

# Internal Audit reports identifying 'significant' risk or 'of concern': Corporate Buildings: Statutory Compliance

**Audit Committee**

**Date: 16<sup>th</sup> June 2015**

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Author: Head of Internal Audit

Wards: None

Locality Affected: None

Parishes Affected: None

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## **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. At the April meeting Members requested that the Internal Audit report on *Corporate Buildings: Statutory Compliance* be presented at their June meeting.
- 1.3 Since the April meeting a follow-up review has been carried out by Internal A

## **2. Recommendations**

- 2.1 It is recommended that the contents of the report be noted.

## **3. Detail**

### Background

- 3.1 This audit review was requested by the Head of Property Maintenance following transfer of responsibility of these services to him following the reintegration of Swindon Commercial Services in November 2013.
  - 3.2 The Council owns some 274 corporate buildings (not including schools), as part of its portfolio valued at £136bn as at 2013/14. Schools are not classified as corporate buildings and as such were outside the scope of this review.
  - 3.3 Since early 2013 Property Services has had responsibility for providing the corporate buildings statutory compliance function, which prior to this date was delivered by Capita Services. From 1<sup>st</sup> November 2013, following Swindon Commercial services reintegration, property Services also became responsible for the asbestos removal team at the Waterside depot. Property Services work with Property Assets and the Corporate Health and Safety Team to control and manage compliance issues relating to corporate buildings. Responsibilities within Property Services are split into two key areas:
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Further information on the subject of this report can be obtained from Nick Hobbs, Direct Dial Telephone Number: 01793 463940, [nhobbs@swindon.gov.uk](mailto:nhobbs@swindon.gov.uk).

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- Asbestos
- Other compliance disciplines which include legionella, gas, electrical testing, fire alarms, lifts, hoists and lifting equipment etc.

## Key Findings (initial report)

3.4 The key findings from the report are as follows:

### (a) Asbestos

Of the 274 corporate buildings on the asbestos inspection plan, 63 (approximately 23%), have been inspected for asbestos during 2014. These properties represent the larger buildings. However, the remaining 211 corporate buildings, which are mainly shops, have not been inspected or monitored for asbestos in the past twelve months and some not since 2006/07.

At this time, the Council as landlord cannot demonstrate that there are effective arrangements in place and operating to provide management with assurance that all Council owned buildings meet the statutory asbestos compliance requirements.

Performance monitoring of the in-house asbestos removal team is not in place to demonstrate effective use of resources.

### (b) Statutory compliance regarding ‘other disciplines’

Testing of statutory compliance for other disciplines found a good level of compliance. The Senior Services Building Engineer’s management system supports a programme of planned inspections for corporate properties. Remedial works have been procured promptly to address defects raised following inspections.

### (c) General

A number of general issues were also found during the course of the audit. These issues included:

- Policies and procedures
- Lease agreements
- Operational buildings
- Information systems
- Performance indicators
- Insurance; and the
- Procurement of statutory inspections

More detail of these issues can be found in the attached report (Appendix 1).

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## Follow-up Review

- 3.5 Since the issue of the initial report, Internal Audit has completed a follow-up review. The results of this audit are included as Appendix 2 attached.
- 3.6 The Auditor completing the follow-up review was pleased to report that the audit recommendations have been taken forward positively by the Head of Property Maintenance and his team. Considerable progress has been achieved on implementing all key recommendations. Completion of over 200 annual asbestos surveys has been progressed. The remaining 35 properties are scheduled for inspection by August 2015.
- 3.7 The Auditor completing the follow-up review was pleased to report that the audit recommendations have been taken forward positively by the Head of Property Maintenance and his team. Considerable progress has been achieved on implementing all key recommendations. Completion of over 200 annual asbestos surveys has been progressed. The remaining 35 properties are scheduled for inspection by August 2015.
- 3.8 The Head of Property Maintenance will be at Audit Committee to answer any questions that 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 however the detailed audit report addresses the suitability of internal controls within the systems examined

### 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

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## Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 Effective systems of internal control within the Council will help to ensure that the Council's corporate objectives and those set out in One Swindon are achieved.

## Diversity Impact Assessment

- 5.5 Not Applicable

## Risk Management

- 5.6 Not applicable

## **6. Consultees**

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

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 Appendix 1 – Internal Audit report: *Corporate Buildings: Statutory Compliance* (March 2015)
- 8.2 Appendix 2 – Internal Audit follow-up: *Corporate Buildings: Statutory Compliance* (June 2015)