

# **Internal Audit Report**

## **Estates Compliance 2020/21**

### **August 2021**

**To:** Director of Growth  
Assistant Director Estates  
Head of Commercial Management  
Head of Property and Asset Management

**Copied to:** Deputy Chief Executive  
Head of Safety Health & Wellbeing  
Head of Building Services (CSG)  
Building Compliance Officer  
Special Projects Officer  
Acting Head of Commercial Management  
Operations Director (Re)  
Property Director (CSG)  
Director of Estates (CSG)  
Associate Director – Estates (CSG)  
Director - Commercial and Customer Services  
Head of Performance and Risk (CSG & Re)

**From:** Internal Audit Executive  
Head of Internal Audit

We would like to thank management and staff of Growth & Corporate Services and CSG Estates for their time and co-operation during the course of the internal audit.

## Executive Summary

Assurance level	Number of recommendations by risk category				
<b>Limited Assurance</b>	Critical	High	Medium	Low	Advisory
	-	1	3	-	-
<b>Scope</b>					
<p>This review has been undertaken as part of the London Borough of Barnet Internal Audit and Anti-Fraud Strategy and Annual Plan 2020/21 approved by the Council’s Audit Committee on 14<sup>th</sup> July 2020.</p> <p>The London Borough of Barnet (the “Council”) owns or maintains approximately 800 properties that make up the Council’s corporate estate. The Council has the statutory obligation to ensure there is a good Health &amp; Safety (H&amp;S) regime in place. The H&amp;S policy and plan should be able to reduce the risk of harm or accidents to a satisfactory level.</p> <p>To meet this obligation, the Council is required to have a proactive, effective and efficient statutory building compliance management plan in place.</p> <p>This audit focused on the following areas:</p> <ol style="list-style-type: none"> <li>1. A review of the adequacy of the Council’s Building Compliance Management Policies and Procedures, to ensure they are reflective of the required management arrangements and also satisfy the Council’s Duty Holder roles and responsibilities.</li> <li>2. A review of the adequacy of CSG Estates’ (the appointed Managing Agents) Compliance Management Operating Procedures to ensure they adequately reflect the Council’s requirements and how compliant the Council is with its roles and responsibilities as Duty Holder. The audit focused on safety critical inspections but also reviewed all other inspections and surveys that are undertaken as part of the agreed Annual Work Plan.</li> </ol>					
<b>Summary of findings</b>					
<p>This audit has identified 1 high and 3 medium risk findings.</p> <p>We identified the following issues as part of the audit:</p> <ul style="list-style-type: none"> <li>• <b>Remedial Works - Completion Within Appropriate Framework (High):</b> We noted that 63% (19 out of a sample of 30) of identified remedial works were delayed for between 2-4 months. 14/19 (74%) of the delayed items were designated High priority risks. There is no performance indicator for this area to facilitate monitoring.</li> </ul>					

- **Policies and Procedures - Output Specification (Medium):** A (CSG) contract is in place that relates to all areas of Estates, whilst Output Specs and Performance Indicators are established for each Service Area. Deeds of Variation (DOV - two have been created to date) set out changes to the original contract. These are in turn appended to the Output Specifications. During the field work we established that although there are shared folders and various up to date records relating to the Output Spec for Estates, the output specification has not been updated since it was produced in 2013 and that all the various specification changes to the contract were not consolidated in one place for easy access. The Estates Priority1 Building Compliance Escalation Protocol (EPCEP) is a document which is not version controlled, although it is specifically referred to in the contract. There is therefore a risk that staff will work from several different versions of documents or knowledge will be lost when experienced staff leave.
- **Inspection – Safety Critical Compliance (Medium):** Parameter changes to meet national standards (which were longer than the timescales in place) had not been implemented in the system; and there was also an administrative impact of the COVID19 Pandemic. As a result, although there were delays, they were not as severe as initially suggested by the data made available to Internal Audit.
- **Governance - Special Project Initiation Requests (SPIRs) (Medium):** Contract Monitoring meeting reports suggested 40 cases where there were delays in the approval of Special Project Initiation Requests (SPIRs) sent by CSG to LBB for approval. The delays ranged between 1-19 months. However, inconsistency in the format of reports and conversations with responsible officers suggested reports were not accurate and approvals had already been given in the majority of cases. The anomalies had not been identified by the Contract Monitoring Team who rely on the information for decision-making.

## 2. Findings, Recommendations and Action Plan

Ref	Finding	Risks	Risk category	Agreed action																									
1	<p><b>Remedial Works – Completion Within Appropriate Framework</b></p> <p>We reviewed the remedial works process to ensure that necessary works identified through service programme inspections are planned, addressed and completed to guard against the risk of putting both LBB staff and visitors to Council buildings at physical risk.</p> <p>Our testing of the remedial work process revealed that records of works identified, and subsequently carried out, are maintained and are easily accessible. However, the report shows delays of between 2-4 months in the completion of high and medium risk remedial works. The sample was taken from a report given by the Head of Building Services (CSG) which listed remedial works undertaken from January 2020.</p> <p>A sample of 30 cases of remedial works were obtained for testing and we established that 19/30 (63%) cases were delayed for between 2-4 months before completion, against the initial inspection date. Out of the 19 cases, there were 14/19 (74%) that were high priority.</p> <p>Analysis of the testing is shown in the table below:</p> <table border="1"> <thead> <tr> <th colspan="5">Analysis of Remedial Work Delay</th> </tr> <tr> <th>Number of months Delay</th> <th>High Risk</th> <th>Medium Risk</th> <th>Low Risk</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2 months</td> <td>4</td> <td>0</td> <td>1</td> <td>5</td> </tr> <tr> <td>3 months</td> <td>7</td> <td>1</td> <td>2</td> <td>10</td> </tr> <tr> <td>4 months</td> <td>3</td> <td>1</td> <td>0</td> <td>4</td> </tr> </tbody> </table>	Analysis of Remedial Work Delay					Number of months Delay	High Risk	Medium Risk	Low Risk	Total	2 months	4	0	1	5	3 months	7	1	2	10	4 months	3	1	0	4	<p>If remedial works are not planned and completed in a timely fashion, <b>then</b> it could put both LBB staff and visitors to Council buildings at physical risk, and LBB at risk of litigation should death or injury result.</p>	High	<p>a) <i>Management will review the process of completing the high risk and the medium risk remedial work to ensure prompt repairs.</i></p> <p>b) <i>CSG Management will propose to the authority an update to the existing KPI that recognises:</i></p> <ol style="list-style-type: none"> <li>1. <i>The compliance elements being measured e.g. Fire and Water Risk Assessments</i></li> <li>2. <i>The individual steps required to inspect, define, procure and deliver the required remedial works.</i></li> <li>3. <i>The steps and associated timescales will nominate an owner recognising that accountability can shift from the service provider to the contractor through the lifecycle of the works.</i></li> </ol> <p><b>Responsible officer:</b> Head of Building Services, CSG Building Compliance Officer, LBB</p>
Analysis of Remedial Work Delay																													
Number of months Delay	High Risk	Medium Risk	Low Risk	Total																									
2 months	4	0	1	5																									
3 months	7	1	2	10																									
4 months	3	1	0	4																									

Ref	Finding					Risks	Risk category	Agreed action
	Total	14	2	3	19	<p>We noted that the remedial works covered the period of lockdown due to the COVID19 pandemic. We therefore focused on the seven cases which were inspected pre-lockdown. Analysis of these showed that on average, following inspection, it took 3.5 weeks to complete the remedial action, with 4 actions taking more than 4 weeks.</p> <p>On average, work took 10 weeks to complete, with two actions taking around 11 weeks. These works were completed in lockdown according to the dates in the report.</p> <p>If the remedial works (most especially the high and medium risk priorities) are not completed in a timely fashion, visitors to Council buildings are potentially put at risk, which could lead to litigation and bad publicity for the Council.</p> <p>Furthermore, our discussion with both the Head of Building Services (CSG) and the Building Compliance Officer – Estates Team (LBB) revealed that there is no time limit or KPI to measure the efficiency and effectiveness of the remedial work process. If there is no time limit in place for completion of high and medium risk remedial works, then potentially risky situations will not be addressed and reported on as a priority.</p>		<p><b>Target date:</b> 30<sup>th</sup> November 2021</p>
2.	<p><b><u>Policies and Procedures: Output Specification</u></b></p> <p>Our review of the procedures revealed that the output specification being used currently was produced in 2013. The shared folders and records of each team have been updated with the annual changes to the output specification but they are not consolidated in one place to ensure easy access by members of staff. Therefore, the current document does not show a true picture of the current agreement/output specifications.</p>					<p><b>If</b> the estate compliance policies, processes, and procedures are not consolidated into one document, that is subsequently approved, <b>then</b> there is a risk of inconsistent practices being undertaken, leading to potential breach of legal</p>	Medium	<p>a) <i>The Commercial Team will consider the resources needed to complete the review of the contract/KPI documents recently updated and passed to LBB for approval.</i></p> <p>b) <i>The Commercial Team will then employ the necessary resource to ensure that all the changes made to the contract specifications are consolidated for easy access.</i></p>

Ref	Finding	Risks	Risk category	Agreed action
	<p>The update of the contract with the details of the second Deed of Variation (DOV) that incorporated circa 182 further Estates changes was interrupted by the COVID19 Pandemic and is yet to be completed. The member of staff undertaking this task did so on their own initiative and therefore this has taken second place to 'business-as-usual'. This incomplete process to embed output specification changes into a single document relates to both the CSG contract and the Estates Compliance KPIs.</p> <p>Our discussion with the Acting Head of Commercial Management confirmed that the specification was subject to various contract changes in the last seven years, but he was unable to provide us the consolidated schedule of all the changes. However, we were informed that the changes are being collated so as to have comprehensive documentation in place.</p> <p>Our testing also revealed that the Estates Priority1 Building Compliance Escalation Protocol (EPCEP) document is a not version controlled. It did not show the following information:</p> <ul style="list-style-type: none"> <li>• Version number;</li> <li>• The name of producer and the date of production; and</li> <li>• The date of next review or update.</li> </ul> <p>There is a risk that members of staff might be working on out-of-date versions of the contract and there is a danger of loss of knowledge if an experienced member of staff leaves the Council suddenly.</p> <p>Following the completion of testing and the drafting of this report, the Commercial Performance and Development Manager informed us that the draft updated CSG contract and the Estates Compliance KPIs, consolidating all the changes, have been produced by CSG and passed to LBB for review and approval.</p>	<p>duties and reputational damage.</p> <p>Knowledge may be lost if staff with experience leave the service, leading to gaps in knowledge and potential inefficiencies.</p>		<p>c) <i>The Estates Priority1 Building Compliance Escalation Protocol (EPCEP) will be formalised and version controlled as appropriate.</i></p> <p><b>Responsible officer:</b></p> <p>a, b) Acting Head of Commercial Management</p> <p>c) Head of Commercial Management</p> <p><b>Target date:</b> 30<sup>th</sup> October 2021</p>

Ref	Finding	Risks	Risk category	Agreed action
	<p>The EPCEP guidance is referred to specifically within this document, however without version control, the integrity of the EPCEP document cannot be guaranteed.</p>			
3.	<p><b><u>Inspection - Safety Critical Compliance.</u></b></p> <p>We reviewed the safety compliance inspection monitoring report and sought reasons as to why the report indicated a high proportion of safety critical cases being overdue.</p> <p>Discussion with the Head of Building Services (CSG) revealed that some of the cases highlighted by the system reported as overdue were as a result of compliance risk testing parameters on the system varying from the legal requirement (i.e. set for a shorter review period than national standards). We had initially found 94 overdue cases out of which 78/94 (80%) cases were identified as safety critical while 16/94 (20%) cases were non-safety critical. The delays, most especially those that were between two to six months (totalling 52/78 (67%) of the safety critical compliance inspections), appeared to indicate a negative impact on the Council's estate or property.</p> <p>He explained that following discussions between LBB and CSG, the frequencies had been reviewed and matched to national standards (effectively extending the period between inspections), however this change had not been implemented within the system.</p> <p>For wider understanding, the above safety measure (safety critical) is a measure that goes beyond LBB's service provider's contractual position and KPI regime to maintain statutory compliance.</p> <p>The statutory compliance inspection monitoring data presented to LBB at the Contract Monitoring Meeting (CMM) in August 2021 found 10 overdue out of 957 inspections</p>	<p>If system parameters are not set correctly, there is a risk that safety critical inspections may not be carried out as required. The realisation of this risk could lead to injury or death to individuals and subsequent litigation and associated damage to the Council's reputation.</p>	<p><b>Medium</b></p>	<p>a) <i>The correct frequencies of the safety critical inspections will be uploaded on the system to ensure accurate reporting.</i></p> <p>b) <i>Management will ensure resources are in place to facilitate system administration improvements to ensure that reports produced are prompt and are complete and accurate.</i></p> <p>c) <i>Management will review the safety critical service programmes jointly with LBB as these should consist of statutory and legislative obligations only with regards to testing.</i></p> <p><b>Responsible officer:</b>  Head of Building Services, CSG  Building Compliance Officer, LBB</p> <p><b>Target date:</b> 30 December 2021</p>

Ref	Finding	Risks	Risk category	Agreed action
	<p>resulting in 86% compliance of inspections completed or in tolerance according to the contractual KPI requirements. The remaining 14% of overdue inspections are a result of delays, due to various reasons relating either to contractor performance issues or site access issues. These are reported and qualified by LBB at the monthly CMMs.</p> <p>Our discussion with the Council's Building Compliance Officer also revealed that some of the overdue cases were due to pandemic-related administrative delays in uploading certificates and completing necessary online information about completed jobs after inspections have been conducted. However, further discussions with the Head of Property and Asset Management suggested this is no longer the case.</p> <p>Management should ensure that the system is updated promptly with the correct parameters; and reasons for delays, such as COVID 19 close-down impact, are recorded on the system.</p>			











Ref	Finding	Risks	Risk category	Agreed action																					
4	<p><b><u>Governance - Special Project Initiation Requests (SPIRs/SPRRs)</u></b></p> <p>Our review of the governance arrangements relating to Estates compliance established that there is a monthly reporting process and meeting in place where contractual performance is reviewed. Minutes of these meetings are produced, signed and circulated to appropriate officers.</p> <p>The report appeared to show that the approval of the Special Project Initiation Requests (SPIRs/SPRRs) raised by CSG for LBB approval were delayed for the months shown below:</p> <table border="1" data-bbox="181 651 752 1241"> <thead> <tr> <th>Month</th> <th>Unapproved SPIRs/SPRRs</th> <th>Delay period (Months)</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>7</td> <td>3-17</td> </tr> <tr> <td>February</td> <td>6</td> <td>4-18</td> </tr> <tr> <td>March</td> <td>6</td> <td>5-19</td> </tr> <tr> <td>April</td> <td>9</td> <td>1-2</td> </tr> <tr> <td>May</td> <td>12</td> <td>1-2</td> </tr> <tr> <td><b>Total</b></td> <td><b>40</b></td> <td></td> </tr> </tbody> </table> <p>We were subsequently informed by the AD Estates that there were no outstanding SPIRS at the time, contrary to the reports provided to Internal Audit.</p>	Month	Unapproved SPIRs/SPRRs	Delay period (Months)	January	7	3-17	February	6	4-18	March	6	5-19	April	9	1-2	May	12	1-2	<b>Total</b>	<b>40</b>		<p>If there is incorrect reporting, then this may lead to</p> <ul style="list-style-type: none"> <li>• a waste of resources as decisions are made on incorrect information;</li> <li>• incorrect decisions, which result in the required action not being taken; and</li> <li>• a risk of injury, litigation and reputational damage to the Council resulting from the above.</li> </ul>	<p><b>Medium</b></p>	<p>a) <i>Management will ensure that statistics or information provided in the monthly report (such as the Special Project Initiation Requests) is accurate and timely to enable management to make informed decisions.</i></p> <p>b) <i>Management will ensure consistency in its reporting format to guarantee easy comparison of data and relevant information for decision making.</i></p> <p><b>Responsible officers:</b> Associate Director – Estates (CSG) Special Projects Officer (LBB)</p> <p><b>Target date:</b> 30 October 2021</p>
Month	Unapproved SPIRs/SPRRs	Delay period (Months)																							
January	7	3-17																							
February	6	4-18																							
March	6	5-19																							
April	9	1-2																							
May	12	1-2																							
<b>Total</b>	<b>40</b>																								

Ref	Finding	Risks	Risk category	Agreed action
	<p>A review of the reports with the Corporate Programme Advisor and Special Projects Officer suggested that the information in the reports was out of date at the time of issue, as the practice was for the work to go ahead at the time the requirement was identified, in order to meet the required standards.</p> <p>Any SPIRs below £1k will be processed pending approval and <u>safety critical</u> repairs are allowed to go on while processing the approval, due to their critical nature. The process is to get approval in principle while the paper work is being processed.</p> <p>We concluded that the information being presented re. SPIRS being outstanding for approval was misleading; and we also found the reports we reviewed to be inconsistent in format as tables were set out differently from month to month and column headings did not necessary imply intended meaning.</p> <p>For example, extracts from the reports see Appendix A.</p>			

## Appendix 1: Definition of risk categories and assurance levels in the Executive Summary

Note: the criteria should be treated as examples, not an exhaustive list. There may be other considerations based on context and auditor judgement.

Risk rating	
<b>Critical</b> 	<p>Immediate and significant action required. A finding that could cause:</p> <ul style="list-style-type: none"> <li>Life threatening or multiple serious injuries or prolonged work place stress. Severe impact on morale &amp; service performance (eg mass strike actions); or</li> <li>Critical impact on the reputation or brand of the organisation which could threaten its future viability. Intense political and media scrutiny (i.e. front-page headlines, TV). Possible criminal or high profile civil action against the Council, members or officers; or</li> <li>Cessation of core activities, strategies not consistent with government's agenda, trends show service is degraded. Failure of major projects, elected Members &amp; Senior Directors are required to intervene; or</li> <li>Major financial loss, significant, material increase on project budget/cost. Statutory intervention triggered. Impact the whole Council. Critical breach in laws and regulations that could result in material fines or consequences.</li> </ul>
<b>High</b> 	<p>Action required promptly and to commence as soon as practicable where significant changes are necessary. A finding that could cause:</p> <ul style="list-style-type: none"> <li>Serious injuries or stressful experience requiring medical many workdays lost. Major impact on morale &amp; performance of staff; or</li> <li>Significant impact on the reputation or brand of the organisation. Scrutiny required by external agencies, inspectorates, regulators etc. Unfavourable external media coverage. Noticeable impact on public opinion; or</li> <li>Significant disruption of core activities. Key targets missed, some services compromised. Management action required to overcome medium-term difficulties; or</li> <li>High financial loss, significant increase on project budget/cost. Service budgets exceeded. Significant breach in laws and regulations resulting in significant fines and consequences.</li> </ul>
<b>Medium</b> 	<p>A finding that could cause:</p> <ul style="list-style-type: none"> <li>Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale &amp; performance of staff; or</li> <li>Moderate impact on the reputation or brand of the organisation. Scrutiny required by internal committees or internal audit to prevent escalation. Probable limited unfavourable media coverage; or</li> <li>Significant short-term disruption of non-core activities. Standing orders occasionally not complied with, or services do not fully meet needs. Service action will be required; or</li> <li>Medium financial loss, small increase on project budget/cost. Handled within the team. Moderate breach in laws and regulations resulting in fines and consequences.</li> </ul>
<b>Low</b> 	<p>A finding that could cause:</p> <ul style="list-style-type: none"> <li>Minor injuries or stress with no workdays lost or minimal medical treatment, no impact on staff morale; or</li> <li>Minor impact on the reputation of the organisation; or</li> <li>Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule; or</li> <li>Handled within normal day to day routines; or</li> <li>Minimal financial loss, minimal effect on project budget/cost.</li> </ul>
Level of assurance	
<b>Substantial</b> 	<p>There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be Advice and Best Practice.</p>
<b>Reasonable</b> 	<p>An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.</p>
<b>Limited</b> 	<p>There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.</p>
<b>No</b> 	<p>There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.</p>

## Appendix 2 – Analysis of findings

Area	Critical		High		Medium		Low		Total
	D	OE	D	OE	D	OE	D	OE	
<b>Area 1: Policies and Procedures</b>	-	-	-	-	-	1	-	-	<b>1</b>
<b>Area 2: Governance</b>	-	-	-	-	-	1	-	-	<b>1</b>
<b>Area 3: Inspection</b>	-	-	-	-	-	1	-	-	<b>1</b>
<b>Area 4: Remedial Work</b>	-	-	-	1*	-	-	-	-	<b>1</b>
<b>Total</b>	-	-	-	<b>1</b>	-	<b>3</b>	-	-	<b>4</b>

\*Includes two findings relating to control design and operating effectiveness

### Key:

- Control Design Issue (D) – There is no control in place or the design of the control in place is not sufficient to mitigate the potential risks in this area.
- Operating Effectiveness Issue (OE) – Control design is adequate; however the control is not operating as intended resulting in potential risks arising in this area.

Timetable					
<b>Terms of reference agreed:</b> Date 21 <sup>st</sup> October 2020	<b>Fieldwork commenced:</b> Date: 28 <sup>th</sup> October 2020	<b>Fieldwork completed:</b> Date: 10 <sup>th</sup> August 2021 (last report was provided on 9 <sup>th</sup> August 2021)	<b>Draft report issued:</b> Date: 6 <sup>th</sup> September 2021	<b>Management comments received:</b> 13 <sup>th</sup> September 2021, 19 <sup>th</sup> October 2021 and 3 <sup>rd</sup> November 2021	<b>Final report issued:</b> 5 <sup>th</sup> November 2021

### Appendix 3 – Identified controls

Area	Objective	Risks	Identified Controls
<p><b>Policies and Procedures – all parties</b></p>	<p>They are up to date, version controlled and reviewed in accordance with agreed timescales, and they are approved and operating effectively.</p> <p>Members of staff are aware of their roles and responsibilities under the Estate Compliance/Estate management process, service scope and they perform their tasks appropriately.</p>	<p><b>If</b> the estate compliance policies, processes, and procedures are not documented, meet the requirements and are subsequently approved, <b>then</b> there is a risk that inconsistent practices may go undetected leading to potential breach of legal duties and reputational damage</p> <p><b>If</b> the estate compliance processes and procedures are not updated regularly and communicated to staff, <b>then</b> there is a risk that members of staff might not be aware of their roles and responsibilities under the Council’s estate management planning processes regulations and may fall foul of current statutory requirements.</p>	<p>Documented policies and procedures are in place and available both in electronic and hard copies but some of the policies are old and require update.</p>
<p><b>Governance</b></p>	<p>There is an approved and documented Annual Work Plan covering statutory and non-statutory building compliance.</p> <p>The Annual Work Plan is reviewed agreed and funded, in good time, prior to the commencement of the financial year, to ensure safety critical tasks can be instructed within the relevant financial year.</p>	<p><b>If</b> there is no updated Annual Work Plan <b>then</b> there is risk that building compliance will not be adequately maintained, which could put both LBB staff and visitors to Council buildings at physical risk, and LBB at risk of litigation should death or injury result.</p> <p><b>If</b> the AWP is not agreed before the financial year commences, there is an increased risk compliance will not be adequately maintained, which could put both LBB staff and visitors to Council buildings at physical risk, and LBB at risk of litigation should death or injury result.</p> <p><b>If</b> the Health and Safety strategy and plan is not in place, adequately funded and maintained, <b>then</b> there is a breach of</p>	<p>The annual Work Plan (AWP) is agreed before the commencement of the financial year. The AWP is reviewed for accuracy and approved before implementation.</p> <p>There is no Health and Safety plan for the last financial year because of the impact of COVID19 but there is a process in place to develop one for the new year.</p>

		legislation and the Council risks financial penalties.	
<b>Inspection</b>	<p>Service programme inspection regimes are conducted can be demonstrated on each property, prioritising safety critical inspections / surveys, where applicable, at each property.</p> <p>Agreed escalation protocols are followed in the event that a H&amp;S risk is identified.</p>	<p>There is a risk that safety critical inspections may not be carried out, which could result in risk of injury or death to individuals and / or subsequent litigation and associated damage to the Council's reputation.</p> <p><b>If</b> there is no proactive cyclical maintenance process in place <b>then</b> there is risk that some inspections / surveys may be missed.</p> <p><b>If</b> issues related to delivery of any of the safety critical service programme inspections / surveys are identified and not resolved <b>then</b> there is a risk of injury and loss of property that could lead to litigation against the Council, a risk to occupants / visitors and the property not having fit for purpose facilities.</p>	<p>Inspections are carried out in accordance with the plan. A new inspection standard is being processed.</p>
<b>Remedial Work</b>	<p>Risks identified through service programme inspections are addressed within an appropriate timeframe.</p>	<p><b>If</b> remedial works are not planned and completed in a timely fashion, <b>then</b> it could put both LBB staff and visitors to Council buildings at physical risk, and LBB at risk of litigation should death or injury result.</p>	<p>Remedial works are identified through the inspection process.</p> <p>Remedial works are properly recorded and documented.</p>

## **Appendix 4 – Internal Audit roles and responsibilities**

### ***Limitations inherent to the internal auditor's work***

We have undertaken the review of Estates Compliance, subject to the limitations outlined below.

#### *Internal control*

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Specifically, we will not review:

- Commercial Rents and Leases

#### *Future periods*

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

### ***Responsibilities of management and internal auditors***

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

APPENDIX A

**CSG Estates Services monthly report Feb 21 EXTRACT (page 26)**

Please see below SPIRs/SPRRs awaiting approval:

		Live SPIRs/SPRRs					
SPIR No	SPIR Name	Comments	Submitted to LBB	Approved	Complete	Date Submitted	Approval Date
224	North Finchley Lido Roof CR	SPRR 224	✓	✓		16.10.2020	
235	Additional Custodian Services extension		✓	✓		05.09.2019	
235	Additional Custodian Services for Colindale - EXT	SPRR - Extension Feb to June 2020. 2019/2020 rates used	✓	✓	x	19/02/2020	
349	x3 Care Homes Condition Surveys	SPIR used 18-19 rates - need to reconcile following approval of 19-20 rates	✓	✓	✓	21.05.2020	
354	Woodside Stage 3-6 Proposal	Stage 3 & 4 £65k paid Oct19	✓	✓		24.07.2019	
363	Old Fold Manor Golf Club	SPIR	✓	✓		11.10.2019	

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**SPIRS:**

The below table details SPIRs that are currently awaiting approval from LBB. These are all now urgently awaiting approval

SPIR No	SPIR Name	P1 Received	Submitted to LBB	Approved / Action	Date Submitted	Approval Date
438-VR01	Hendon Hub Regeneration Project – Scope reduction		✓	LBB	28-Apr-21	
438-VR02	Hendon Hub Regeneration Project –		✓	LBB	06-May-21	
450	Transfer of 2-10 Hermitage Lane		✓	LBB	13-Apr-21	
458	East Barnet Library Roof	22-Jan-21		LBB	11-May-21	
459	Whitings Primary Enabling work	22-Jan-21	✓	LBB	05-May-21	
460	154 Station Road	08-Feb-21	✓	LBB	10/03/2021 & 14/05/21	
473	Hendon Hub Procurement VR2		✓	LBB	08.04.2021	
474	Housing Options Redesign stage 2	23-Mar-21		24.05.2021	30.04.2021	
479	Brogans		✓	LBB	18.05.2021	
481	AWP Excess 2020-2021	28-Apr-21	✓	LBB	28.04.2021	
482	SEN 2021 - Broadfields ARP and Oakbridge	22-Apr-21	✓	LBB	21.05.2021	
492	Quinta Club	-	✓	LBB	07.06.2021	



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**SPIRS:**

The below table details SPIRs that are currently awaiting approval from LBB. **These are all now urgently awaiting approval and require escalation for approval**

Live SPIRs/SPRRs					
SPIR No	SPIR Name	Client Lead	Submitted to LBB	Approved / Action	Date Submitted
432-VR02	SPIR for Assistant PM support to May to 30 June 2021		✓	LBB	21-Apr-21
445	Silk Stream and Noah's Arc		✓	LBB	11-Mar-21
450	Transfer of 2-10 Hermitage Lane		✓	LBB	13-Apr-21
457	Saracens Cable Works – ZLBC		✓	LBB	11-Mar-21
459	Whitings Primary Enabling work		<input type="checkbox"/> ✓	LBB	05-May-21
460	154 Station Road		✓	LBB	10-Mar-21
465	East Finchley Library Roof		✓ <input type="checkbox"/>	LBB	15-Apr-21
466	Capitol Way Vehicle barrier		✓	LBB	19-Apr-21
473	Hendon Hub Procurement VR2		<input type="checkbox"/> ✓	LBB	08.04.2021