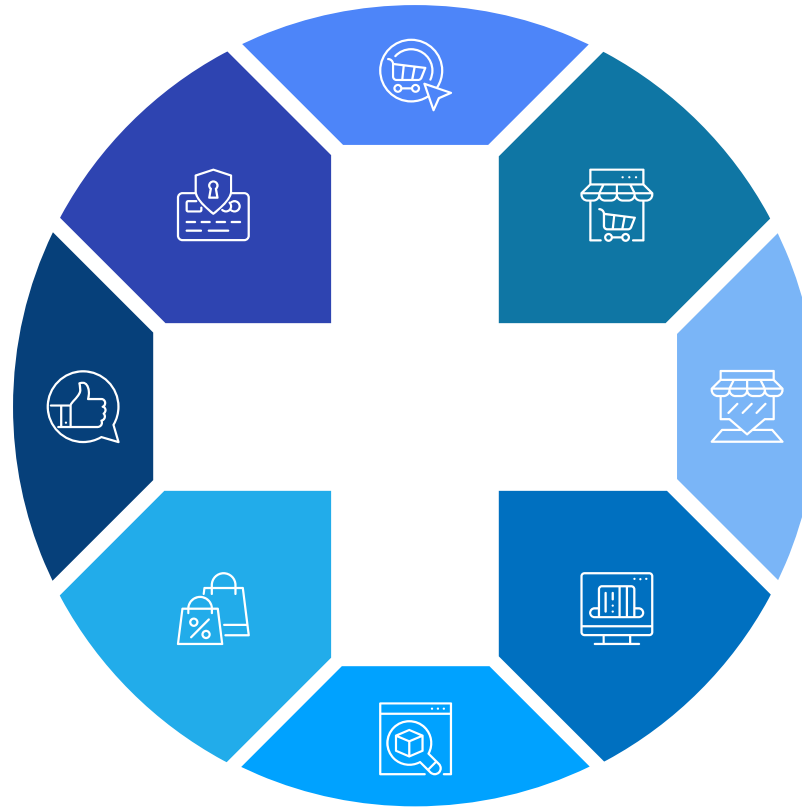
# About CT

25 years of consulting experience

Worked with all of the top 50 UK HAs by size plus orgs of all shapes and sizes

Strong track record in engaging Exec Teams and Boards on asset management

Worked with the commercial sector, contractors & charities



Associate model enables access to the best technical experts

Wide ranging experience of working with housing organisations

Strategy development  
Options appraisals  
Stock rationalisation  
Troubleshooting

In depth understanding of regulatory landscape



**We are not here to diagnose  
your WHQS compliance scores**



## Why does it matter?



Safety of residents / reputational risk



Quality of life for residents



Timely component replacement



Accurate investment profiles



Inform policy

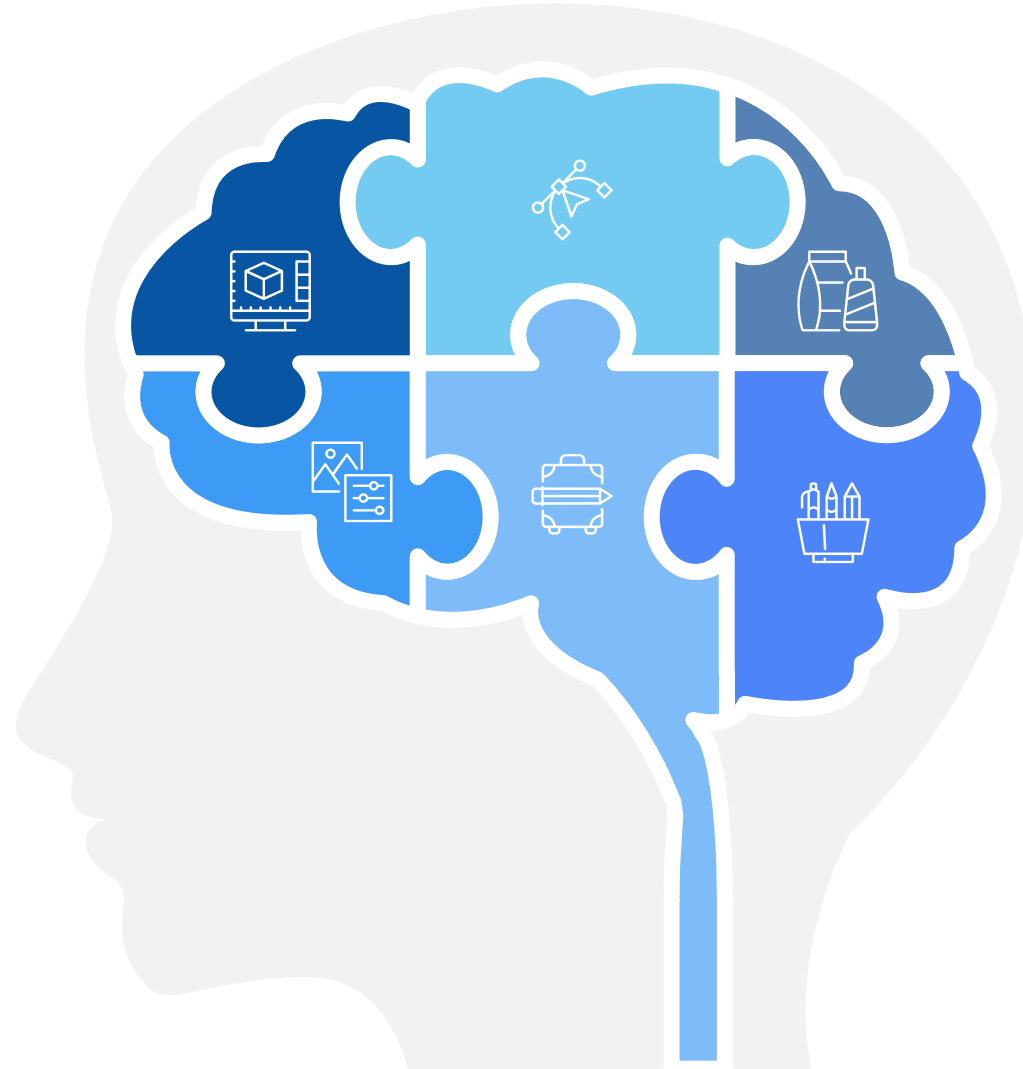


Financial, reputational and political risks (to individual HAs and the sector as a whole)



Likely new WHQS: importance of sound and accurate foundation

**My main job...**



**...is to show you that  
you already know  
most of the answers**

# Real World



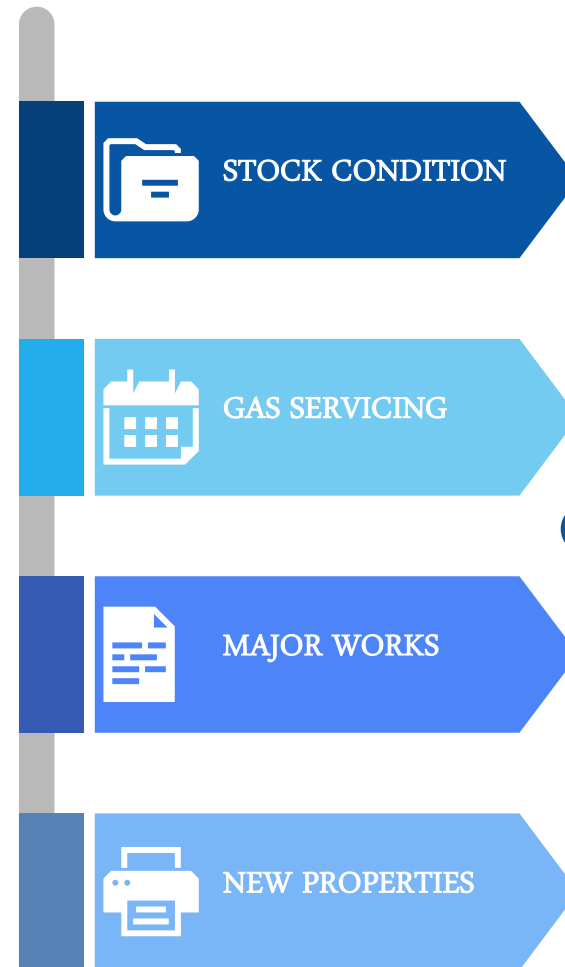
Processes

# Data



Processes

# Reports



Processes

# Result



## Senior Management

	01 - Operations	02 – Internal Assurance	03 – External Assurance
What	Apply risk management processes, apply internal controls and risk responses, ensure staff are appropriately skilled and trained, ensure roles & responsibilities re risk are clear, set clear objectives, monitor, input into development of policies & procedures, review emerging risks, report to Executive, escalate	Oversee and challenge risk management processes, review 1st line, develop risk management framework policies & procedures, provide guidance and direction, monitor mitigations, seek assurance, learn from complaints & whistle blowing, review emerging risks, report to Executive/Board, escalate	Provide independent & objective challenge and assurance, review evidence of 1st and 2nd lines, provide opinion on design & effectiveness of controls, recommendations for improvement,
Who	Front line staff, line managers, those involved in day-to-day risk m'ment	Oversight functions e.g.: finance, HR, quality, performance, governance, compliance, assurance, IT security, health & safety, and risk management	Int/Ext Audit, legal, treasury and valuers, specialist health checks & deep dives, benchmarking, other quality assurance e.g. IIP, regulation



# 1.

How are we assured that our numbers are correct?

- Base data
- Adds
- Deletes
- Changes
- Processes
- Process controls
- Audit trails
- Reconciliations

## 2.

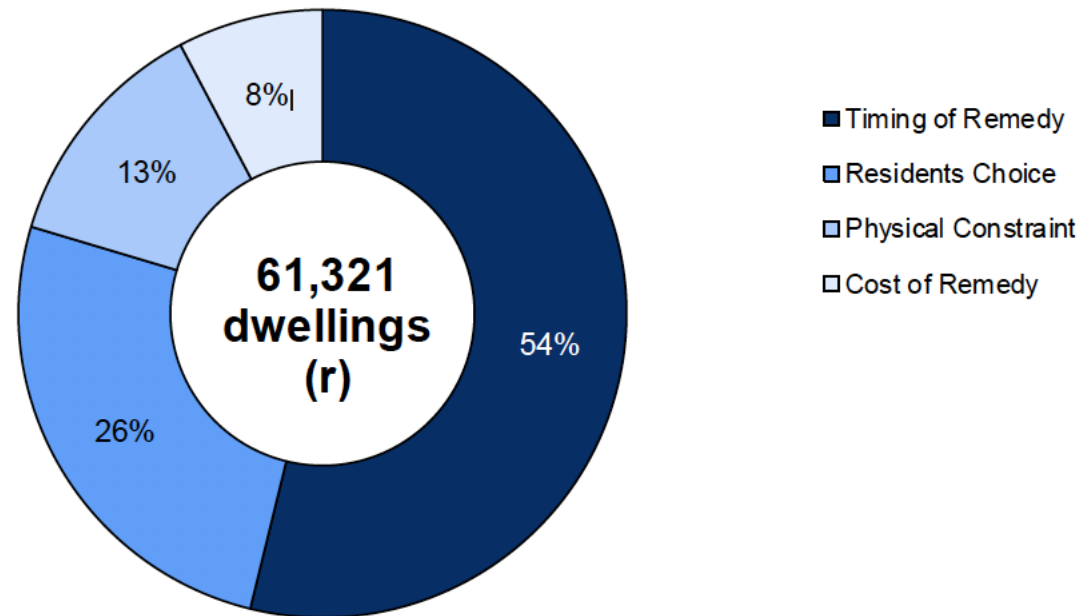
How are we assured that our interpretation is correct?

- A matter of fact
  - Applied by people: expertise, knowledge, competence
  - Understand your processes
  - Who is making the decisions?
  - Competent to make decisions?
  - Motivated to make the correct decisions?
- Take a risk based approach.
  - If the key data source is your SCS:
    - What assurance do you have on your SCS methodology?
    - What is the level of cloning?
    - Are you refining data as you go?

# 2.

How are we assured that our interpretation is correct?

**Chart 1 - Percentage of all dwellings compliant subject to acceptable fails by reason for acceptable fails, 31 March 2018 (a) (revised)**



Source: Annual WHQS returns

# 3.

How tightly is  
our data  
journey  
controlled?

- Are your data journeys integrated?
- SCS: paper or electronic updates?
- Cloning? How?
- WHQS report: definition? Manually worked out?
- Cutting and pasting of data between spreadsheets: inaccuracy and error risks
- Write the process down
- Take a realistic view of your risks
- Build in cross-checks and reconciliations
- Think about 2<sup>nd</sup> and 3<sup>rd</sup> lines of defence

# 4.

How secure is our data?

## ISS World

- A Feb. 17 ransomware attack forced Denmark-based facilities management firm ISS World to switch off its networks and leave hundreds of thousands of employees without access to their systems or email, Worst ransomware attack globally in 2020.
- Recovery And Mitigation Costs: \$75 Million To \$112.4 Million)
- BUT note: a number of the top 10 are US local authorities
- Users : Password strength and frequency of change. Mandated or voluntary? Shared?
- Where data sits: on personal drives or shared - In either case: access risks. Benevolent (error) or malign (hacker, cheesed off colleague etc.).
- As numbers and types of devices increase, so does risk.

# 5.

What level of priority does data integrity have

- Typically seen as an inconvenience rather than a key safety mechanism. Seat belts?

- Who is involved:

- IT: Hardware, software, network controls
- BUT IT only provide a framework - how well do you use it?
- Processes
- Business analysis - if you have it - report definitions.
- End users, end users, end users
- Typically, lots of individual decisions by individual users

- Three lines of defence

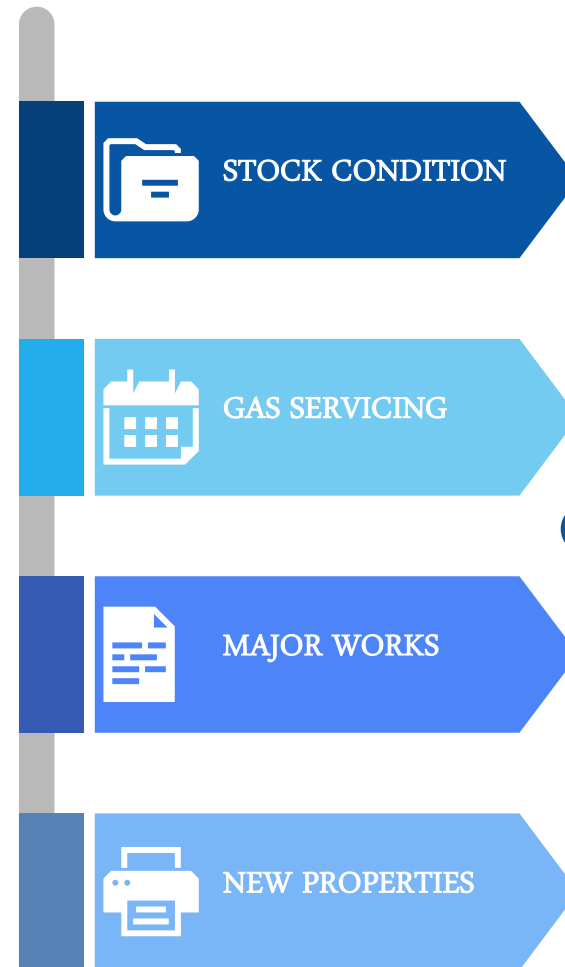
# Real World



# Data



# Reports



# Result



## Real World

*How do we know how many properties we have?*

*How are adds, deletes, changes identified?*

*How do we check on our accuracy?*

## Data

*Is our data secure?*

*Is our data entry process robust?*

*How do we check on our accuracy?*

## Reports

*Are we counting the right data?*

*Are our report definitions set up correctly?*

*How do we validate our report findings?*

## Result

*Are we assessing compliance correctly?*

*Are we calculating investment needs correctly?*

*Have we got sufficient assurance?*



## Senior Management

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What level of priority does data integrity have

Q & A

CAMPBELL  
TICKELL

Telephone +44(0) 208 883 0677  
Recruitment +44(0) 203 434 0990

info@campbelltickell.com  
www.campbelltickell.com  
 @CampbellTickel1

# Thank you

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**Jon Slade**

jon.slade@campbelltickell.com  
07943 496363