

Final Internal Audit Report

Fire Safety (Housing Stock)

November 2016

Distribution: Executive Director – Place (Final only)
Director of District Centres and Regeneration
Head of Planned Maintenance
Surveying Manager

Assurance Level	Recommendations Made	
Full Assurance	Priority 1	0
	Priority 2	0
	Priority 3	0

Confidentiality and Disclosure Clause

This report has been prepared on the basis of the limitations set out in Appendix 3.

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1. Key Issues

- 1.1 No issues were identified as a result of the audit work undertaken and therefore no recommendations have been made.

INTERNAL AUDIT TERMS OF REFERENCE

FIRE SAFETY (HOUSING STOCK)

1. INTRODUCTION

- 1.1 The Council has a duty, under the Regulatory Reform (Fire Safety) Order 2005, to carry out a Fire Risk Assessments on all blocks of Housing Stock with communal spaces. Housing Stock is subject to a review of the fire risk assessments whenever a property undergoes any changes in structure, is extended or converted. Croydon Council has agreed with the London Fire Brigade on the weightings of its Housing Blocks and assigned them to a High, Medium or Low risk rating. The Council owns approximately 11,000 blocks, with 200-300 without communal spaces, therefore exempt from the Fire Risk Assessment requirement. The frequency of the Fire Risk Assessment is dependent on the risk rating assigned to the Housing Block.
- 1.2 Croydon Council is engaged with Frankham Risk Management Service Limited for their specialist consultancy services. Frankham carry out all of the Fire Risk Assessments in the borough and feed the results back to the Council. The Fire Risk Assessment must identify the fire hazards and the people at risk, evaluate, remove or reduce the risk, record findings and prepare an emergency plan.
- 1.3 In 2010, the Council undertook a full reform of their Housing Stock in order to minimise the number of remedial work recommendations coming out of the Fire Risk Assessments. Subsequently, there are few remedial works requiring improvements to be made. Where the Fire Risk Assessment recommends for any remedial works to take place, the case is transferred to the Housing Repairs team. Remedial works
- 1.4 This audit is part of Internal Audit Plan for 2016/17 as agreed by the General Purposes and Audit Committee.

2. OBJECTIVES AND METHOD

- 2.1 The overall audit objective is to provide an objective independent opinion on the use of agency staff and consultants in the Council.
- 2.2 The audit will for each control / process being considered:
 - Walkthrough the processes to consider the key controls;
 - Conduct sample testing of the identified key controls, and
 - Report on these accordingly.
- 2.3 The key findings, conclusions and subsequent recommendations arising will be presented at an exit meeting and followed by the circulation of a draft report for consideration by management, prior to the issue of the final report.

3. SCOPE





3.1 This scope of the audit was limited to the Fire Safety in Council Housing Stock, including the following areas (and issues identified):

Control Areas/Risks	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Management, Organisational and Legislative Requirements	0	0	0
Fire Risk Assessments	0	0	0
Remedial Works	0	0	0
Monitoring and Management Reporting	0	0	0

DEFINITIONS FOR AUDIT OPINIONS AND RECOMMENDATIONS

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are constantly applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk,
	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse and reputational damage.

Priorities assigned to recommendations are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area

STATEMENT OF RESPONSIBILITY

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

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. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all 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. Our procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our work and to ensure the authenticity of such material. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Mazars Public Sector Internal Audit Limited

London

November 2016

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