

Bath & North East Somerset Council			
MEETING:	Corporate Audit Committee		
MEETING DATE:	14 th July 2022	AGENDA ITEM NUMBER	
TITLE:	Property Compliance Internal Audit Report 2021 - Update		
WARD:	ALL		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 - Property Compliance Audit Action Plan - Position Statement July 2022			

1 THE ISSUE

1.1 The Committee have received a number of updates relating to the Property Compliance April 2021 Final Audit Report which provided a Level 2 'Limited Assurance' Internal Audit opinion. Based on changes in the Council management structure the responsibility for property compliance has been assigned to the Director of Regeneration & Housing. The Director has been asked to attend the Committee to provide an update on the implementation of the Internal Audit report recommendations.

2 RECOMMENDATION

2.1 The Corporate Audit Committee is asked to:

- i. note the update provided by the Director of Regeneration & Housing, and
- ii. decide whether or not they require further updates on actions to be reported.

3 THE REPORT

3.1 Members of the Committee will be aware that the Council's Chief Operating Officer attended the 29th April 2021. At that meeting Mandy Bishop (MB) stated that following the 2020/21 Audit, terms of reference for the Health, Safety and Well-being Committee had been redrafted, compliance duties were being reviewed, building surveyor work was planned to address data input weaknesses. MB informed the Committee of the appointment of an

Interim Head of Property Transformation (Alan McCarthy) to assist with implementing the action plan.

3.2. The Internal Audit Update Report to the 15th December 2021 provided a further update on actions taken / planned provided by the Chief Operating Officer (COO) to Internal Audit in October 2021.

3.3 This update was based on consultation between the COO and the new Director of Place Management who had taken on responsibility for Construction, Maintenance & Facilities Management (CM&FM). A summary of what was reported in relation to the three 'High' Risk Weaknesses is recorded below (the Red Amber Green rating was the opinion of the Head of Audit & Assurance at the time of this update):

	Weakness Summary & Mitigation	Implementation Progress
H1	<p>Governance – Lack of clarity relating to role and responsibility of groups providing Scrutiny of Property Compliance.</p> <p>Formal Terms of Reference (TofR) should be documented and adopted by both Property Board and the Health Safety & Welfare Steering Committee</p>	Green - The TOR have been amended for the HWB Steering Group & Property Board to reflect feedback from IA.
H2	<p>Governance - Inadequate reporting to management/groups (Health Safety Wellbeing Steering Committee & Property Board) on Property Compliance responsibilities.</p> <p>Development & use of performance dashboard to monitor:</p> <ol style="list-style-type: none"> 1) an overall assessment for each area of property compliance area. 2) A detailed analysis of risks within each area of property compliance. 	Amber - Whilst the dashboard will take some time to pull together (due to the multitude of data sets) we have put in place additional measures to ensure that senior management and the HSWB Steering Cttee are well sighted on the current gaps in compliance.

H3	<p>Failure to formally assign responsibilities to qualified Officer(s) and the relevant responsible officer (Chief Executive) is not provided with assurance that the Officer assigned the duty is professionally qualified (as required by industry adopted best practice).</p> <p>An annual Property Compliance Report should be submitted to Property Board / Health & Safety Wellbeing Steering Committee recording the named responsible officer(s) for those property compliance areas requiring a 'responsible officer'.</p>	<p>Amber - The Head of Estates has been confirmed as the Chief Property Officer.</p> <p>In the 21st October 2021 report to HSW Steering Committee an appendix was presented recording the lead officer for key areas / duties in the Construction / Maintenance Service – the majority including Asbestos, gas appliances, electrical safety & water management was assigned to a Senior Building Officer. A Fire Safety Officer is still to be appointed based on an unsuccessful recruitment process.</p>
----	---	--

3.3 Based on the update to the December 2021 meeting of Corporate Audit Committee it was resolved that:

“the Corporate Audit Committee requests the attendance of the Chief Operating Officer and other Officers to a meeting of the Committee in early 2022 to provide an update report on progress related to implementation of recommendations in response to the weaknesses highlighted by the 2021 Property Compliance Audit”.

3.4 Following the December 2021 meeting management responsibility for the property compliance functions has been transferred to the Director of Regeneration and Housing.

3.5 The Head of Audit & Assurance was aware of the transfer of responsibilities and communicated early in 2022 with the Director of Regeneration and Housing to inform him of the request made by the Committee to attend to provide an update.

3.6. The Head of Audit & Assurance emailed the Director of Regeneration and Housing on the 9th June 2022 to remind him of the request to attend the July meeting of the Committee. The email also provided him with a summary of reporting to the Committee on the subject of the Property Compliance Internal Audit and based on the 2021 Property Compliance Internal Audit Report what was important for the Corporate Audit Committee in terms of an update – “in my opinion it’s important that the Committee are informed of high level actions taken to provide the Chief Executive with assurance that corporate manslaughter risks are mitigated this relates weakness H2 & H3 specifically -

Weakness H2 - the need to report to the Health Safety & Wellbeing Steering Committee (and Property Review Board) via a RAG Dashboard on each area of Property Compliance so the HSW Steering Committee can then focus attention on those areas assessed as ‘Amber’ or ‘Red’.

Weakness H3 – the need to formally assign responsibilities (areas of Property Compliance) to named ‘qualified’ officers and for this allocation of responsibility to be reported annually so it is clear to the Chief Executive (Council’s Responsible Officer) that a qualified person has been assigned responsibility to monitor and report on the specific area of Property Compliance. A concern flagged to Audit Committee based on the listing provided to HSW Steering Committee in October 2021 was that one single Senior Building Officer (Malcolm Sommerville) had been allocated many areas to cover and reliance was being placed on a single person (potential single point of failure). It was also noted that a Fire Safety Officer was still to be appointed based on a new recruit declining the job offer”.

3.7 The Director of Regeneration & Housing has provided a July 22 update (Position Statement) on the weakness / recommendations as recorded in the Action Plan in the 2021 Internal Audit Report (Appendix 1).

4 STATUTORY CONSIDERATIONS

4.1 There are no specific statutory considerations related to this report.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 There are no direct resource implications relevant to this report.

6 RISK MANAGEMENT

6.1 A proportionate risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

7 EQUALITIES

7.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

8 CLIMATE CHANGE

8.1 There are no direct climate change implications related to this report.

9 OTHER OPTIONS CONSIDERED

9.1 No other options to consider related to this report.

10 CONSULTATION

10.1 The Council's Section 151 Officer has had the opportunity to input to this report and has cleared it for publication.

Contact person	Andy Cox, Head of Audit & Assurance (01225 477316)
Background papers	CAC 29 th April 2021 Audit & Assurance Annual Report 2020/21; CAC 15 th December 2021 Internal Audit – Update Report ; CAC 28 th April 2022 Audit & Assurance Report 2021/22
Please contact the report author if you need to access this report in an alternative format	