



London Borough of Hammersmith and Fulham | The Royal Borough of Kensington and Chelsea | Westminster City Council

Royal Borough of Kensington and Chelsea

Tenant Management Organisation

Final Internal Audit Report

Health and Safety

March 2016



Contents

1	Introduction	3
2	Executive Summary	4
3	Summary of Findings	4
4	Acknowledgement	7
	Appendix 1: Management Action Plan	8
	Appendix 2: Definition of Assurance Opinions / Recommendation Priorities	10
	Appendix 3: Timetable and Distribution List	11
	Appendix 4: Audit Brief	12

1 Introduction

This audit was undertaken as part of the agreed KCTMO 2015/16 audit plan.

The Kensington and Chelsea Tenancy Management Organisation (TMO) are responsible for the management of approximately 10,000 Council properties that are located across the Borough. The TMO is a separate business from the Council and the relationship between the two organisations is governed by a Management Agreement.

The objective of this review is to ensure the organisation's inspection regime is effective and complies with legislation for asbestos; fire safety; water quality; gas and electrical system installations and a number of other related areas.

Health and safety is considered to be a high priority area for the TMO given the reputational and financial damage that could occur in the event of any breach in regulations.

This area was previously audited in 2013 where the outcome of the review was Limited Assurance. A number of key areas were observed where systems controls, processes and procedures could be significantly improved.

Following this report management took appropriate action in terms of allocating resources to address all key issues identified in the audit report and in particular improving the integrity of the health and safety data captured within Keystone, the property management system used by the TMO.

A follow up review undertaken in December 2013 confirmed all recommendations had been fully implemented and system controls, processes and procedures had significantly improved.

This high level audit review will examine and review controls in place to ensure corporate health and safety requirements are complied with whilst also ensuring that appropriate systems are in place to safeguard the welfare of employees and other persons using the TMO's corporate facilities.

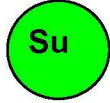
Budgets for Health and Safety are held within the operational groups which total £400k for 2015/16.

The total budget for works related to health and safety improvements across the TMO is approximately £4m.

The management summary below provides an overall view of the system which is supported by RAG (Red/Amber/Green) ratings for the activities covered by the audit. The remainder of the report is by exception only to highlight areas for improvement.

2 Executive Summary

2.1 Assurance Opinion

	Nil	Limited	Satisfactory	Substantial
Audit Opinion				

2.1 Recommendations Summary

The following table highlights the number and categories of recommendations made. The Action Plan at Appendix 1 details the specific recommendations made as well as agreed management actions to implement them.

Area of Scope	Adequacy	Effectiveness	Recommendations Raised		
			High	Medium	Low
Service Objectives			0	0	0
System Procedure and Guidance Documents			0	0	0
Corporate Health and Safety Requirements			0	0	0
Gas and Electrical Installations			0	0	1
Asbestos, Fire Safety, Water Quality and Other Inspections			0	0	0
Keystone System			0	0	0
Management Information			0	0	0
Total			0	0	1

Please refer to the Appendix 2 for a definition of the audit opinions and recommendation priorities.

3 Summary of Findings

Overall robust system controls and processes were in place for the TMO relating to Health and Safety responsibilities over residents, stakeholders and employees.

An appropriate organisation structure is now in place with resources allocated to enable the TMO to carry out its duties and obligations in relation to health and safety requirements for its residents and stakeholders.

A key driver for this change has been the need to review the capabilities and functionality of the Keystone housing management system.

Significant improvements have been made in terms of the functionality of the system and its ability to generate appropriate management reports and data to enable health and safety compliance to be closely monitored. In particular the Technical Systems Manager and his team have worked closely with contract managers to identify the specific reporting functionality

required from Keystone and the type of data it should produce for management to carry out their health and safety roles.

A major data cleansing exercise has ensured all data captured within the system is now accurate and reflects the current position with regard to safety inspection certification and the ability of the system to generate real time data statistics has enabled management to focus resources on specific areas where compliance is below acceptable standards.

Approximately 5,500 electrical and 6,500 gas safety certificates have been reviewed and rechecked by staff since 2014 to ensure all data held on Keystone is accurate and correct.

All health and safety related inspection data is displayed on the Keystone Compliancy Dashboard which refreshes each day and provides real time compliance data for management purposes.

Compliance levels for two separate dates are shown below:

Inspection Area	Compliance at 10.12.015 (%)	Compliance at 21.01.2016 (%)
Water Quality	51.52	82.30
Gas Safety	100	100
Electric Domestic	95.22	95.64
Electrical Communal	100	100
Central Plant	100	100
Lifts	100	100

The Head of Contract Management has responsibility for ensuring routine inspections and compliancy checks are undertaken across the six key areas shown above. Two contract managers oversee the day to day inspection activities including liaising closely with all third party contractors responsible for conducting health and safety checks.

All health and safety inspection visits are logged onto Keystone and automated daily uploads ensure all inspection information is captured on a timely basis including copies of the inspection certificates.

Appropriate KPIs have also been developed which enable performance across a range of activities to be monitored. In particular approximately 20 KPIs are used to monitor the effectiveness of health and safety arrangements covering gas servicing, communal heating, water quality, door entry systems, estate lighting, lifts, safety incidents and complaints handling.

Detailed KPIs were available which were all up to date at the time of the audit review. These covered all the key areas including gas, electrical, water quality and fire protection equipment inspections. Performance across each sector was satisfactory with no major areas of concern.

The Health Safety and Facilities Manager oversees health and safety for employees in addition to liaising with residents on any related health and safety matters and keeping the Health and Safety Committee updated on related issues and developments.

Key Risks

The risks listed below are potential inherent risks which are common for any system of this type:

- Service objectives may not be clearly set out or communicated;

- Internal guidance and procedure documentation may not be up to date or formally documented and accessible to all officers;
- Staff may be unclear of their role and responsibility in relation to health and safety matters;
- Corporate health and safety policies and guidelines may not be complied with;
- Routine inspections of gas and electrical inspections may not be carried out;
- Routine inspections for asbestos, fire safety, water quality and other checks may not be carried out;
- The integrity and completeness of health and safety data and information maintained on the housing management cannot be relied upon; and
- Management information may be lacking or inaccurate for all health and safety matters.

Application of and compliance with control framework to address risks identified

- The key roles responsibilities and duties of the TMO as an organisation, including those related to health and safety, are clearly laid out within the organisation's constitution document.
- Appropriate procedure and guidance documents exist covering health and safety areas including electric and gas inspection regime, water quality checks, asbestos policy, lone working policy, accident reporting and fire safety policy. All documents had recently been updated and were maintained on the TMO Intranet site.
- Appropriate arrangements exist to ensure compliance with corporate health and safety requirements. All new starters are required to undertake an induction course which includes an overview of health and safety arrangements within the workplace. Human Resources work closely with the Health Safety and Facilities Manager to ensure staff are aware of and comply with all requirements.
- Gas safety compliance checks are closely monitored to ensure these are undertaken on a timely basis using jeopardy reports generated from Keystone. This lists all properties where appliances are due for rechecking within the next thirty day period. Checks on the most recently produced jeopardy list in January 2016 showed 12 properties (6,500 total) where an inspection was due within the next thirty days and one non compliant property where entry could not be gained.
- Electrical safety compliance checks are similarly closely monitored using jeopardy reports generated from Keystone. The January 2016 list showed ten properties (6,800 total) where an inspection was due within the next thirty days and 299 non compliant properties. Of these 296 related to properties where no entry or access could be gained.
- Audit checks on twenty properties showed gas and electrical safety inspections had been carried out within agreed timescale and the inspection certification was uploaded onto the Keystone System.
- Asbestos inspections are undertaken each time a property is refurbished, works are carried out or when there is a void. A review of five recently refurbished properties confirmed appropriate surveys were undertaken for asbestos and details updated onto the Keystone system on a timely basis.
- Water quality inspections have recently been undertaken by a recently appointed contractor, Clearwater and inspection compliance rates were at 85% with a number of outstanding inspections scheduled for the next two month period.
- The Fire Risk Assessments (FRA) are carried out by a third party specialist consultant and the FRA reviews are undertaken by the TMO Assistant Safety Advisor during routine

inspections of properties to ensure that any significant findings and action plan items identified by the FRA are progressed in a timely manner as per their stated priority. Checks on Keystone for ten estates confirmed these were up to date and all fire equipment had been inspected within the past twelve month period.

- The Keystone housing management system provides management with appropriate reports to carry out all health and safety inspections on time and within the due date. A number of system enhancements have been developed in terms of the reporting functionality including production of jeopardy reports which show all safety certificates that are due to expire within the next thirty day period and are due for re-inspection.
- Appropriate interfaces are in place which allows real time information and data to be uploaded onto the Keystone system. A real time Keystone Compliancy Dashboard is also used to show live compliancy data for several key inspection areas including gas, electrical, water quality, central plant and lifts.
- Approximately 20 KPI's are used to monitor performance across a range of areas for the TMO. These are produced on a monthly basis and enable management to track any areas where performance is not in line with expectations and take remedial action.
- Examination of the KPI's for October and November 2015 showed performance was in line with expectations and most showing 95% -100% of target figure being achieved.

4 Acknowledgement

We would like to thank the following members of staff for their time and assistance during the audit:

- Janice Wray – Health Safety and Facilities Manager
- Alex Bosman – Head of Contract Management
- John Parsons – Technical Systems Manager
- Anthony Morris – Technical System Co-ordinator
- Raymond Hylton / Anthony Cheney – Contract Managers
- Charlie Saul – Assistant Contract Manager

Appendix 1: Management Action Plan




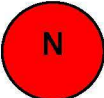
1. Electrical Safety Inspections

Priority	Issue	Risk	Recommendation
Low	<p>A report was generated from Keystone showing all electrical safety inspections as at 21 January 2016. This showed the following</p> <ul style="list-style-type: none"> -6,553 compliant properties with up to date inspections. -299 non compliant properties the majority of which related to entry access being denied. -10 properties where inspections were due within the next 30 day period (jeopardy list). <p>Discussions with the Contract Manager established a programme of inspections will be in place from April 2016 to ensure all inspections are up to date.</p> <p>Audit were informed that appropriate steps including seeking court orders will be taken to ensure access is provided to all properties.</p>	<p>Where prompt action is not taken to facilitate entry to properties for inspections to be carried out, there is a risk that the health and safety obligations of the TMO are compromised were an electric related incident to occur within the property.</p>	<p>Management should ensure all non compliant properties where no entry access is provided are closely monitored and action taken, including legal proceedings, to facilitate entry at the earliest opportunity.</p>
Management Response			
Head of Contract Management (Alex Bosman)			

Responsible Officer	Deadline
We maintain a spreadsheet based log which reflects the current position of each 'no access' property and its current status. This is used to monitor individual properties through the no access process with the overall compliance level monitored using the live dashboard. A copy of this log has been provided to Audit for reference to demonstrate compliance with this recommendation..	N/A

Appendix 2: Definition of Assurance Opinions and Recommendation Priorities

In order to help put the audit opinion and recommendation priority ratings in context the following tables detail the current ratings used by Internal Audit.

Rating	Description
 Su	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and no material errors or weaknesses were found.
 Sa	While there is a basically sound system, there are weaknesses and/or omissions which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
 L	Weaknesses and / or omissions in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
 N	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.
Priority	Description
High	Recommendation addresses fundamental weaknesses, which seriously compromise the effective accomplishment of the system's objectives. Risks presented by the control weaknesses could be damaging in the short term. The management action required should be implemented as soon as possible, certainly within 0-3 months.
Medium	Recommendation addresses serious weakness, which affect the reliance to be placed on the system. Risks presented by control weaknesses could be damaging in the medium term. Management action is required within 0-6 months.
Low	Recommendation addresses minor weaknesses, or suggests a desirable improvement. Risks presented by control weaknesses are unlikely and inconsequential. Management action is recommended to address concerns within 0-9 months.

Appendix 3: Timetable and Distribution List

It is the responsibility of the auditee to ensure identify all officers that should receive a copy of this report.

Stage	Date
Draft Report Issued	25.02.2016
Responses Received	04.03.2016
Final Report Issued	04.03.2016

Audit Team
Client Engagement Manager: John Barnett
Auditor: Alpesh Patel
Sponsor
Barbara Mathews - Executive Director of Financial Services and ICT

Copy recipients:

Janice Wray – Health Safety and Facilities Manager

Alex Bosman – Head of Contract Management

Barbara Matthews – Executive Director of Financial Services and ICT

Appendix 4: Audit Scope

This audit was a full risk based review of the arrangements for the Street Scene Enforcement Department and will include the following areas:

Ref	Audit Area - Description	Comments on Coverage / Area Objectives
01	Service Objectives	To ensure that there is a clear set of Service Objectives setting out the objectives of the section for ensuring delivery of the service and which complies with the requirements set out in the agreement with the Council.
02	Procedure and Guidance Documentation	To ensure adequate and up to date guidance and procedure documents exist for health and safety inspections for the TMO.
03	Corporate Health and Safety	To ensure that the TMO has effective policies, procedures and personnel in place to ensure that there are effective systems to meet the corporate health and safety requirements.
04	Gas and Electrical Installations	To ensure that the TMO have appropriate systems and checking processes in place for gas and electrical installations within the buildings they manage. To ensure appropriate repairs and maintenance is carried out in all gas and electrical systems.
05	Asbestos, Fire Safety, Water Quality and Other Inspections	To ensure that the TMO have appropriate systems and checking processes in place for managing asbestos installations in buildings they are responsible for. To ensure appropriate repairs and maintenance is carried out for all asbestos installations carried out.
06	Keystone System	To establish whether the housing stock management system provides appropriate management data and information relating to health and safety inspections. To determine whether health and safety data maintained within the system is up to date, accurate and reliable.
07	Management Information	To ensure that appropriate and timely management information is made available to senior officers to monitor and manage an effective delivery of service.