



Internal Audit Report

London Borough of Haringey: Statutory Compliance KPI Assurance

June 2024

Final Report

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Disclaimer

This report ("Report") was prepared by Forvis Mazars LLP at the request of the London Borough of Haringey and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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01 Executive Summary

This is a summary of matters arising from the audit.

Service Information

Department and Service: Housing Services and Building Safety

Audit Sponsor: Jahed Rahman, Operational Director for Housing Services and Building Safety

Date of Review: March 2024

Priority	Number of recommendations
1 (Fundamental)	1
2 (Significant)	1
3 (Housekeeping)	2
TOTAL	4

Key Issues and Unmitigated Risks

- Significant use of manual spreadsheets leading to input error.
- Undefined expectations regarding the logging of remedial actions.

02 Background

Forvis Mazars were engaged at the request of the London Borough of Haringey ('the Council') to test the Health & Safety Compliance Big '6' Key Performance Indicator (KPI) figures reported within the Property Services Compliance report.

We tested the KPI figures reported in January 2024, by reperforming the original calculation of the figures reported using the underlying systems and source data provided by LBH. A summary of the calculations performed is included in **Section 03**.

To confirm the accuracy of the supporting data, we performed sample testing on assessment certificates, to ascertain that the data presented within the programme trackers reconciled to the corresponding certification. The final element of the review aimed to assess the completeness of remedial action tracking, for the actions arising from the health and safety assessments across the 'big 6' compliance areas. For our sample of certificates selected as part of the earlier testing, we sought to identify the remedial actions raised on the corresponding remedial actions log/tracker. The results of the testing are included in **Appendix A1**.

As a result of the testing, we have raised a number of recommendations. Details of these recommendations are included in **Section 04**.

We understand that the Council has commissioned Pennington Choices to perform a reconciliation between the asset management system, housing management system, and compliance area programme master trackers, to ascertain the landlord health and safety (LLH&S) responsibilities at each property. As the Council is currently working through the results of this reconciliation to identify any exceptions, we were unable to ascertain the completeness of the programme trackers.

During our review, we noted the significant use of Excel spreadsheets and manual input. Management advised that the Council has procured a new cloud-based compliance management software, C365, with full implementation of the software expected to be by the end of the year. Our review did not consider any aspect of the implementation

03 Statutory Compliance KPI Calculations

We recalculated seven performance figures in the Property Services Compliance report for the month January 2024. We sought to ascertain that they agreed to the underlying systems and supporting evidence. The results of our KPI calculations are included below.

We also tested the supporting spreadsheets provided through sample testing. For example, selecting a sample of properties with an in-date gas certificate documented and confirming the date recorded to the gas certificate. Details of the testing and our scope of work are included in **Appendix A1**.

#	KPI Area	KPI	Figure reported by LBH	Mazars re-calculated figure	Mazars Comments
1	Fire	% Fire Risk Assessments (12-month rolling)	100%	100%	-
2	Gas	% Gas Safety (LGSR) Domestic (GN, SH, HOS & PSL) Assessments	99.89%	99.89%	-
3	Electrics	% Electrical (EICR) (Domestic & Communal) Assessments	96.51%	95.51%	We were advised that the programme tracker spreadsheet is live, and therefore, our recalculation noted a minor variance of 1%.
4	Asbestos	% Asbestos Re-inspections (Communal)	100%	100%	Recalculation matched the reported figure, although, we noted and agreed that the reported population should have been 1172, not 1174.
5	Lifts	% Passenger Lift Inspections (LOLER)	100%	100%	-
6	Water	% Water Hygiene (L8) Risk Assessments	100%	-	LBH were unable to provide the data used to calculate the KPI figure reported. The Contracts and Compliance Team Leader advised that emails/correspondence with the contractor, H2O Hygiene, providing the update for January 2024 were not retained. This includes the source data used to calculate the KPI. (Recommendation 4.3)
7	Fire Remedials	% Fire remedial actions closed in target	24%	24%	-

04 Areas for Further Improvement and Action

Definitions for the levels of assurance and recommendations used within our reports are included in **Appendix A2**.

We identified areas where there is scope for improvement in the control environment. The matters arising have been discussed with management, to whom we have made recommendations. The recommendations are detailed in the management action plan below.

Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.1	<p>Incorrect dates in compliance programme trackers</p> <p>The Council relies on manual spreadsheets 'compliance programme trackers' to drive the LLH&S compliance programmes and reporting. Our testing identified the following occasions where the date of inspection/service/assessment listed in the tracker did not agree to the supporting documentation:</p> <ul style="list-style-type: none"> One occasion out of 20 Fire Risk Assessments tested; One out of 40 Landlord Gas Safety Responsibilities (LGSRs) tested. The programme notes the property as having had a gas service, however, the confirmation received from the contractor stated the property was a no access property and had not received a service; 10 out of 40 Electrical Installation Condition Reports (EICRs) tested; Four out of 20 asbestos re-inspections tested; and One out of 20 lift inspections tested. <p>These findings were raised with the relevant area lead, who advised that the errors occurred because of human input error. As reported to the Housing, Planning and Development Scrutiny Panel, the Council has procured a new cloud-based compliance management software, C365, to move away from spreadsheets. We understand</p>	<p>The Council should seek to move away from spreadsheets to manage programmes and implement automation in processes for statutory compliance management and reporting.</p> <p>The Council should complete an exercise to ensure the dates used in current programming are accurate and agree to supporting documentation.</p> <p>We do note the existing project to implement new software.</p>	1	<p>The issues and risks regarding use of spreadsheets has been identified and documented leading to the procurement and current implementation of the new compliance management system.</p> <p>This implementation has identified further data changes and re-naming of files required to enable properties to be allocated unique reference numbers.</p> <p>The completed implementation of the compliance system will address all issues and we have already progressed the uploading of Fire Risk Assessments and Electrical Inspection reports which is on-going.</p> <p>Uploading all certificates into the new system will identify any inaccuracies or data conflicts</p> <p>As confirmed by Mazars, the system will fully replace the</p>	<p>December 2024</p> <p>Head of Residential Building Safety</p>

Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>the software expected to be implemented by the end of the calendar year.</p> <p><i>Risk: The Council is unable to effectively track the progress and due dates of compliance checks, leading to overdue compliance checks. Inclusion and/or omission of assessments when calculating the KPI figure to be reported within the Property Services Compliance report.</i></p>			spreadsheets currently used for reporting compliance this year.	
4.2	<p>Undefined expectations regarding the logging of remedial actions</p> <p>During the testing to assess the remedial action logs trackers, we identified a significant proportion of actions detailed in our sample of certificates that had not been logged onto the relevant tracker. We identified:</p> <ul style="list-style-type: none"> 97 (37%) of the 264 remedials included within our sample of FRA certificates had not been logged onto the consolidated FRA remedials tracker in line with the process described to us by management. 80 (51%) of the 157 remedial actions from our sample of Water Hygiene assessments were not being tracked on the WRA remedials tracker. 22 (44%) of the 52 remedial actions within our sample of Lift inspection certificates were not included on the LOLER remedials tracker. For our asbestos reinspection sample, we were unable to review the remedial actions data as it was advised that previously, remedial actions have not been tracked. <p>We discussed these findings with the relevant area lead, the common explanation provided was that not all remedial actions noted on the certificates are expected to be logged onto the remedial action tracker. For</p>	<p>The Council should;</p> <ol style="list-style-type: none"> Define the expectations for recording remedial actions arising from landlord health and safety compliance assessments within a procedure/guidance document. Introduce a periodic spot check process to gain assurance that remedial actions are being logged onto the relevant tracker and actioned in line with expectations and timeframes. 	2	<p>This is being addressed by the implementation of a new Compliance, Performance & Data team within Building Safety & Compliance and the development of new Compliance Policies and the implementation of the compliance system.</p> <p>This will result in new processes and procedures that will be documented and regularly reviewed and updated to ensure compliance with relevant regulations.</p> <p>The new compliance system will auto extract actions from certificates in future so there will be no need for action trackers. However, in the meantime, the Compliance Performance & Data Manager will implement spot checks.</p>	<p>December 2024</p> <p>Head of Residential Building Safety</p>

Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>example, with regard to WRAs, tank inspections, dosing and sampling, as well as monthly maintenance visits and weekly flushing's to the communal outlets are instructed in advance and are therefore not expected to be logged onto the WRA remedial actions tracker. However, there was no stipulation/guidance setting out this expectation.</p> <p><i>Risk: The Council is unable to effectively monitor remedial actions arising from assessments, leading to actions being omitted from the relevant tracker, and high priority works not being completed, posing health and safety threats to tenants.</i></p>				
4.3	<p>Documenting KPI calculations and retaining source data.</p> <p>The Council has employed a contractor, H2O Hygiene, to conduct Water Risk Assessments (WRAs) and provide a monthly update with the data as to the progress of the Council's water safety programme, used to calculate the KPI figure reported.</p> <p>During our testing to re-calculate the KPI figures reported within the January 2024 Property Services Compliance report, we requested the source data used to calculate the 100% Water Hygiene Risk Assessment compliance figure. It was advised by the Contracts and Compliance Team Leader that the Council were unable to locate any correspondence with the contractor in which contained the update for January 2024 Water Risk Assessments. Therefore, we were unable to perform a re-calculation and provide assurance over the reported figure.</p> <p>The numbers and calculations used to determine the KPI figures in the Property Services Report are not documented/retained. Staff were however, able to describe the process for us to re-perform the calculation.</p>	<p>Going forward, the Council should ensure a copy of all monthly updates provided by the contractor, H2O Hygiene, are retained on file and are accessible by relevant staff.</p> <p>Upon the calculation of the 'big 6' KPIs, LBH should retain an audit trail/snapshot of the data and calculations used to calculate the figure.</p>	3	The Water Team are now maintaining monthly source data and correspondence between the teams and contractors to evidence all compliance reporting.	<p>June 2024</p> <p>Head of Residential Building Safety</p>

Ref	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>There were some small discrepancies due to the live nature of the data.</p> <p><i>Risk: LBH are unable to support the KPI figures reported with workings, leading to an inability to recalculate figures where necessary, and identify errors in calculations to ensure errors are not repeated in the future.</i></p>				
4.4	<p>Absence of compliance report caveat</p> <p>The Council is in the process of developing a master list of properties and the LLH&S responsibilities in conjunction with Pennington Choice.</p> <p>We were advised that the Council has not identified any changes to the current landlord health and safety programmes to date (i.e. missing properties). We note however, that the Property Services Compliance report from January 2024 does not reference the ongoing work to make stakeholders aware that total populations (e.g. number of properties which require a service, assessment, inspection) within the report could be subject to change.</p> <p><i>Risk: Relevant committees do not have sufficient detail on the progress of the ongoing work to create the master landlord health and safety compliance programme.</i></p>	<p>The Council should make it clear in the Property Services Compliance report that there is ongoing work relating to the master property list which could potentially result in a change to the total population of the compliance areas currently reported upon.</p>	3	<p>A progress report on the data validation resulting from the Pennington Choices report will be provided to the Building safety & Compliance Board and a progress update will be provided in each monthly KPI report thereafter.</p>	<p>July 2024</p> <p>Head of Residential Building Safety</p>

A1 Scope Tests and Results

We have detailed below the results of the tests undertaken in line with the agreed scope and any corresponding recommendations.

#	Area	Test to complete	Test Result
1	Fire Risk Assessments (FRAs)	Recalculate the KPI for the period based on the data provided by LBH	No issues noted.
		Select a sample of 20 properties and confirm the relevant certificate is in place and the dates are correct per the register	We identified one occasion where the date on the FRA certificate did not match the date noted on the programme tracker. (Recommendation 4.1)
		Recalculate the KPI for remedial completion based on the data provided by LBH	No issues noted.
		Using the same sample of 20 FRAs above, confirm that all remedials are included on the remedial tracker	As we were unable to locate a significant proportion of the remedial actions within our sample of FRA certificates on the remedial action tracker (37%), we were unable to test this area of the scope. (Recommendation 4.2)
		Confirm that the status of all remedials is correct and review associated evidence	
2	Gas Safety	Recalculate the KPI for the period based on the data provided by LBH	No issues noted.
		Select a sample of 40 properties and confirm the relevant certificate is in place and the dates are correct per the register	We identified one occasion where the date on the gas safety certificate did not match the date noted on the programme tracker. (Recommendation 4.1)
3	Electrical Installation Condition Reports (EICR)	Recalculate the KPI for the period based on the data provided by LBH	No issues noted. We identified a minor variance (see Section 03) .
		Select a sample of 40 properties and confirm the relevant certificate is in place and the dates are correct per the register	We identified 10 instances where the date on the EICR certificate did not match the date noted on the programme tracker. (Recommendation 4.1)
4	Legionella Risk Assessments (LRAs)	Recalculate the KPI for the period based on the data provided by LBH	Unable to test. The Contracts and Compliance Team Leader advised that emails/correspondence with the contractor, H2O Hygiene, providing the update for January 2024 were not retained. This includes the source data used to calculate the KPI. (Recommendation 4.3)

		Select a sample of 20 properties and confirm the relevant certificate is in place and the dates are correct per the register	We identified seven instances where the date on the EICR certificate did not match the date noted on the programme tracker. (Recommendation 4.1)
		Using the same sample of 20 LRAs above, confirm that all remedials are included on the remedial tracker	80 (51%) of the remedial actions included within our sample of WRA certificates could not be located on the remedials tracker. (Recommendation 4.2)
		Confirm that the status of remedials in the sample is correct and review associated evidence	No issues noted.
5	Asbestos Inspections	Recalculate the KPI for the period based on the data provided by LBH	No issues noted
		Select a sample of 20 properties and confirm the relevant certificate is in place and the dates are correct per the register	We identified four instances where the date on the asbestos inspection certificate did not match the date noted on the programme tracker. (Recommendation 4.1)
		Using the same sample of 20 above, confirm that all remedials are included on the remedial tracker	Unable to test – prior to October 2023, the completion of remedial actions relating to asbestos re-inspections were not tracked and recorded.
		Using the same sample of 20 above, confirm that the status of all remedials is correct and review associated evidence	
6	Lifting Operations and Lifting Equipment Regulations (LOLER) Certificates	Recalculate the KPI for the period based on the data provided by LBH	No issues noted.
		Select a sample of 20 lifts and confirm the relevant certificate is in place and the dates are correct per the register	We identified one instance where the date on the LOLER certificate did not match the date noted on the programme tracker. (Recommendation 4.1)
		Using the same sample of 20 above, confirm that all remedials are included on the remedial tracker	22 (44%) of the remedial actions included within our sample of LOLER certificates could not be located on the remedials tracker. (Recommendation 4.2)
		Using the same sample of 20 above, confirm that the status of all remedials is correct and review associated evidence	No issues noted.

A2 Audit Information

Audit objectives: To provide complete testing on a sample of statutory compliance KPIs to confirm accuracy.

Testing was performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

We were unable to assess the completeness of the compliance programme trackers, as the Council continues to work through the Pennington workbooks to determine LLH&S responsibilities at each property. The Council does not have KPIs for completion of remedials for asbestos, lifts, gas, electric and water. These areas were therefore not tested as part of the audit.

Audit Control Schedule	
Client contacts:	Scott Kay, Head of Residential Building Safety Felicity Foley, Residential Building Safety & Compliance Manager
Internal Audit Team:	Hannah Parker, Field Manager Stanley Wisby, Field Manager Joesph Waters-Mooney, Internal Auditor William Bennett, Internal Auditor
Finish on site / Exit meeting:	10 May 2024
Last information received	21 May 2024
Draft report issued:	12 June 2024
Management responses received:	14 June 2024
Final report issued:	18 June 2024

Report Distribution List		
Report	Name	Job Title
Draft & Final	Minesh Jani	Head of Audit and Risk Management
Draft & Final	Vanessa Bateman	Deputy Head of Audit and Risk
Draft & Final	Scott Kay	Head of Residential Building Safety
Draft & Final	Jahed Rahman	Operational Director for Housing Services and Building Safety
Final	David Joyce	Director of Placemaking and Housing
Final	Josephine Lyseight	Interim Director of Finance
Final	Andy Donald	Chief Executive

Definitions of Recommendations	
Priority	Description
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Statement of Responsibility

We take responsibility to the London Borough of Haringey for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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