



Property Services 2015/16 – Security and Repairs Follow Up 2016/17 Final Report

Issue Date: 8th November 2016

Working in Partnership to Deliver Audit Excellence

Executive Summary

- This section provides an overview for senior management to understand the main conclusions of this audit review, including the opinion, significant findings and a summary of the corporate risk exposure.

Findings and Outcomes

- This section contains the more detailed findings identified during this review for consideration by service managers. It details individual findings together with the potential risk exposure and an action plan for addressing the risk.

Appendices:

- Audit Framework Definitions
- Support and Distribution
- Statement of Responsibility

Executive Summary

Overview

As part of the 2016/2017 audit plan a follow up audit has been undertaken to assess the implementation of the Security and Repairs recommendations arising from the Property Services audit conducted in June 2016. The purpose of this follow up audit is to provide assurance to the Director, Senior Managers and the Audit Committee, that the agreed actions to mitigate risk exposure have been implemented.

Progress against Agreed Actions

The Security and Repairs audit issued on 8th June 2016 was given a Partial level of assurance in relation to the areas reviewed and the controls found to be in place. Some key risks were not well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.

A total of five recommendations were made; two at a Priority 4 level and three at Priority 3.

Table 1 below identifies a summary on the progress made in regards to implementing control to mitigate the risk established for the nine recommendations.

	Complete	In Progress	Not Started	Not Due
Priority 4	2	0	0	0
Priority 3	2	1	0	0
Priority 2	0	0	0	0
Total	4	1	0	0

The only recommendation still in progress is the subject of ongoing action to fully implement.

1.	Risk: Buildings are not secure
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1.1a	Recommendation	Priority 3
I recommend that the Property and Engineering Services Manager ensures that formal guidance for key security and lock changing procedures is made available to all SSDC staff who are responsible for property security.		
Action Plan:		
Person Responsible:	Property and Engineering Services Manager/Principal Property Management Officer.	Target Date: 30 th September 2016
Management Response:	Service managers are responsible for ensuring any leavers hand over ID passes and property keys which are to be returned to Property Services. These rules will be confirmed in new guidance note. There have been no issues to date that have warranted an unnecessary expense of changing locks periodically but guidance will be issued when this action will be necessary.	
Follow up action:		Complete
Formal Guidance has been completed and circulated to all service managers to action. This will also be entered on to the TEN system as a 'risk'.		

2.	Risk: Buildings fall into disrepair
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2.1a	Recommendation	Priority 4
I recommend that the Property and Engineering Services Manager ensures that condition surveys are conducted annually for all SSDC properties.		
Action Plan:		
Person Responsible:	Property and Engineering Services Manager/Principal Property Management Officer.	Target Date: 31 st July 2016
Management Response:	Agree there has been some slippage in the condition surveys with the surveyors being involved in other projects. This will be addressed and surveys allocated to various staff and monitored with specific timescales.	
Follow up action:		Complete
A schedule of property surveys has been drawn up and circulated to individual officers for completion. These are being monitored by the Property Manager and also dealt with under internal liaison meetings. Larger condition surveys have been outsourced to our Building Surveyor Consultants, Kirkham Board Associates.		

2.1b Recommendation		Priority 4	
I recommend that the Property and Engineering Services Manager ensures that condition surveys are regularly reviewed and updated to definitively state what action is required and when this action is due, and to record any changes/slippages to the plan.			
Action Plan:			
Person Responsible:	Property and Engineering Services Manager/Principal Property Management Officer.	Target Date:	31 st July 2016
Management Response:	Agree. Condition survey forms are being amended to reflect present status at time of survey and when works are to be scheduled. Comments to be added to state reasons for any delays.		
Follow up action:			Complete
The Condition Survey template and recording form has been amended to reflect the above.			

2.2a Recommendation		Priority 3	
I recommend that the Property and Engineering Services Manager ensures that in advance of the implementation of the new 'HEAT' system, checks are carried out to gain assurance that those issues previously identified with the existing 'PSR' system have been rectified and that appropriate training on the use of the new 'HEAT' system has been administered.			
Action Plan:			
Person Responsible:	Principal Property Management Officer/Property Management Officer.	Target Date:	31 st August 2016
Management Response:	This is happening at present and the system will not be allowed to replace the existing PR system until we are satisfied it is fit for purpose.		
Follow up action:			Complete
The HEAT system is now in operation and advance meetings have been held with IT to resolve and test the new system. However, IT wanted to implement it as soon as possible so further meetings and actions needed have taken place to resolve ongoing problems.			

2.3a Recommendation		Priority 3	
I recommend that the Property and Engineering Services Manager ensures that the Estates Asset Management system is utilised in order to view repair responsibilities for let SSDC properties and to inform staff of tenancy end dates.			
Action Plan:			
Person Responsible:	Property and Engineering Services Manager/ Senior Land and Property Officer (Estates).	Target Date:	31 st October 2016
Management Response:	<p>Agree. Intention to liaise with the senior land and property officer on best practice to ensure tenancy agreements are known along with individual responsibilities</p> <p>Potential training and access to the Estate Asset Management system to be investigated.</p>		
Follow up action:			In Progress
There is ongoing communication between the Council and Estates to access information on the relevant properties.			
The Property and Engineering Services manager has instructed that full condition surveys are carried out on these properties regardless and any identified remedial/actions checked against the tenancy agreements to identify responsibilities. If any are found to be the tenant's responsibility then the Senior Land and Property Officer will be notified to inform the tenant accordingly.			
Revised implementation date:	Ongoing		
Revised responsible Officer:	Property and Engineering Services Manager		

Audit Framework and Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

Priority 5	Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.
Priority 4	Important findings that need to be resolved by management.
Priority 3	The accuracy of records is at risk and requires attention.
<i>Priority 2 and 1 Actions will normally be reported verbally to the Service Manager.</i>	

Report Authors

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Support

We would like to record our thanks to the following individuals who supported and helped us in the delivery of this audit review:

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Distribution List

This report has been distributed to the following individuals:

- Garry Green - Property and Engineering Services Manager
- David Coombs - Principal Property Management Officer
- Donna Parham - Assistant Director (Finance and Corporate Services)
- Vega Sturgess - Strategic Director (Operations and Customer Focus)
- Gerry Cox - Chief Executive (SWAP)

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Statement of Responsibility

Conformance with Professional Standards
SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Auditing Standards.

SWAP Responsibility

Please note that this report has been prepared and distributed in accordance with agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person.