

# Swindon Borough Council

Civic Offices, Euclid Street, Swindon, SN1 2JH

## Swindon Internal Audit Services

**Memorandum to:** Gerry O'Connor      Head of Property Maintenance  
Rob Richards      Head of Property Assets  
Richard Kemp      Health and Safety Lead  
**Copies to:** Susie Kemp      Corporate Director Resources and Growth  
Kim Chequer      Head of Corporate Finance

**From:** Nick Hobbs      Head of Internal Audit  
**Date:** 3<sup>rd</sup> April 2018

Your Reference:  
Our Reference: SD/Unplanned/Lorraine Sarson  
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### FINAL

## Corporate Buildings - Premises Management

### Background

This unplanned review emerged from a follow-up Internal Audit review of Corporate Buildings Statutory Compliance. This review relates to the management and performance monitoring of fire safety and legionella water quality risk assessments, including any follow-up actions required following assessments.

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.

The Council owns approximately 270 Corporate Properties, comprising of offices, shops, industrial units and other ad hoc buildings, but not including schools or residential accommodation. These are used for a variety of purposes including office accommodation for Council services or buildings are leased to businesses, community organisations and charities etc.

Responsibility for premises management falls either to the Council for all non-leased corporate buildings or to other responsible parties in building lease agreements. However, there is no standard form of lease agreement which clearly sets out premises management responsibilities between the Council as landlord and the tenant as leaseholder.

Consequently, arrangements for premises management are complex and unclear. 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.

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. As part of this work a practical solution to support an assurance and performance management process is being sought.

## **Summary of key findings from the Internal Audit review**

### **Building Fire Safety and Water Quality Standards (legionella)**

A sample of eight corporate buildings were selected for testing to determine if each had up to date fire and legionella risk assessments. Testing also looked at whether improvements identified in assessments had been completed within specified timescales.

The test sample consisted of the following buildings:

- DMJ Tower
- Civic Offices - Main Building
- Enterprise Works
- Pembroke Gardens
- Savernake Social Hall
- Central Library
- Stratton Library
- Brunel West Car Park

#### **(a) Assessments**

Seven buildings had up to date fire and legionella risk assessments held by the Health and Safety Team. For Savernake Social Hall, it is the responsibility of the tenant to conduct both the fire and legionella risk assessments in accordance with the property lease terms and conditions.

The Corporate Health and Safety Team conduct fire and legionella risk assessments on behalf of the Head of Property Assets, where the lease agreement makes this a responsibility of the Council. However, the Property Assets Team do not provide the Corporate Health and Safety Team with an agreed annual schedule of Corporate Buildings which require fire and legionella risk assessments to be conducted. Instead, the Corporate Health and Safety Team manage their own corporate property data base which they update as and when they become aware of any property changes. There is no reconciliation between the two data bases to ensure that all corporate properties, whether under lease or used for staff accommodation, have the necessary periodic assessments.

The Health and Safety Lead has been requested, by the Head of Property Assets, to issue risk assessments and actions on completion directly to the responsible officer within the Council and/or the responsible person at site as relevant. It is therefore not clear what assurance process is in place to ensure fire safety and legionella water quality standards are complied with.

Of the seventy fire risk assessments conducted by the Health and Safety Team during 2017/18 (as at November 2017) only thirty could be traced in to Property Maintenance. This disparity was attributed to changes in Property Maintenance staff, not notified promptly to the Health and Safety team, who were e-mailed assessments.

#### **(b) Implementation of actions**

The seven corporate building fire and legionella risk assessments tested during this review had actions assigned to relevant parties including the responsible person(s) at

site, the Council's Property Maintenance Service and/or the Facility Manager. Each action had a target completion date based on the level of priority.

In the absence of a governance, environmental risk and compliance process/system it is not possible to readily evaluate building compliance with internal controls and external regulations. There is also no independent quality assurance checks conducted to ensure risk assessments and assigned actions are undertaken on a timely basis and conducted to a satisfactory standard.

It was found that fire actions assigned to Property Maintenance Services had not been performed for five of the seven corporate buildings tested with fire actions outstanding from both the 2015/16 and 2016/17 fire risk assessments.

From testing of a sixth property, the David Murray John Tower, it was noted progress has been recorded against the fire risk assessment with the majority of high risk actions shown as implemented, but all actions have yet to be completed. The seventh property, Enterprise Works, had a fire risk assessment conducted on the 3<sup>rd</sup> November 2017 and at the time of the audit the assessment was being issued to parties with assigned actions. It was therefore too early to test for implementation of these.

The status of 2017/18 legionella risk assessment actions could not be determined due to the lack of easily available and up to date information at the time of audit.

A Corporate Fire Safety Group consisting of officers representing Property Assets, Property Maintenance, Facilities Management and Corporate Health and Safety meet monthly and the agenda includes emerging fire issues and risks. The 2017 minutes of group meetings show that outstanding fire risk assessment actions attributed to Property Maintenance Services in 2015/16 have emerged and been discussed, but not successfully resolved and implemented.

This group does not monitor the performance and implementation of any corporate buildings risk assessment actions assigned to various parties, including fire and legionella. A corporate record of all outstanding fire and legionella risk assessment actions could not be found during the audit to provide an assurance of compliance in corporate buildings.

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 'significant risk'.

## **Audit Opinion**

**(a) Opinion on system controls: Fundamental weaknesses identified** i.e. the auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.

**(b) Overall assessment of risk:** The combination of the **high impact** of the system, along with the opinion on the system controls gives an overall risk assessment to the Council that remains as being **of significant**:

		MATERIALITY AND IMPACT		
SYSTEM CONTROL		High	Medium	Low
1	High standard	Minimal	Minimal	Minimal
2	Satisfactory	Moderate	Minimal	Minimal
3	Significant improvements required	Of concern	Moderate	Minimal
4	Fundamental weaknesses identified	Significant	Of concern	Moderate

The attached action plan sets out the findings from the review and recommendations made to address issues identified.

The findings of this audit have been discussed at the Corporate Fire Safety Group with officers representing Property Assets, Property Maintenance, Facilities Management and Corporate Health and Safety. The Corporate Director of Resources and Growth has agreed the final report.

I should like to thank you for the assistance provided to Lorraine Sarson during the review and also in clearing the report to final stage.

Many thanks,

## Action Plan

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<b>Fire Safety and Legionella Water Quality Standards</b>			
1.1	<p><b>Roles and responsibilities</b></p> <p>A sample review of fire and legionella risk assessments (FRAs) for corporate buildings and subsequent required actions was undertaken and identified the following:</p> <ul style="list-style-type: none"> <li>A service level agreement/service specification is not in place between the Property Assets Team and Corporate Health and Safety Team. This should set out the roles and responsibilities of parties, performance targets and standard form of documentation to be used how assessments are to be communicated for fire and legionella risk assessments.</li> <li>Formal risk criteria is not in place to determine the frequency of risk assessments for buildings and to provide a standard and consistent approach.</li> <li>The Property Assets Team do not provide the Corporate Health and Safety Team with an agreed annual schedule of Corporate Buildings from which to arrange fire and legionella risk assessments. Instead, the Corporate Health and Safety Team manage their own corporate property data base which they update as and when they become aware of any property changes. There is no reconciliation between the two data bases to ensure that all corporate properties, whether under lease or used for staff accommodation, have the necessary periodic assessments.</li> <li>The fire and legionella risk assessments and any emerging actions are not effectively managed or monitored between parties. It is therefore not possible to ensure these are completed on a timely basis and to the required standard to ensure compliance in corporate buildings.</li> </ul>	<p>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:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Producing a formal risk criteria that generates an annual programme of fire safety and legionella risk assessments of corporate buildings.</li> <li>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.</li> <li>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.</li> </ul> <p><b>Priority: High</b></p>	<p>Head of Property Assets</p> <p>May 2018</p>	<p>Fire and legionella risk assessments for the corporate property portfolio will be commissioned from the Head of Property Maintenance from April 2018.</p> <p>A new corporate policy will be introduced to establish the compliance cycle and identify responsibility and accountabilities of the key stakeholders in the organisation.</p> <p>Actions to be implemented during 2018/19.</p>

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<b>Fire Safety and Legionella Water Quality Standards</b>			
1.2	<p>Performance of fire and legionella actions.</p> <p>There is currently no overall performance process in place to ascertain the extent and status of any fire risk assessment actions (FRA's) or legionella risk assessment (LRA's) actions for corporate buildings as there is no corporate management and monitoring conducted of parties' assigned responsibility under the current process. However, from a sample of seven corporate buildings tested five had fire actions outstanding for building statutory compliance works which have been allocated to Property Maintenance to deliver.</p> <p>From a review of fire risk assessments conducted in 2016/17 it is evident that fire statutory compliance actions have been repeated in the 2017/18 FRA's as they have not been actioned on a timely basis.</p> <p>The long delay and backlog of these actions over the last two years has been raised at Fire Safety meetings attended by Property Assets, Property Maintenance, Corporate Health and Safety etc. However, progress on implementing actions has not yet been achieved.</p> <p>There is no status of implementation of actions attributed to the responsible person at site or any other person's assigned responsibilities.</p> <p>The FRA for Savernake Social Hall rests with the leaseholder as set out in the lease. But no assurance is in place to ascertain whether a FRA has been conducted periodically or the status of any actions required.</p> <p>Enterprise Works had a FRA conducted on 3rd November 2017 so the actions had not reached their target completion date at the time of audit.</p>	<p>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.</p> <p>Where these are not demonstrated as satisfactorily completed, a schedule of priority works and required action dates should be put in place and actioned.</p> <p>All new fire and legionella risk assessment actions should be implemented within the relevant target completion period.</p> <p>Evaluate producing a set of corporate key performance measures/outcomes from which to provide a level of assurance and compliance with fire and legionella standards in corporate buildings.</p> <p><b>Priority - High</b></p>	<p>Head of Property Assets in conjunction with the Health and Safety Lead and Head of Property Maintenance</p> <p>April 2018</p>	<p><b>Agreed</b></p> <p>Progress has only been made in reviewing the status of fire risk assessment actions regarding building related repairs i.e. door closers. However, responsibility and status of non-building maintenance fire risk assessment actions are yet to be established and resourced. This gap is due to be addressed as part of the restructure for statutory compliance works</p> <p>The extent of current legionella risk assessments in place for corporate buildings is not clear at this stage. Where these have been conducted the status of any actions required have also yet to be determined.</p> <p>The Health and Safety Lead will work with the Head of Property Maintenance to provide an up to date status report of all Legionella Assessments.</p> <p>To be completed by end April 2018.</p>

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	<b>Fire Safety and Legionella Water Quality Standards</b>			
1.3	<p>The status of legionella risk assessment (LRA) actions assigned to the Council or any other party i.e. leaseholder could not be determined from assessments. This is because there is no assurance/performance process in place to monitor leaseholder's responsibilities or easy means of tracking Council designated actions.</p> <p>With regard to tracking Council legionella actions there is an incompatibility of systems and documentation used i.e. from risk assessor's reports, work orders raised on the Open system and work reported through the contractor's industry based specialist system. An example of this is the Zeta Safe industry standard Compliance Software system which provides information in a PDF document format which is not directly compatible for input to the Open System.</p>	<p>Where assessments are generated from bespoke supplier management information systems i.e. Zeta Safe, the compatibility of reports should be investigated to enable easy input from PDF files into commissioner systems to mitigate the time and cost of double handling data between systems.</p> <p><b>Priority - Medium</b></p>	<p>Head of Property Assets in conjunction with the Head of Property Maintenance and Business Intelligence and Systems Lead</p> <p>May 2018</p>	<p><b>Agreed.</b></p> <p>A review of IT options is to be conducted. This will include an assessment of existing systems for suitability.</p>
1.4	<p>The Council's Health and Safety Policies for Fire Risk Assessments and Legionella Management (in hot and cold water systems) are not sufficiently detailed to provide clarification of the roles and responsibilities outlined in action plan point 1.1 above</p>	<p>The Council's Health and Safety Policies for Fire Safety and Legionella management (in hot and cold water systems) should be updated to reflect the roles, responsibilities and arrangements for corporate buildings as set out in the above recommendations.</p> <p><b>Priority - Medium</b></p>	<p>Head of Property Assets in conjunction with the Health and Safety Lead</p> <p>May 2018</p>	<p><b>Agreed</b></p> <p>Relevant policies will be revised in accordance with new arrangements following the restructuring to identify responsible persons for building statutory compliance.</p>

### Standard Audit Opinions

The audit opinion is based on two different criteria the first is materiality of the system and its impact on the Council if there was a system failure. This has been split into High, Medium or Low.

The second criteria is the standard of control found within the system audited. This has been categorised into 4 different levels i.e. high; satisfactory; significant improvements required and fundamental weaknesses identified. Each of these categories has a standard opinion (see below).

The combination of these two factors gives an overall risk assessment to the Council of one of four scores i.e. significant, of concern, moderate or minimal (see Overall Opinion section in the main report).

### Standard Audit Opinion System Control

#### **Audit Opinion 1. *High standard***

The auditor completing the review concluded the significant controls are in place and operating effectively and only minor recommendations have been made

#### **Audit Opinion 2. *Satisfactory standard***

The auditor completing the review concluded that most of the significant controls are in place and operating satisfactorily although some non-compliance was identified and therefore there is scope for improvement.

#### **Audit Opinion 3. *Significant improvements required***

The auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.

#### **Audit Opinion 4. *Fundamental weaknesses identified***

The auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.