



Internal Audit

FINAL

Dacorum Borough Council

Assurance Review of HRA Health & Safety

2023/24

April 2024

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Inability to manage and deliver safe and good quality affordable homes. - Ascertain and report on the systems and processes the council has in place to ensure compliance and provide assurance that these are designed and operating effectively in relation to health and safety and building safety compliance for HRA.

SCOPE

H&S is a Corporate Priority and appropriate and adequate Health and Safety for Housing is a critical requirement. The audit reviewed the systems and processes the Council has in place to ensure compliance and provide assurance that these are designed and operating effectively in relation to;

- The governance processes in place that provide assurance over Contractors working in line with regulations.
- The Building Safety implementation plan and progress of workstreams.
- Reporting of, and actions taken, on Contractor near misses.
- Review housing safety checks and evidence of remedial actions being completed.

The audit reviewed processes in the Asset Management Team and Safer Homes Team.

KEY STRATEGIC FINDINGS



Work to improve the governance and over contractor management arrangements was progressing although areas were noted which require further work including review of the Safer Homes health and safety policies, development of a Contract Management Policy and standardisation of contract management meeting documentation.



Three instances were noted where Safer Homes Team mandatory health and safety related training was out of date and the skills and training matrix for the Asset Management team required to be completed.



Processes for the management of Risk Assessment Method Statements are not operated in a consistent manner across the Safer Homes Team and the Asset Management Team.



At the time of the review a responsible officer had not been assigned for two High risk rated workstreams on the Building Safety Implementation Plan.

GOOD PRACTICE IDENTIFIED



The Safer Homes Team are progressing the implementation of a new asset management system for housing stock, which is due to be operational by April 2024. The system will record relevant service checks required for each property and hold evidence of servicing and testing completed in one system. A lot of work had been undertaken with regards to improvements to monitoring of the contractors responsible for HRA H&S and this has been reviewed through the self-referral to the regulator of social housing.

ACTION POINTS

Urgent	Important	Routine	Operational
0	5	4	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The Safer Homes Team use the DORIS system for monitoring the completion of mandatory asbestos health and safety training and other health and safety related topics. A review of training records highlighted that training was out of date for three staff members. Two relating to Asbestos training and one relating to Workplace regulations.	Mandatory and work-related training be completed at the earliest opportunity, and additional monitoring be implemented to highlight training which is nearing the due date to ensure that training is completed on a timely basis.	2	<i>Outstanding training will be completed by end of March, monthly checks will be implemented to ensure compliance moving forward.</i>	31/03/2024	Ricky Lang
4	Directed	The Contract Management Team raised observations regarding the lack of a Contract Management Policy and bespoke training relating to contractor health and safety and guidance for council officers.	Contract Management Policy be devised and the contract management team to work with the Corporate health and Safety team to develop the required health and safety training and guidance.	2	<i>Contract Management Framework Document and Guidance under development. First draft ready for end of April.</i>	30/04/2024	Andrew Linden

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>A review of Risk Assessment Method statements (RAMS) with the Safer Homes Team and the Asset Management team identified a lack of consistent processes as;</p> <ul style="list-style-type: none"> the Asset Management team use FFT consultancy services to manage the RAMS for Osbournes, a similar process was not in place for the Safer Homes compliance contractors, who are responsible for completing RAMS. The Head of Asset Management Team stated that while teams may have sight of RAMS at contractor start up meetings, the Council does not receive copies of RAMS. 	Consistent processes be established for managing RAMS across the Safer Homes and Asset Management Teams and copies of RAMS routinely sought and held on file to ensure that the Council is suitably assured on contractor processes.	2	<p><i>Asset Management Team utilise FFT to facilitate CDM process and receive project specific RAMS. Need to confirm where documents are held and reviewed. Once process established it will be shared with Safe Homes to follow – DT.</i></p> <p><i>Safe Homes to implement consistent process for engaging FFT when completing projects. This is already in place for lift replacements and communal boiler upgrades – RL.</i></p>	01/05/2024	Dan Thurlow / Ricky Lang
6	Directed	<p>A comparison of the Building Safety Implementation plan at March 2023 to the July position confirmed that progress updates had been captured for some actions although there were 31 open actions with no progress update recorded.</p> <p>It was also noted that two High rated actions had not been assigned a responsible person or contributor, with completion timescales due in Q2 2023/24. (Data quality action 10: Implement a data strategy and Data Quality action 11: Consider using data gatekeepers to control how key information is updated.)</p>	Responsible officers be assigned to all actions in the Building Safety Implementation plan and ensure that progress updates are provided for all actions to inform the Building and Resident Safety Management group.	2	<i>This is reviewed at the BRS Group that meets every two months. Greater ownership required and review of all actions to ensure relevant and assigned. Assistant Director and Head of Safe Homes to review.</i>	15/05/2024	Mark Pinnell/ Ricky Lang

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Directed	<p>A review of evidence provided to support contract management meetings for two Safer Homes contractors (Sunrealm and Cablesheer) highlighted that meetings had different agenda items and there was no standard agenda to ensure consistency of contract management meetings.</p> <p>It was noted that both meeting agendas included Health and Safety and contract performance (Contract variations for Cablesheer and KPIs for Sunrealm).</p>	A standard agenda for Contractor contract management meetings be developed and implemented which aligns with the requirement of the contract.	2	<i>Completed and in place.</i>	<i>Implemented</i>	<i>Victoria Coady</i>
1	Directed	<p>The Safer Homes Team have established local health and safety procedures although at the time of the audit it was identified procedures required review and update; for instance, the Water Treatment Policy and the Gas Safety Policy were last reviewed in 2019 and the update to the Fire Safety procedure, was last reviewed in 2018.</p> <p>Information provided by the Assistant Director of Property confirmed that processes were in place to ensure there is management oversight of policy and procedure expiry dates.</p>	The Safer Homes Team local health and safety procedures be reviewed and updated as necessary.	3	<p><i>SQA Team now assign an officer to service area to ensure the review of policies is completed within agreed timescales. The following policies have been reviewed in March 2024 and will go on the forward plan for both BRSG & HSLT:</i></p> <p><i>Gas Safety.</i></p> <p><i>Fire Safety.</i></p> <p><i>Water Hygiene.</i></p> <p><i>Safety in Communal Areas.</i></p>	<i>01/05/2024</i>	<i>Ricky Lang</i>
3	Directed	From discussion with the Head of Asset Management it was identified that plans were in place to devise a skills and training matrix to ensure that all staff have the appropriate qualifications and skills for their role.	The Asset Management team skills and training matrix be completed and a defined date for implementation be set.	3	<i>Head of Service to develop Training Needs Analysis via HTIP/TOM.</i>	<i>01/09/2024</i>	<i>Dan Thurlow</i>

PRIORITY GRADINGS

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Directed	It was noted that evidence to support water and lift checks had to be requested from contractors as copies were not readily available in Council records.	Managers to ensure that supporting documentation is held for all safety checks completed.	3	<i>Lift servicing records are provided monthly and saved on the shared drive – these will be directly migrated on to MRI Asset from April 2024. Water hygiene checks are stored on a portal (Job Logic) and the Safe Homes Team audit this every month. MRI Servicing module integration will lead to single system of compliance in the future.</i>	01/05/2024	Ricky Lang
9	Delivery	A review of the Building Safety Composite report and the Compliance Report dated August 2023, confirmed that the KPI position was consistently reported in both reports. It was noted that two KPIs were RAG rated Amber, Gas Safety: Servicing (99.99% against a target of 100%) and Electrical Safety: EICRS within a five-year period (98.88% against a target of 100%). It was confirmed that the report narrative provided explanations for the underperformance and remedial actions in progress. The Compliance report could be developed to add an assessment of any additional risks that may arise from the causes of underperformance against the KPIs.	The Compliance report be developed to add an assessment of any additional risks that may arise from the causes of underperformance against the KPIs.	3	<i>The Compliance Report covers all areas of statutory compliance and records month on month performance. If this drops to amber or red then narrative is provided outlining recovery plans where required. Risk registers are held separately and reviewed in quarterly contract management meetings.</i>	In place	Ricky Lang

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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There are no operational effectiveness matters.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:


Failure to properly direct the service to ensure compliance with the requirements of the organisation.


Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, 2, 3, 4, & 5	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	6, 7, & 8	-


Other Findings


- The Council has a Corporate Health and Safety Policy Statement 2022/2023 which has been subject to review as part of the ongoing development of Corporate Health and Safety procedures. A copy of the policy is available to staff on the Council SharePoint site.
- The Corporate Health and Safety Policy Statement includes a requirement “ that contractors are monitored to ensure they meet corporate standards”. The Safer Homes Team and the Asset Management Team place operate contract management arrangements for the oversight of contractor arrangements for each contracted supplier. At the time of the audit the effectiveness of these arrangements, including health and safety requirements was under development in conjunction with the Commercial Contract Management Team through the development a Construction Design Management Policy and a standard form of procurement contract for works contractors.
- The Safer Homes Team has seven main contracts to deliver housing safety compliance checks and services. It was identified through discussion that the contract management meetings are held with each contracted supplier, either on a monthly (gas and asbestos) or quarterly basis. Meetings are formally planned and documented through agenda and meeting minutes /action notes.
- At the time of the audit the Asset Management Team had a principal contractor, Osbournes, for managing responsive repairs and works. It was identified from discussions with the Head of Asset Management it was identified that due to historical issues with the contract management process, the governance over the contract had been reviewed and developed to include a strategic quarterly contract meeting and an operational core meeting to include as a standing agenda item health and safety, accidents / incidents and near misses. It was stated at the time of the review that both groups had set agendas and minutes. The addition of a record to track actions was in due to be implemented from October 2023. As additional assurance, the Council has contracted with FFT to provide health and safety oversight of the Osbournes contract and holds monthly tripartite meetings which report into the Operational Core meeting.


Other Findings


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The Council standard contract dates from 2014 and a review of the template confirmed that contract clauses include terms relating to health and safety. It was identified that further work was in progress to review and update the standard contract template to include improvements to the health and safety content. At the time of the review the Contract Management Team were managing a backlog of contracts for review and had employed extra resources to progress this task. Additionally, dashboard reports were being developed to link in with contracts managed by the Contracts Management Team to aid reporting, including a summary of contract performance, high level risks, health and safety statistics (near misses / RIDDOR), safeguarding referrals, and GDPR breaches. It is expected that dashboard will be implemented in January 2024.
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A review of the amended Standard Contract confirmed that it is a contractual requirement for Contractors to report incidents. The Head of Commercial Housing Contracts confirmed during the audit that the contract has been amended to also specify near misses in order to support the need for improved reporting in this area.
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Following the Building Safety Act 2022 the Council has developed a Building Safety Implementation Plan to underpin the service changes and developments required for compliance with the act. The Building and Resident Safety Management Group oversees the plan and meetings are convened every two months to review updates. A high level summary of the progress status, by action priority (high, medium and low) is included in the Building Safety Composite Report.
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It was identified that both the Safer Homes Team and the Asset Management Team had concerns that contractor near misses were not always reported due to the low numbers raised for discussion at contract management meetings. Work was in progress to develop the ways to improve data capture and reporting for instance the Head of Asset Management stated that a reporting email inbox had been established for site managers to easily report issues.
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The process links with Strategic Risk Register Housing and Property Services Risk: Inability to manage and deliver safe and good quality affordable homes. From a review of the Strategic Risk register at Quarter Two it was highlighted that the Council has increased the risk score (16) to reflect the greater statutory/ regulatory and reputational risk in this area arising from the requirements of the Social Housing Regulations Act and Building Safety Act. The risk had a risk owner assigned and controls and assurances and evidence of risk management has been documented.
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Sample testing, carried out on 20 properties confirmed that safety checks (Gas, Electric, fire (domestic smoke, heat and CO detection included in LGSR), water and lifts where applicable) had been completed and were in date.
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Sample testing also confirmed that remedial actions arising from the checks confirmed that actions had been taken to address works required.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	9	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



Building safety monitoring and reporting is established and was noted to be in operation. The Building Safety Composite report summarises building safety compliance across all areas of safety compliance and building safety key performance indicators. The Compliance Report provides greater depth detail and narrative for each of the building safety key performance indicators, highlighting any performance issues and the remedial actions being taken.



The Safer Homes Team are progressing the implementation of a new asset management system for housing stock, which is due to be operational by April 2024. The system will record relevant service checks required for each property and hold evidence of servicing and testing completed in one system.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our 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. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	14 th September 2023	14 th September 2023
Draft Report:	7 th March 2024	19 th April 2024
Final Report:	23 rd April 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	HRA Health & Safety		
Type of Review:	Assurance	Audit Lead:	Principal Auditor

Outline scope (per Annual Plan):	<p>H&S is a Corporate Priority and appropriate and adequate Health and Safety for Housing is a critical requirement. The audit will review and report on the systems and processes the council has in place to ensure compliance and provide assurance that these are designed and operating effectively in relation to;</p> <ul style="list-style-type: none"> • The governance processes in place that provide assurance over Contractors working in line with regulations. • The Building Safety implementation plan and progress of workstreams. • Reporting of, and actions taken, on Contractor near misses. • Review housing safety checks and evidence of remedial actions being completed. <p>The audit will review processes in the Asset Management Team and Safer Homes Team.</p>		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:	P Lazenby Sent Direct		

Planned Start Date:	16/10/2023	Exit Meeting Date:	17/01/2024	Exit Meeting to be held with:	Mark Pinnell, Assistant Director Property (interim)
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N