



SOUTH KESTEVEN DISTRICT COUNCIL

Housing Compliance - Gas, Electrical, Legionella, Asbestos and Fire Safety

Internal Audit Report 7.21/22

FINAL

4 October 2021

This report is solely for the use of the persons to whom it is addressed.

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EXECUTIVE SUMMARY

With the use of secure portals for the transfer of information, and through electronic communication means, remote working has meant that we have been able to complete our audit and provide you with the assurance you require. It is these exceptional circumstances which mean that 100 per cent of our audit has been conducted remotely. Based on the information provided by you, we have been able to sample test.

Why we completed this audit

A review of Housing Compliance - Gas, Electrical, Legionella, Asbestos and Fire Safety was undertaken at South Kesteven District Council as part of the approved internal audit periodic plan for 2021/22.

Following the Housing Compliance internal audit review undertaken in 2020/21, the Council have implemented several new processes and systems to ensure they are compliant with all housing regulations. Most notably the implementation of Propeller, the compliance management system, that allows for all properties and compliance data to be easily managed from one system.

The Council have rolled out a rapid testing programme for electrical safety testing and are currently on track to receive 100 per cent compliance by March 2022. Significant work has also been undertaken over the past 12 months to ensure fire risk assessments are up to date for sheltered accommodation and communal housing.

There has been a new Head of Housing Technical Services recently appointed at the Council who is keen to build on the progress that has been made. The Council meet with the Regulator of Social Housing on a monthly basis to provide updates on progress made. An update on compliance is also provided to every meeting of the Council's Rural and Communities Overview and Scrutiny Committee.

The Council recognise that further work is required to ensure they are fully compliant with all housing regulations.

As part of this audit, we have followed up a total of nine actions previously raised in the housing compliance update audit in 2020/21. One action was not fully implemented and has been re-raised and is included in the detailed findings section.

Conclusion

This review has confirmed that the Council has strengthened its control framework over the past 12 months in relation to compliance - gas, electrical, legionella, asbestos and fire safety. However, we have identified gaps in the control framework and weaknesses in adherence to the controls for managing housing compliance safety checks and as a result have agreed two 'high' and four 'medium' priority management actions. Further details are provided in Section 2 of this report.

Internal audit opinion:

Taking account of the issues identified, the Council can take partial assurance that the controls upon which the Council relies to manage Housing Compliance - Gas, Electrical, Legionella, Asbestos and Fire Safety are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified areas.



Key findings

We confirmed that the following controls are operating effectively in practice:



Our review confirmed that there is an up to date Housing Management Strategy in place at the Council. The Strategy is accessible to all staff and tenants via the Council's website.



Our review confirmed that there is up to date procedural guidance in place for gas safety, electrical safety and fire safety. Procedural guidance is made accessible to all staff via the staff intranet.



The Council is kept informed of regulatory updates via the GOV.UK website and through regular meetings with the Regulator of Social Housing.



Tenants are made aware of safety precautions that they can take to ensure that hazards within their homes are minimised. These include (but are not limited to) advice on managing the presence of asbestos, flushing water systems, ensuring adequate ventilation and a requirement to request permission to carry out any modification to any part of the home. All information is provided within Tenancy Agreements and the Tenants' Handbook, the Council's website and SKYline magazine.



Our review confirmed that there are valid signed contractual agreements in place for fire, gas, electric, legionella and asbestos management with contractors used by the Council to help carry out compliance work.



For a sample of 20 gas fuelled properties it was confirmed that there is a valid gas certificate in place and retained on file. For a sample of 10 properties requiring a fire risk assessment (FRA), testing confirmed that in all instances there is a valid FRA in place and retained on file. For a sample of 10 properties requiring an asbestos risk assessment, testing confirmed that in all instances there is a valid risk assessment in place and retained on file. For a sample of 10 properties requiring legionella checks, testing confirmed in all instances that these are being carried out monthly in line with agreed timescales.



Escalation procedures are in place for where checks are not completed due to access issues to properties.



Contractors, including the Council's direct labour organisation (DLO) are provided with access to the Asbestos Register with full details of any asbestos containing materials within a property before they commence any work on a property via Apex, the housing management system and the Council's DRS system, used to assign and record property related jobs.



Internal quality checks are carried out by Operatives on site visits to ensure compliance with Health and Safety procedures.



There is a process in place for identifying health and safety breaches and reporting them via Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). At the time of audit it was confirmed with management that no health and safety breaches had been reported since 2019.



Management are regularly and accurately briefed on the Council's compliance with health and safety legislation, with reporting undertaken at the Health and Safety Operational Group on a quarterly basis as well as via internal compliance meetings held on a fortnightly basis.

We identified the following findings where management actions were agreed:



Our review of the Asbestos Management Strategy confirmed that it was last subject to review in June 2014 and that there are no documented procedures in respect to water hygiene.



A training matrix is in place at the Council; however, our review has confirmed that currently no training is being delivered against it. For a sample of 10 selected staff members, we received no evidence of relevant training.



Testing a sample of 20 properties requiring electrical safety checks confirmed in nine instances an electrical safety check had been carried out within the past five years and certification retained on file. In a further six instances, testing identified that an electrical safety check had been carried out and certification retained on file; however, electrical safety checks for these properties was not within the last five years, with one check being completed in 2010, one in 2012, one in 2014, two checks in 2015, and the final check being completed in June 2016. In the remaining five properties, no certification of an electrical safety check was provided.



The Council launched their new compliance management system, Propeller, in July 2021 and are currently in a transitional period for ensuring that all the data uploaded on Propeller is correct. Due to the transitional period the Council are in with their data, for our selected properties for compliance testing we were unable to test back to Propeller to ensure that the dates held matched that of the safety certifications. Discussions with the Head of Housing Technical Services outlined that currently the Council are performing manual checks from legacy spreadsheets to ensure safety checks are being scheduled and completed as appropriate.



Propeller holds the capacity to record and report on any remedial actions raised as part of a safety check. As the Council are currently in a transitional period with their data, the Head of Housing Technical Services outlined that the upload and monitoring of remedial actions on Propeller is ongoing work. A spreadsheet is maintained for all fire risk assessment actions and updates on the status of remedial actions is provided at fortnightly meetings with the regulator.



One action raised as part of the housing compliance update audit in 2020/21 has also been reraised. Details can be found in section 2 of this report.

DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. We have therefore only included in this section those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	Assessment:
Procedural guidance is in place for:	
<ul style="list-style-type: none"> - Gas Safety checks (including solid fuel and oil-fired installations); - Fire Risk Assessments; - Electrical Testing; - Legionella; and - Asbestos. 	Design ✓ Compliance ×
The procedures are maintained up to date and available to all staff.	

Findings / Implications Asbestos
 An Asbestos Management Strategy is in place at the Council. The Strategy provides information and guidance on the following areas:

- Asbestos management plan;
- Duties and responsibilities;
- Training;
- Legislation;
- Inspections and surveys;
- Use of contractors; and
- Asbestos management procedures.

The Asbestos Management Strategy was last updated in June 2014. If the Asbestos Management Strategy is not subject to regular review, there is a risk that staff will not be following the most up to date guidance.

Legionella

There is a Legionella Management Protocol in place at the Council. The protocol outlines information regarding legionella legislation, duties and responsibilities, training, risk assessments and housing stock risks. However, there is currently no procedural guidance for legionella and water hygiene processes in place at the Council. If there are no documented procedure notes in respect of water hygiene, there is a risk that staff will not be aware of the relevant processes and how best to manage associated risks.

Management Action 1	a) The Asbestos Management Strategy will be reviewed and updated as appropriate. b) Procedural guidance will be implemented in respect to legionella checks.	Responsible Owner: Head of Housing Technical Services	Date: 31 March 2022	Priority: Medium
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Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	<u>Missing Control</u> Staff have been provided with relevant training on health and safety, and specialist housing compliance areas including legionella and asbestos, where required.	Assessment:	
		Design	×
		Compliance	-

Findings / Implications The Council have devised a training matrix that outlines the training requirements of key team members and managers for the following areas of housing compliance:

- Fire safety;
- Gas safety;
- Electrical testing;
- Asbestos;
- Water hygiene; and
- Lift safety.

In addition to providing the details of the training required, the training matrix also outlines the frequency in which the training should be undertaken and the associated competency skills. The Head of Housing Technical Services advised that any training against that training matrix has not been delivered.

A sample of 10 staff from a housing staff list were selected for testing. No relevant training records were provided for the selected staff sample. However, a training matrix was provided for the Improvements Team detailing the training that has previously been undertaken. Discussions with the Head of Housing Technical Services confirmed that whilst refresher and additional training is still required, the matrix does illustrate that key staff have been provided with training on asbestos, legionella and general health and safety previously.

If up to date training is not delivered to staff, there is a risk that staff may not be fully aware of the relevant procedures in regard to health and safety and housing compliance.

Management Action 2	The Council will start delivering training against their newly devised training matrix. <i>Management Comment</i> <i>The roll out of all the training required will be costly and require more time to implement due to budget issues.</i>	Responsible Owner: Head of Housing Technical Services	Date: 31 December 2022	Priority: High
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Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	Electrical safety checks are carried out every five years by an approved contractor. Certification of the check is provided and retained by the Council	Assessment:	
		Design	✓
		Compliance	×

Findings / Implications In line with agreed timescales electrical safety checks must be carried out on a five-year basis. A sample of 20 properties were selected for testing. Testing confirmed that in nine instances an electrical safety check had been carried out within the past five years and certification retained on file. In a further six instances, testing identified that an electrical safety check had been carried out and certification retained on file; however, electrical safety checks for these properties was not within the last five years, with one check being completed in 2010, one in 2012, one in 2014, two checks being completed in 2015, and the final check being completed in June 2016. In the remaining five properties, no certification of an electrical safety check was provided. We were informed by the Head of Housing Technical Services that these properties are currently in the programme as part of a rapid testing programme.

If electrical safety checks are not undertaken within agreed timescales, there is significant risk that tenants may come to harm or injury in the event of an electrical fault.

Discussions with the Head of Housing Technical Services outlined that the Council aim to achieve 100 per cent electrical safety compliance by March 2022.

Management Action 3	The Council will continue with their rapid electrical testing programme to ensure all properties have received an electrical safety check within agreed timescales.	Responsible Owner:	Date:	Priority:
		Head of Housing Technical Services	31 March 2022	High

Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	<p><u>Partially Missing Control</u></p> <p>Appropriate records are held regarding the status of each property in the housing stock to ensure all checks required have been identified.</p> <p>Processes are in place to identify all properties due for safety checks and works are adequately arranged through an appropriately qualified and experienced contractor or similar</p> <p>The last safety check and next safety check date are clearly identified within Propeller for each property and can be used to identify those properties requiring checks</p>	<p>Assessment:</p> <p>Design x</p> <p>Compliance -</p>	
Findings / Implications	<p>The Council launched their new compliance management system, Propeller, in July 2021 and are currently in a transitional period for ensuring that all the data uploaded on Propeller is correct. Propeller holds the capacity to show when the last safety check was completed and when the next safety check is due. Propeller also identifies properties due for a safety check within the next two months and makes them visible within an exclusive dashboard, so that appropriate arrangements can be made to get the work booked in.</p> <p>Due to the transitional period the Council are in with their data, for our selected properties for compliance testing we were unable to test back to Propeller to ensure that the dates held matched that of the safety certifications.</p> <p>Discussions with the Head of Housing Technical Services outlined that currently the Council are performing manual checks from legacy spreadsheets to ensure safety checks are being scheduled and completed as appropriate.</p> <p>If accurate records regarding the status of properties are not held so that the last and next safety checks can be easily identified, there is a risk that properties may not be scheduled for a safety check within the required timeframes.</p>		
Management Action 4	<p>The Council will continue to perform reconciliations between legacy systems and Propeller to ensure all data is correct and that the correct records for previous and future safety check dates are accurately displayed in Propeller.</p>	<p>Responsible Owner: Head of Housing Technical Services</p>	<p>Date: 31 December 2021</p> <p>Priority: Medium</p>

Objective: A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

Control	Where any remedial actions have been identified as part of a safety check, these are recorded and followed up by the Council to ensure they are completed.	Assessment:		
		Design	✓	
		Compliance	×	
Findings / Implications	<p>Propeller holds the capacity to record and report on any remedial actions raised as part of a safety check and creates a visual dashboard that illustrates the compliance the Council has achieved for housing compliance checks. As the Council are currently in a transitional period with their data, the Head of Housing Technical Services outlined that the upload and monitoring of remedial actions on Propeller is ongoing work. A spreadsheet is maintained for all fire risk assessment actions, pulled directly from Propeller, and updates on the status of remedial actions is provided at fortnightly meetings with the regulator.</p> <p>If remedial works are not correctly recorded in Propeller, there is a risk that they may not be monitored and implemented as required.</p>			
Management Action 5	<p>Further work will be undertaken by the Council to ensure that all the data recorded on Propeller is up to date and accurate to allow for all compliance checks to be monitored.</p> <p>Once all data is correctly reflected in Propeller remedial actions will be tracked and implemented via Propeller.</p>	Responsible Owner:	Date:	Priority:
		Head of Housing Technical Services	31 December 2021	Medium

Follow Up of Previous Actions Raised

Original management action / priority	Performance management reports will be produced through the Propeller system and reviewed each month by the Repairs Manager, Improvements Manager and the Assistant Director of Housing for gas, electrical, fire safety, legionella and asbestos. High	Assessment:		
		Design	✓	
		Compliance	×	
Audit finding / status	<p>The Propeller system went live in July 2021 and the Council are still in a transitional period of ensuring that all data is correctly reflected and up to date in Propeller from the legacy systems they have been using. Propeller has the capacity to produce performance management reports; however, as the Council are currently in a transitional period of ensuring their data is correct, performance management reports are currently not being produced via Propeller. However, thorough reporting on compliance is currently being undertaken by the Council. Once the Council have performed further reconciliations to ensure their data in Propeller is correct, performance management reports can start to be produced.</p> <p>The management action is ongoing.</p>			

Management Action 6	Performance management reports will be produced through the Propeller system and reviewed each month by the Repairs Manager, Improvements Manager and the Assistant Director of Housing for gas, electrical, fire safety, legionella and asbestos.	Responsible Owner: Head of Housing Technical Services	Date: 31 December 2021	Priority: Medium
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APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

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

Objective	Control design not effective*	Non-Compliance with controls*	Agreed management actions		
			Low	Medium	High
A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.	2 (16)	4 (16)	0	4	2
Total			0	4	2

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

APPENDIX B: SCOPE

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

Scope of the review

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

Objective of the risk under review

A compliance audit to confirm policies and procedures are being consistently, effectively and efficiently applied: ensuring that all statutory responsibilities are met.

When planning the audit, the following areas for consideration and limitations were agreed:

The Council has a duty to ensure that all properties, including communal areas within properties, under its control meet the relevant health and safety legislation in respect to each of the following key areas.

- Gas Safety checks (including solid fuel and oil-fired installations);
- Fire Risk Assessments;
- Electrical Testing;
- Legionella; and
- Asbestos.

We will ensure, for each of the areas listed above, that:

- There are clear policies and procedures in place regarding the requirements and expectations of the Council;
- How the Council is kept informed of regulatory updates and ensures that policies and procedures remain up to date e.g. changes to fire safety requirements resulting from the Grenfell enquiry;
- Policies and procedures are available to all staff and tenants where applicable;
- The Council has agreed the frequency of all safety checks and when these will commence;
- Staff receive appropriate training to ensure they follow safe working practices and are provided with the necessary PPE;

- Contractual agreements are in place with suppliers to complete the checks in a timely manner;
- Once checks have been completed, reports/certificates are provided to the Council, and where applicable, to the tenant in a timely manner;
- Appropriate records are held regarding the status of each property in the housing stock to ensure all checks required have been identified. This includes the verification for new properties through development or transfers in, disposals and identification of major works undertaken which could impact on the checks required;
- Risk assessments (fire and asbestos) are undertaken, are maintained up to date and are made available to all interested parties. Improvement actions identified during the risk assessment process are implemented promptly.
- Where they are not held on the same system, the housing management system is reconciled to the health and safety records to ensure that every property is accounted for;
- The last safety check and next safety check date are clearly identified within the property system, or similar, for each property and can be used to identify those properties requiring checks;
- Processes are in place to identify all properties due for safety checks and works are adequately arranged through an appropriately qualified and experienced contractor or similar;
- Escalation procedures are in place and are complied with where checks are not completed for example due to a tenant refusing entry;
- Where required certificates, or similar, are held for the safety checks completed for every property which include the date inspected, outcome and actions due;
- Actions identified from safety inspections are adequately and accurately recorded and followed up to ensure completion;
- Contractors, including the Council's DLO, are provided with access to the Asbestos Register with full details of any asbestos containing materials within a property, before they commence any work on a property.
- Tenants are made aware of safety precautions that they can take to ensure that hazards within their homes are minimised. These include (but are not limited to) advice on managing the presence of asbestos, flushing water systems, ensuring adequate ventilation and a requirement to request permission to carry out any modification to any part of the home;
- Checks and/or works are carried out in the line with agreed timescales e.g. gas: annual; electricity: five yearly; asbestos: five yearly; fire risk assessments: two yearly; fire alarm tests: weekly; legionella: monthly and documents/records to evidence these checks are updated and retained;
- Where appropriate, internal quality assurance audits are completed to assure the works of third parties;
- Breaches of health and safety legislation and near misses are identified and are reported through the RIDDOR process; and
- Management are regularly and accurately briefed on the Council's compliance with health and safety legislation.
- We will also follow up actions agreed as part of the previous Housing Compliance audit finalised in March 2021. The actions are included at the back of this document.

The following limitations apply to the scope of our work:

- The scope of the work is limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out for this review;
- Conclusions are based on our assessments made through discussions with management, assessment of the current framework of controls and review of relevant documentation made available;
- We will not provide an opinion on whether the Council complies with health and safety legislation;
- Our audit does not provide any assurance with regards to compliance with health and safety legislation and other HSE requirements, and does not replicate the advice provided by health and safety consultants;
- This audit does not replace the requirement for any of the external / independent inspections required by law;
- We will not comment on whether the procedures incorporate the most up to date legislation, only that processes exist to identify and incorporate any changes;
- We will not comment on the appropriateness of actions undertaken regarding non-compliance, only that they were identified and reported;
- We will not confirm that all regulatory requirements of the Council have been identified for all properties;
- We will not provide assurance that property records are complete or re-perform any reconciliations of the records held;
- We will not comment on the completeness of the risk assessments / safety checks or actions identified as part of this;
- We will not confirm that all action has been taken to escalate non-completion of safety checks;
- We will not comment on the skills and qualifications of the inspectors;
- We will not comment on the sufficiency of actions taken to address the findings of checks;
- We will not confirm that all records are complete and all required safety checks / risk assessments have been identified and completed;
- All testing will be compliance based sample testing only;
- We will not verify the accuracy of the health and safety reporting; and
- Our work will not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

Debrief held 2 September 2021
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Our report is prepared solely for the confidential use of South Kesteven District Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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