Internal Audit Report
Private Residential Blocks – Fire Safety
May 2022

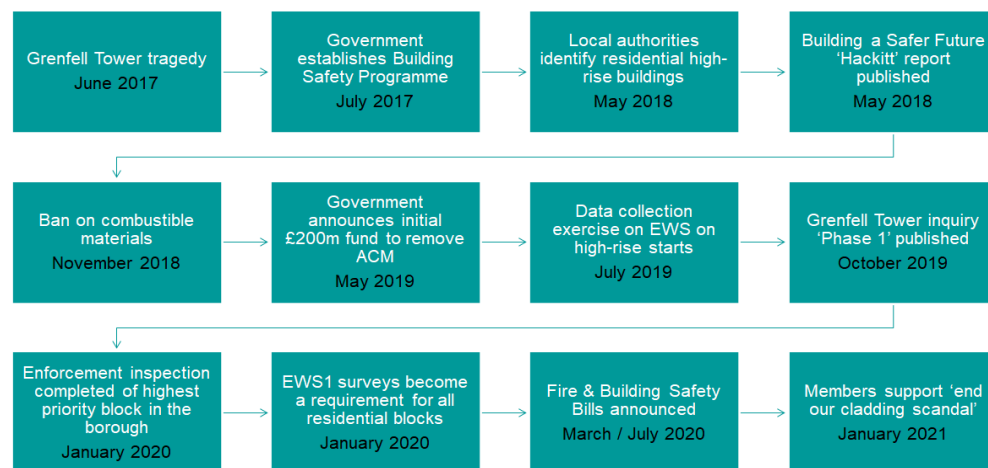|	
To:	Deputy Chief Executive
Copied to:	Head of Programmes, Performance and Risk
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	Commissioning Lead, Growth and Development Team
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	Interim Operations Director, Re
	Partnership Director, Re
	Regulatory Services Director, Re
	Building Control Manager, Re
From:	Head of Internal Audit

We would like to thank management and staff of Barnet Council and Re for their time and co-operation during the internal audit.

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Executive Summary

Assurance level	Number of recommendations by risk category				
Limited	**Critical**	**High**	**Medium**	**Low**	**Advisory**
	-	1	3	2	-

Scope

This review was undertaken as part of the London Borough of Barnet Internal Audit and Anti-Fraud Strategy and Annual Plan 2021-22, Q3 and Q4.

Following the Grenfell Tower tragedy, the Government held a fire safety consultation to deliver the Government's objective of improving building safety in regulated premises in which people live, stay or work. The Hackitt report outlined proposals to strengthen the Regulatory Reform (Fire Safety) Order 2005 (FSO) as well as implementing Grenfell Tower inquiry recommendations and improving communication between Building Control and Fire and Rescue in relation to building works and handover of fire safety information.

The Fire Safety Act 2021 sought to amend the FSO making it clear where responsibility for fire safety lies in buildings containing more than one home.

The Building Safety Act 2022 will introduce further responsibilities for which the Council has put together a project team to ensure appropriate preparation for new legislative requirements. As this act only received royal assent in April 2022 it was considered outside the scope of the audit, but it is a relevant consideration in terms of determining and aligning required future actions.

The objective of this review was to provide assurance over the design and effectiveness of the fire safety enforcement controls that were established during 2021-22, to mitigate the risk of failing to comply effectively with new Fire Safety regulations in relation to private residential blocks.

The need for a more proactive capacity to engage in fire safety enforcement across private sector housing blocks was agreed in January 2021 and this followed encouragement by government for local authorities to begin to step-up enforcement in the private sector once the rounds of funding bids had completed and slow progress by the sector was noted.

As part of the plan to upscale the Council's processes in 2021-22, this audit was planned to ensure that all new proactive capacities, processes, and structures introduced during 2021-22 would be quickly and robustly tested, to ensure readiness to deliver.

The wider responsibilities of the Council in relation to fire safety were set out in webpages that were updated in Autumn 2021, these sought to clarify the action to date and also note the preparation of a register of high-rise blocks prepared on behalf of the government. This register was translated into an enforcement tracker tool from August 2021. Alongside this a resource plan to increase enforcement capability was also prepared, and a review of the internal controls and governance structures was completed. These new arrangements were largely in place by January 2022, and therefore this audit was able to proceed during Q4 to fully test the resilience of such arrangements for enforcing fire safety within high rise private sector blocks.

The below timeline outlines some of the key internal and external milestones in this area:

Grenfell Tower tragedy June 2017	**Government establishes Building Safety Programme** July 2017	**Local authorities identify residential high-rise buildings** May 2018	**Building a Safer Future 'Hackitt' report published** May 2018
Ban on combustible materials November 2018	**Government announces initial £200m fund to remove ACM** May 2019	**Data collection exercise on EWS on high-rise starts** July 2019	**Grenfell Tower inquiry 'Phase 1' published** October 2019
Enforcement inspection completed of highest priority block in the borough January 2020	**EWS1 surveys become a requirement for all residential blocks** January 2020	**Fire & Building Safety Bills announced** March / July 2020	**Members support 'end our cladding scandal'** January 2021

Summary of findings

The Council initially drafted a register of residential buildings above 18 metres in height in the borough following a Government request that all Councils should investigate tall buildings and report this into a national database. This register was prepared from 2019 by the Building Control team and from late 2020 was handed over to the Private Sector Housing team for updates. Work to turn this register into an active enforcement tracking tool began when the Private Sector Housing team in Re were provided with additional resource to upscale their enforcement activities from Summer 2021.

It is understood that the current tracker includes all known private residential blocks in the borough where there is a concern about potential unsafe use of materials, but further to the initial survey of buildings over 18m this dataset is currently only set to be updated in a reactive manner, through internal referrals as well as referrals from organisations outside of the Council, such as the Government Fire Safety Group and the London Fire Commissioner (the Fire Authority).

A Council/ Re Special Project Initiation Request (SPIR) provides funding for an interim Environmental Health Officer and has enabled the recruitment of a full-time resource (FTE) in the Private Sector Housing team (arriving in June 2022, following recruitment challenges). It is understood that from June, there will be 1.5 Enforcement Officers working on the project with a 0.5 Technical Support Officer being recruited to assist with administration activities, in particular enforcement activities. The SPIR sets out an approach to fire safety in private residential blocks that is driven primarily by undertaking inspections of identified higher-risk buildings and then resolving those risks. Current capacity is focused on buildings that have been flagged as high risk on the tracker, which is primarily driven by building height and material.

It is the responsibility of building owners/ landlords to complete fire risk assessments (FRAs) and to ensure remedial works are carried out where required. Building owners are not required to send completed FRAs to the Council, and the Council will often receive the FRAs on referrals from organisations outside of the Council. Whilst the Council does not have ultimate responsibility to follow-up on fire risks/ remedial actions flagged in Fire Risk Assessments, following inspection of paperwork (e.g., FRAs sent by the building owners/ Fire Authority) or properties where there are high risk

issues raised, the Council can determine whether they have confidence in the building owners to undertake remedial actions and can implement enforcement activities where they do not. It is noted that to date, the Council has only inspected three high risk buildings (out of 10 identified).

This is an ever-changing landscape, and it is noted that during fieldwork, the Government announced that it intends to have a fully funded plan of action, including remediating unsafe cladding on buildings that are 11-18 metres in height as part of the Building Safety Act, and various announcements to that effect took place during April 2022 (after completion of fieldwork relating to this audit). The tracker does not currently include any buildings under 18 metres in height, but it is likely that some further buildings will come to the attention of the Council following the assent of the Building Safety Act.

This audit has identified one high risk, three medium risk and two low risk findings.

We identified the following issues as part of the audit:

- **Insufficient progress in managing fire safety risks in private sector housing (High risk)** – Re, on behalf of the Council, had, by the time of fieldwork, inspected three out of ten buildings in the borough identified as high risk. Subsequently two further sites are known to have been inspected, a total of 727 units of accommodation. This still leaves further sites that are thought to potentially pose a higher level of risk, which have not yet benefitted from a formal site inspection. In addition, the tracker used to oversee private sector tower blocks in the borough is missing key information. Management do not consider that the Private Sector Housing (Re) team has had sufficient resource to undertake all the key activities in relation to managing fire safety risks in private sector housing that are required and acknowledge that recruitment challenges to introduce additional capacity have exacerbated this problem. It is further noted that the tracker does not currently include any buildings below 18 metres in height; in light of the Building Safety Act 2022, the Council will need to have oversight of buildings between 11-18 metres in height (in particular those that are ACM clad).

- **Risk rating methodology for high-risk blocks (Medium risk)** – There is a risk rating methodology in the tracker that is used to classify buildings according to risk in relation to fire safety. However, it does not provide a clear rationale as to how buildings that have been classified as high-risk should be prioritised for inspection, and hence it is unclear how or why the Council has prioritised inspection of certain buildings ahead of others. This should be formally documented to provide clarity of decision-making to senior officers.

- **Roles and responsibilities (Medium risk)** – Whilst the roles and responsibilities of the Private Sector Housing team are outlined in the SPIR, there is no formal policy or procedure document that outlines the roles and responsibilities of key Council stakeholders in relation to fire safety in private residential blocks and there are no clearly documented escalation routes. These should be clarified in the Fire Safety Group Terms of Reference. Note: Roles/responsibilities and escalations routes are outlined in the Terms of Reference for the Fire Safety Group.

- **Absence of a fire safety management policy (Medium risk)** - The Council does not currently have a fire safety management policy in relation to private housing. As a result, although there is a policy and procedure for ensuring uniformity of approach in relation to investigation and enforcement action, officers may not follow a consistent approach to fire safety management for this type of property and may be unaware of recent changes to current guidelines and legislation.

- **Management information (Low risk)** – On review of minutes/ papers at relevant Fire Safety forums, including the Fire Safety Group and Council/ Re performance meetings, there is insufficient coverage and supporting data on the status of all high-risk blocks, which may impact senior officers' decision-making, as well as the Council's ability to monitor fulfilment of its responsibilities in relation to these buildings.

- **Referral of cases to the Private Sector Housing team (Low risk)** – Whilst some cases (of new high-risk blocks/ new blocks) are referred to the Council from the Fire Authority, it is known that there are cases that are not referred, and hence the Council does not have oversight of these buildings. In addition, there is no formalised process through which Building Control (Re) refer new buildings to the Private Sector Housing team.

2. Findings, Recommendations and Action Plan

Ref	Finding	Risks	Risk category	Agreed actions
1.	**Insufficient progress in managing fire safety risks in private sector housing** The Department for Levelling Up, Housing and Communities (formerly Ministry of Housing, Communities & Local Government) wrote to all local authorities in July 2019 asking them to identify external wall materials on all private sector high rise buildings (i.e., those exceeding 18 metres in height) in their locality. The Council undertook an exercise to identify all buildings in the borough that were over 18 metres in height; with the intention of collating all data and contacting building owners where there were gaps in the information available. This exercise was completed in August 2019, and a year later the property tracker was handed over to the Private Sector Housing team (part of Re) to maintain. The Private Sector Housing team manually update it reactively following referrals to the service (e.g., from the Fire Authority). rather than undertaking a proactive review of data As part of the Building Safety Act, the Government intends to have a plan of action, including remediating unsafe cladding on 11-18 metre buildings. The Council's property tracker does not currently include any buildings below 18 metres in height. On review of the tracker, it was also identified that: • There are a total of 10 buildings listed as high risk, six that are 'live cases', and four that are 'pending cases'. Of these four, only one has been assigned a case officer. There is no information available on the known vulnerabilities of occupants (which is a factor in determining the priority of risk ratings (see finding two below)). It is understood that these buildings/ pending cases have not been prioritised due to a lack of resources. • The tracker does not state the date that each building has been risk assessed. It is therefore not possible to assess how long it is taking the team to take the appropriate actions relating to each	The following may expose residents to danger as well as the Council to reputational, legal, and financial risk: • **If** the Council does not have a complete inventory of private residential blocks that are covered under existing and incoming fire safety regulations, **then** certain residences may not be inspected. • **If** there is insufficient information available on private residential blocks within the tracker, **then** the Council may be unable to make informed decisions regarding the prioritisation of activities at certain residences. • **If** the Council does not inspect known	**High**	a) We will perform a cost vs. benefit analysis to determine whether additional resources are required to support the Private Sector Housing team in managing the fire safety risks in private sector housing in the borough. b) We will continue to prioritise inspections at known high-risk buildings in the borough to ensure that we are aware of any fire safety hazards and can issue notices/ commence legal proceedings with landlords who do not take appropriate actions to remediate known fire safety risks. We will include the outcome of inspections in the tracker and escalate known issues to senior officers. c) We will formally update the tracker on a regular (e.g., monthly) basis. This will include stating the date each building is risk assessed and obtaining important (and missing) information for high-risk blocks on inspection, such as the details of occupants (to identify whether there are any vulnerabilities) and building owner/ freeholder names. d) Where details of new properties are provided (e.g., via referral), we

Ref	Finding	Risks	Risk category	Agreed actions
	building on the tracker. It states the 'date of first contact' (usually the first time the team write to the building owner). However again, this data isn't provided in every instance. • There are 11 buildings that have not been risk rated and it is unclear from which source the buildings have been referred to the Council. Management acknowledged that all new additions should be reviewed; however, outlined that the priority is on ongoing enforcement activities at buildings already identified as high risk. The Council has agreed a Special Project Initiation Request (SPIR) with Re that aims to ensure that the Council has a comprehensive set of information about the material on the exterior of tall buildings, so that it can assess the risks associated with these and meet the Government requirements. This will include both buildings above 18 metres in height as well as all other private residential blocks in the borough, in particular those between 11-18 metres in height. It is understood that the Council does not intend to undertake a proactive exercise to include all buildings in the borough whose height is between 11-18 metres on the tracker but will add buildings as and when they are referred to the Council. It is considered, however, that without this proactive approach, a significant number of private residential blocks in the borough may continue to remain unknown to the Council. It was noted, for example, that a two-storey residential building on Nether Street where there was a fire that resulted in death in December 2021, is not currently included on the tracker (as it is below 18 metres in height). The SPIR will also fund the recruitment of one new full-time officer to support the Private Sector Housing team (starting in June 2022). The primary objective for the FTE will be to complete the highest priority enforcement casework, alongside undertaking property inspections of high-risk tower blocks. At the time of fieldwork, the Council had only inspected three buildings in the borough. It is noted that there were 10 buildings identified as high risk by the Council. For one out of three cases this has already led to enforcement activity; enforcement notices were issued, and this	high-risk buildings in a timely manner to identify fire risks/ hazards, then it may be unable to enforce landlords to take appropriate action to remediate such risks in a timely manner.		will perform an initial risk-rating based on known data so that the ratings of all buildings included in the tracker are known to officers. This will include buildings between 11-18 metres in height. **Responsible Officers:** a) Head of Housing and Regeneration; Commissioning Lead, Growth and Development Team; and Private Sector Housing Manager (Re) b)/ c)/ d) Private Sector Housing Manager (Re) **Target dates:** a) 30 June 2022 b) 31 December 2022 (and ongoing) c)/ d) 30 June 2022 (and ongoing)

Ref	Finding	Risks	Risk category	Agreed actions
	has gone to tribunal. For two out of three cases, they are not yet at the enforcement stage of the process, but it is looking likely that enforcement activity will be required. Subsequent to the fieldwork, improvement notices have been issued in both cases. Management has also outlined that at the time of the audit, there were 28 local authorities in the country that had completed housing health and safety rating system (HHSRS) inspections, with 19 subsequently serving statutory notices.			
	It is understood that the Council has not progressed its inspections in a timelier manner due to a lack of resources, and that through the SPIR an additional resource will support these activities. There were delays in agreeing the SPIR, with the first draft being proposed in March 2021 and the final document only signed in December 2021. It is noted that 'commercial cover' was in place since April 2021 to enable Re to proceed with the work outlined in the SPIR, although in audit's view, the length of time taken to agree the SPIR may have contributed to slower progress, especially in relation to recruitment of a permanent officer.			
	During the audit both Council and Re management expressed concerns that the agreed additional support (one FTE post, starting from June 2022) may still be insufficient to manage and support the significant amount of work that has emerged as required to deliver the objectives set out in the SPIR, and there is a risk that a large number of known high-risk blocks in the borough will not be inspected in a timely manner.			
2.	**Risk rating methodology for high-risk blocks** The buildings on the Council's property tracker that are rated as high-risk are identified as: having ACM or HPL cladding or where other unacceptable fire risks have been identified on buildings over 18 metres; in tower block cases where the Fire Authority have served an enforcement notice; or in blocks where a complaint has been received from an occupier indicating a level of risk requiring an imminent inspection.	**If** the Council does not have a defined methodology for prioritising the inspection of higher-risk buildings, **then** it may inappropriately prioritise inspections at certain buildings and overlook others, which	Medium	We will formalise our approach for prioritising inspections/ other activities in relation to fire safety (e.g., enforcement notices) in all blocks identified as high-risk in the tracker. Where there are gaps in relation to known vulnerabilities of occupants, we will obtain this information (e.g., via desktop analysis) where possible, so that we can make an informed

Ref	Finding	Risks	Risk category	Agreed actions
	At the time of fieldwork, inspections had only been undertaken at three of the 10 high-risk buildings. Whilst it is understood that the Council does not currently have sufficient resources in place to inspect all the high-risk buildings, there is no documented rationale as to why the three buildings have been prioritised over the remaining seven high-risk buildings. Management have clarified that this is mainly driven by the vulnerabilities of occupants (e.g., homeless people or students are considered "higher priority"), alongside cases that are referred to the Council by the Government, but this is not documented. In addition, although there is a presumed high-risk status allocated to some properties categorised as 'high risk', there is a lack of information in the property tracker, because the Private Sector Housing team were unable to obtain information from their desktop review of Fire Risk Assessments and on-site property inspections have not been completed. This relates to five out of ten cases where there is no knowledge of the vulnerabilities of the occupants; hence it is unclear whether these properties should be prioritised or not.	may lead to non-compliance with statutory requirements, resulting in the safety of residents being put at risk, as well as leading to adverse reputational damage to the Council in instances where the Council did not undertake inspections in certain blocks.		decision towards prioritising certain blocks. Where this is not possible, we will obtain this information through inspection and subsequently update the tracker with this information. **Responsible Officer:** Private Sector Housing Manager (Re) **Target date:** 30 June 2022
3.	**Roles and responsibilities** The roles and responsibilities of the Private Sector Housing team in relation to Fire Safety are outlined in the SPIR. However, there is no formalised policy or procedure document that outlines the roles and responsibilities of Council and Re officers (including those in the Private Sector Housing team) in relation to involvement in fire safety and appropriate escalation routes. These should be defined and formally documented. It is noted that the Council's Fire Safety Group Terms of Reference (ToR) lists core members of the Group. The ToR is currently in draft and awaiting finalisation. It does not outline members' roles and responsibilities in relation to fire safety. Whilst the membership of the FSG (per the draft ToR) seems appropriate, there is currently a lack of clarity over the roles and responsibilities of core members, both in relation to the FSG, but in particular, in relation to fire safety.	**If** there is no formal assignment of roles and responsibilities and reporting lines are not clearly defined, **then** a lack of clarity could result in a breakdown of fire safety framework implementation and operation, leading to non-compliance with statutory requirements, resulting in the safety of residents being put at risk.	**Medium**	We will establish what the roles and responsibilities of officers with involvement in private residential blocks – fire safety is (in particular those who are listed as core members of the Fire Safety Group) and we will formally document these within the FSG Terms of Reference. **Responsible Officer:** Head of Programmes, Performance and Risk **Target date:** 30 June 2022

Ref	Finding	Risks	Risk category	Agreed actions
	In addition, to our knowledge the Fire Safety Group started meeting on an ad-hoc basis following the Grenfell Tower tragedy in June 2017. We therefore would have expected it to already have an agreed Terms of Reference.			
4.	**Absence of a fire safety management policy** The Council has an Enforcement Policy (which was updated to include a section on private sector tower blocks in February 2022), and it is understood that a sample of enforcement cases are audited monthly on completion. The Enforcement Policy states "DRS [Development and Regulatory Services] will try to ensure that enforcement action is consistent, both within the Borough and with other enforcing authorities. This will be supplemented by training for enforcement officers, the introduction where appropriate of quality assurance techniques and internal auditing of samples of individual cases." It was noted that none of the tower block cases have yet been audited as the relevant enforcement cases have not been finalised, however our expectation would be that the assurance and auditing activities within the policy will be undertaken in due course. The Council also has a fire safety protocol with the London Fire Commissioner. It establishes joint working arrangements in relation to the objective of improved fire safety within housing occupied by more than one household. This framework provides the basis for detailed local arrangements. However, the Council does not currently have a fire safety management policy in relation to private housing.	**If** the Council does not have a formal fire safety management policy, **then** it may not follow a consistent approach to fire safety management and tenant safety commitment and may be unaware of recent changes to current guidelines and legislation, which may lead to non-compliance with statutory requirements, resulting in the safety of residents being put at risk.	**Medium**	We will draft a fire safety management policy in relation to private residential blocks. This will be discussed at the Fire Safety Group and will be reviewed by HBPL prior to formal sign off at the Housing and Growth Committee. **Responsible Officers:** Private Sector Housing Manager (Re) and Head of Housing and Regeneration **Target date:** 30 September 2022
5.	**Management information** There are various forums in which fire safety in private residential blocks is reported to senior officers. These include the Fire Safety	**If** there is insufficient management information provided at key forums, **then** senior officers may be	**Low**	a) We will include as a standing item on the Fire Safety Group agenda an update on all high-risk private residential blocks. We will agree on the format in which this is

Ref	Finding	Risks	Risk category	Agreed actions
	Group (FSG) and Council/ Re monthly contract performance meetings, in addition to reporting to Housing & Growth Committee. From our review of the minutes/ papers, we noted the following: • There is no evidence of formal discussion at the FSG on the status of all high-risk blocks. Whilst actions to be taken at some blocks were discussed, others were not covered. A clear update on the status of all blocks should be provided at these meetings. • There is no update on the status of all high-risk blocks at the contract performance meetings. From a review of two agenda packs – September and December 2021 (including minutes and reporting) - only three blocks were referred to, meaning that no update was provided on seven high-risk blocks. • The performance reports do not include any data/ management information which could be used to provide senior officers with a more detailed oversight of the status of activities in relation to private residential blocks. It was noted that other Re services do provide data to support progress of their activities within the performance reports.	unable to make informed decisions about the status of high-risk private residential blocks, which may lead to non-compliance with statutory requirements, resulting in the safety of residents being put at risk.		presented to the Group to ensure it provides a level of oversight but is not cumbersome (e.g., circulate the tracker to all members in advance of the meeting so that they can ask questions on specific blocks at the meeting). b) We will add a tab in to the tracker that provides a visual update on the status of progress of activities at each high-risk tower block in the borough. **Responsible Officers:** a) Head of Programmes, Performance and Risk b) Private Sector Housing Manager (Re) **Target date:** 30 June 2022
6.	**Referral of cases to the Private Sector Housing team** The Council works closely with the London Fire Commissioner ("The Fire Authority") as there is a legal obligation to consult on fire safety issues prior to enforcement action under the Housing Act 2004. Management considers there to be a good working relationship with the Fire Authority. Whilst the Fire Authority does refer some cases (of new high-risk blocks/ new blocks) to the Council, it is understood that as the relationship with the Fire Authority is not formalised, there is no obligation for the Fire Authority to refer all cases to the Council, and hence there are several cases that may not be referred to the Council.	**If** cases are not referred to the Private Sector Housing team on a timely basis, **then** the service may be unaware of newly identified/ constructed blocks in the borough and will not be able to take necessary action where required, or update the property tracker, meaning that	Low	a) We will set-up regular (e.g., bi-monthly) meetings with the Fire Authority and include as a standing item on the agenda new cases in the borough. b) We will liaise with Building Control (e.g., biannually) to obtain confirmation of any new cases (high-rise buildings). In addition, we will reconcile the private residential blocks listing to the records owned by Building Control

Ref	Finding	Risks	Risk category	Agreed actions
	In addition, it is understood that the Council's Building Control team within Re will in future sign-off on new high-rise buildings that will be built following the introduction of the Building Safety Act; however, there is currently no formal process in place for which these new additions will be communicated to the Private Sector Housing team. It is considered that the referral process for new cases could be tighter, so that the Private Sector Housing team can be made aware on a timelier basis of new cases.	the service does not have up-to-date information to make informed decisions which may lead to inappropriate decisions being made by management.		to ensure we have included all new buildings in the tracker. c) In both instances, we will update the fire safety tracker on receipt of the new information to ensure that the tracker includes the most recent, available information. **Responsible Officer:** Private Sector Housing Manager (Re) and Building Control Manager (Re) **Target date:** 30 September 2022 (and ongoing)

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	
Critical ●	Immediate and significant action required. A finding that could cause: • Life threatening or multiple serious injuries or prolonged workplace stress. Severe impact on morale & service performance (e.g., mass strike actions); or • 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 • Cessation of core activities, strategies not consistent with government's agenda, trends show service is degraded. Failure of major projects, elected Members & Senior Directors are required to intervene; or • 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.
High ●	Action required promptly and to commence as soon as practicable where significant changes are necessary. A finding that could cause: • Serious injuries or stressful experience requiring medical many workdays lost. Major impact on morale & performance of staff; or • 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 • Significant disruption of core activities. Key targets missed; some services compromised. Management action required to overcome medium-term difficulties; or • High financial loss, significant increase on project budget/cost. Service budgets exceeded. Significant breach in laws and regulations resulting in significant fines and consequences.
Medium ●	A finding that could cause: • Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale & performance of staff; or • 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 • 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 • Medium financial loss, small increase on project budget/cost. Handled within the team. Moderate breach in laws and regulations resulting in fines and consequences.
Low ●	A finding that could cause: • Minor injuries or stress with no workdays lost or minimal medical treatment, no impact on staff morale; or • Minor impact on the reputation of the organisation; or • Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule; or • Handled within normal day to day routines; or • Minimal financial loss, minimal effect on project budget/cost.

Level of assurance	
Substantial ●	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.
Reasonable ●	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.
Limited ●	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.
No ●	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.

Appendix 2 – Analysis of findings

Area	Critical		High		Medium		Low		Total
	D	OE	D	OE	D	OE	D	OE	
Governance and oversight for Private Residential Blocks	-	-	1	-	-	1	-	-	**2**
Roles and Responsibilities for Private Residential Blocks	-	-	-	-	-	1	-	-	**1**
Alignment with regulations and internal service standards	-	-	-	-	1	-	-	-	**1**
Remedial actions	-	-	-	-	-	-	1	-	**1**
Planning for compliance, monitoring, and reporting	-	-	-	-	-	-	-	1	**1**
Total	**-**	**-**	**1**	**-**	**1**	**2**	**1**	**1**	**6**

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					
Terms of reference agreed:	**Fieldwork commenced:**	**Fieldwork completed:**	**Draft report issued:**	**Management comments received:**	**Final report issued:**
31 January 2022	7 February 2022	15 March 2022	31 March 2022	4 May 2022	27 May 2022

Appendix 3 – Identified controls

Area	Objectives	Risks	Identified controls
Governance and oversight for Private Residential Blocks	Governance structures in relation to management of fire safety and compliance are in place.	If there is no formal governance structure, with appropriate oversight via assurance, committees, and reporting, then there is a risk of the Council not appropriately managing the implementation of the new Fire Safety regulations.	• A Fire Safety Group (FSG) meets quarterly, which has a draft Terms of Reference (ToR). FSG membership is considered appropriate to discuss health and safety and fire safety in particular; however, it is an informal group/ not a formal decision-making group. Decisions sit with the relevant officers and roles and responsibilities with management. High risk issues are discussed at the FSG, which the Deputy Chief Executive attends. This ensures the highest risks are managed. • There is a monthly contract management meeting between Re-the Council where Re provides a monthly update on key areas of concern for highest risk block and action as well as fire safety. These meetings include content and casework updates, clienting and resourcing. • A monthly one to one between Re Private Sector Housing Manager and Council Head of Housing and Regeneration/ Commissioning Lead, Growth and Development Team, where data and blocks are reviewed. These meetings cover changes to legislation/prioritisation of Council resources/ data collection work. Discussions are not formally minuted. • The Re Private Sector Housing Manager meets with Case Officers weekly to discuss caseload and updates. • System in place for auditing a sample of completed enforcement cases to ensure compliance with the Council's Regulatory Services Enforcement Policy • There are also briefings to the Housing & Growth Committee, either through briefing notes or reports to Committee.
	The Council maintains an inventory of all private residential blocks impacted by fire regulations.	If there are no/ incomplete inventories of private residential blocks that are covered under existing and incoming fire safety regulations, then certain residences may not be inspected which may potentially expose residents to danger as well as the Council to reputational and financial risk.	• There is a property tracker of buildings in the borough that are above 18 metres that have ACM cladding and other buildings that have been flagged as having fire risks or have come across the Council's radar due to its portfolio. Building Control created this property tracker on request from MHCLG as part of a data collection exercise. • A SPIR is in place to put key information onto a more formal footing. • Re Private Sector Housing team has overall responsibility for maintaining/ updating the property tracker. The tracker does not include all new buildings, though these would not have the same risk level as

Area	Objectives	Risks	Identified controls
			buildings directly after Grenfell as they would not be ACM-clad. The property tracker provides a record of how the Council is prioritising fire safety cases (live and pending) in private residential blocks. The tracker is updated in a reactive manner (e.g., when referrals are made to the team) and there is no formal full data set review. **See Finding 1.** • There is a risk-based approach to the most significant blocks. The property tracker includes a risk assessment that provides an awareness of blocks and those that are ACM clad so the team should have a handle on the highest risk batch. **See Finding 2.**
	There are mechanisms in place to review the compliance requirements of private residences to regulations.	If there are inadequate mechanisms to inspect the current state of fire safety compliance at private residential blocks, then fire risks may remain unattended and unaddressed putting residents at risk.	• The property tracker provides a visible record of how the Council is prioritising cases, including cases that are live/ why we are focussing on those. Re Private Sector Housing team makes the ultimate decisions and has authorisation to act under the housing act and enforcement decisions under regulatory policy. • Enforcement policy and regulation are overseen by the FSG. All enforcement decisions are recorded in the Idox Uniform data management system. Whenever Re serves notice, it is peer checked, and in relation to tower blocks and housing notices, these are approved by the Private Housing Sector Manager. All checks are documented and signed off
Roles and Responsibilities for Private Residential Blocks	Key stakeholders in relation to fire safety strategies and programmes have been identified, understand their roles and responsibilities, and communicate regularly to ensure that strategies and programmes are effectively delivered.	If there is no formal assignment of roles and responsibilities and reporting lines are not clearly defined, then a lack of clarity could result in a breakdown of Fire Safety framework implementation and operation, leading to non-compliance with statutory requirements, resulting in the safety of residents being put at risk.	• The FSG ToR lists the members of the FSG. The FSG is considered to include appropriate stakeholders, with attendees from Barnet Homes, Building Control, Health and Safety, Re, Commissioners, and the Capital Delivery team. **See Finding 3.** • The SPIR lists out specific roles and responsibilities of staff appointed to work on the fire safety agenda, including the roles of the contractor, interim agenda, principal officer appointed, and Private Housing Sector Manager. The SPIR has been reviewed by legal services who considered it to be comprehensive. • There is a protocol with the Fire Authority that outlines the Council's role in relation to what each party does.

Area	Objectives	Risks	Identified controls
Alignment with regulations and internal service standards	Fire safety management policy and procedures in relation to private housing are in place. Such policies, procedures and processes are reviewed regularly and updated with latest changes in regulations. Standards are also communicated to relevant external stakeholders (landlords, developers, residents), where necessary, to promote action on adherence to regulations.	If there is no formal process for reviewing the ownership and process for ensuring that the Fire Safety Management Policy and Procedure is reviewed and updated regularly to ensure it is reflective of current guidelines and legislation, and the Council's own tenant safety commitment, then this could lead to non-compliance with statutory requirements, resulting in the safety of residents being put at risk.	• This is a new area to the Council. The SPIR is the closest document to a policy that outlines what the Council should do and how to do it in relation to private residential blocks fire safety. **See Finding 4.** • There are procedures in relation to in house and enforcement policy and the fire safety protocol. • London Wide group attended monthly by Re to ensure that good practice across London is being shared
Remedial actions	Results of inspection and subsequent remedial actions are logged, communicated, and followed up. The responsibilities for implementation of remedial action are clear.	If there is no formal review process to confirm that remedial actions arising from Fire Brigade Audits and Fire Risk Assessment's (FRAs) are graded, recorded, and monitored in line with the severity of the finding including clarity over ownership and responsibility for completion, then this may potentially expose residents to danger as well as the Council to reputational and financial risk.	• Local authorities' environmental health officers (EHOs) have powers under the Housing Act 2004 to inspect properties (including common areas) Local authorities have enforcement powers to ask the person responsible to address and remedy any hazards identified in an HHSRS inspection. Action must be taken in relation to category 1 hazards and may be taken in relation to Category 2 hazards. The Council's approach to category 2 hazards is detailed in the Council's Enforcement Policy. Enforcement options include service of Improvement Notices, Prohibition Orders, Hazard Awareness notices or advice . Where works are undertaken the Council would revoke the notices, but if not, then the Council has the option of enforcing the notices through prosecution and/or completing work in default and charging costs back to the relevant party. **See Finding 1.** • The Private Sector Housing team provides advice and enforces where needed. Landlords have ultimate responsibility to meet legal responsibilities and ensure that properties are safe. Where they are not meeting these duties and the team is asking for information to assess the risk, then they serve notices asking the landlords for information and look to enforce if they do not receive anything. • For all actions around enforcement, the team use a data management system to record actions and documents. There is a case file for each

Area	Objectives	Risks	Identified controls
			inspection with notes and photos held on the IDOX Uniform case management system. IDOX is used for all Private Sector Housing enforcement activities and generates a unique code when recording a case..
			• Referrals are sent to the Council in various guises (Fire Authority, tenants, or the Government). The Council works closely with the FSA as there is a legal obligation to consult on fire safety issues, and there is a good working relationship. **See Finding 6.**
Planning for compliance, monitoring, and reporting	Council senior management/ stakeholders receive regular, accurate and complete management information/ progress reports in relation to residential fire safety programmes.	The following may lead to non-compliance with statutory requirements, resulting in the safety of residents being put at risk: • If there is no planning, monitoring, and reporting of Fire safety compliance requirements to appropriate governance forums nor evidence of monitoring actions, then this may lead to a failure to address unmanaged risks.	• See Governance section above. There is a quarterly Fire Safety Group, Re – Council monthly performance meeting, and monthly meetings with Private Sector Housing Manager (Re) and Council Head of Housing and Regeneration and/ or Commissioning Lead, Growth and Development Team. The Deputy Chief Executive joins the monthly meetings by exception. **See Finding 5.** • The Deputy Chief Executive is due to provide an update on private sector housing / SPIR at the next SMT meeting. • Quarterly reports are provided to members (Housing and Growth Committee) or an offline briefing is published.
		• If Fire Safety Updates are not included in routine reports to Council senior management, then they will have no visibility over these updates.	• Functional risk assessments are performed based on what the Private Sector Housing team knows, and these are reviewed regularly by case officer who has the information. The Private Sector Housing Manager meets weekly with case officers to review and discuss risk around whether they are the right properties to bring forward in the programme. It is in the Private Sector Housing team where these decisions are made as they are authorised to make the decisions through the Council's scheme of delegation. This is where the greatest knowledge/ understanding of the key risks is held and it is therefore considered appropriate for this team to make the decisions. • There is also an assurance process in place where contractual issues/ resourcing issues may come out, i.e., there is a process/ structure to support the Private Sector Housing team and not stop them making the

Area	Objectives	Risks	Identified controls
			right decision. The challenge is always based on the information available.
		• If Fire Safety is not included in any corporate or operational Risk Register, Council senior management will have no visibility.	• Fire safety risks are outlined on the service level/ operational level risk registers. There was a strategic risk, but a decision was taken to leave it at the operational level. These are Council owned risk registers, but also include joint risks with Re. These risks were last reviewed in January 2022.
		• If there are no appropriate escalation procedures in place to ensure that Council senior management are made aware of any incidents/ performance issues, then it will impact the Council's ability to manage Fire Safety.	• See above and Governance section. **See Finding 3.**

Appendix 4 – Internal Audit roles and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken the review of Private Residential Blocks – Fire Safety, 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.

The review focussed only on private residential blocks. A private residential block is one containing two or more dwellings with a common circulation space controlled under the Regulatory Reform (Fire Safety) Order 2005, which is enforced by the Fire Authority or the Housing Act 2004, which is enforced by the Council. For the avoidance of doubt this includes private residential housing stock (except for housing association properties). All other property types, including hotels, student accommodation and houses in multiple occupation (HMO), were outside the scope of this review. Private residential blocks that are currently being built were out of the scope of this review – we only considered blocks occupied as of 1 August 2021 in the scope of the review. Registered Providers were also out of scope for this review. Properties managed by Barnet Homes were out of scope of this review as they are currently undergoing an internal review of their processes in this area.

This review focused on the Council's Fire management controls and processes rather than the building inspection process. As a result, we did not review the Council's controls and processes for conducting fire inspections, fire risk assessments or fire safety equipment maintenance and testing.

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.