

Internal Audit report: Premises Management

Audit Committee

Date: 23rd July 2018

Author: Head of Internal Audit

Wards: None

Parishes Affected: None

1. Purpose and Reasons

- 1.1 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating effectively.
- 1.2 Members requested that at least one individual audit report be presented to each meeting of the Committee. The Internal Audit report on *Premises Management* raised significant risks and has been selected to be presented to this Committee meeting.
- 1.3 The initial report was finalised in April 2018.

2. Recommendations

The Committee is recommended to:

- 2.1 It is recommended that Audit Committee note the report.

3. Detail

Background

- 3.1 This audit emerged from a follow-up review of *Corporate Buildings Statutory Compliance*. It relates to the management and performance monitoring of fire safety and legionella water quality risk assessments, including any follow-up actions required following assessments.
- 3.2 This is to ensure the control measures required are in place to demonstrate reasonable precautions are being taken to control these risks. Actions from assessments are assigned to an officer of the Council where it relates to a statutory compliance issue and/or the building responsible person on site as part of their day to day building management role.
- 3.3 The Council owns approximately 270 Corporate Properties, comprising of offices, shops, industrial units and other ad hoc buildings (not including schools or residential accommodation). These properties are used for a variety of purposes including office accommodation for Council services or buildings are leased to businesses, community organisations and charities etc.

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- 3.4 Responsibility for premises management falls either to the Council for all non-leased corporate buildings or to other responsible parties in building lease agreements.
 - 3.5 At this time there is no overall performance management and assurance process in place to demonstrate the safety and welfare of building users and the discharge of statutory tasks required in our Corporate Buildings i.e. whether this is a landlord or tenant responsibility as determined in individual property lease agreements.
 - 3.6 Alongside this review a separate project has been initiated by the Corporate Director Resources and Growth to clarify the responsibilities and accountability for premises management relating to corporate buildings and address issues raised in the Internal Audit report.

Key recommendations made in the review:

- 3.7 The Property Assets Team should take direct responsibility for managing and monitoring achievement of building fire safety and legionella water quality standards. This should include:
 - 3.7.1 Commissioning of fire and legionella risk assessments. To support this a service specification should be produced setting out the roles and responsibilities of parties, performance targets and form of documentation and communication to be adopted to underpin this arrangement.
 - 3.7.2 Producing a formal risk criteria that generates an annual programme of fire safety and legionella risk assessments of corporate buildings.
 - 3.7.3 All fire and legionella risk assessment actions should be issued promptly to the relevant service and/or responsible person at site for implementation and the Property Assets Team for monitoring. Tracking and reconciliation of assessments issued to parties responsible for actions should be conducted to ensure accountability.
 - 3.7.4 A quality assurance process should be instigated with property inspections conducted on a sample basis to ensure the completion and standard of any risk assessment completed
- 3.8 The status of actions from the latest fire and legionella risk assessments for all corporate buildings should be established. This process should provide for buildings managed by either the Council as landlord or the tenant, as determined in the building lease agreement. Where these are not demonstrated as satisfactorily completed, a schedule of priority works and required action dates should be put in place and actioned.

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- 3.9 All new fire and legionella risk assessment actions should be implemented within the relevant target completion period.

Internal Audit opinion

- 3.10 A lack of assurance on the status of fire and legionella risk assessment actions for corporate buildings has resulted in an overall level of audit opinion being determined as 'fundamental weaknesses identified' resulting in a potential 'significant risk' to the Council.
- 3.11 Management have provided an updated position regarding the implementation of agreed audit recommendations. The Head of Property Assets, the Head of Property maintenance and the Health and Safety Lead will be at Audit Committee to answer any questions Members may have.

4. Alternative Options

- 4.1 Not applicable

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial implications arising from this report.

Legal and Human Rights Implications

- 5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 None

Diversity Impact Assessment

- 5.4 None

Risk Management

- 5.5 Potential risks to the Council are identified in the individual audit report attached as Appendix 1.

6. Consultees

- 6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

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6.2 The following officers were consulted on the Internal Audit report attached:

Corporate Director: Resources and Growth

Head of Property Maintenance

Head of Property Assets

Health and Safety Lead

7. Background Papers

7.1 None

8. Appendices

8.1 Appendix 1: Internal Audit report – Premises Management

8.2 Appendix 2: Updated management response