

Rosehill Housing Co-operative Limited

Internal Audit 2023-24

Tenant Safety
March 2024

Overall Conclusion

Substantial

Section	Page
1 EXECUTIVE SUMMARY	2
2 BENCHMARKING.....	11
3 DETAILED RECOMMENDATIONS	12
4 OBSERVATIONS.....	18
5 AUDIT ARRANGEMENTS	19
6 KEY PERSONNEL.....	20
Appendix	Page
A GRADING STRUCTURE	22
B ASSIGNMENT PLAN.....	24

The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for Rosehill Housing Co-operative Limited’s individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

Overview

Purpose of review

The purpose of this assignment was to ensure that the risks surrounding the gas safety arrangements, damp & mould management arrangements and asbestos management arrangements in place at the Co-operative were appropriately managed and controlled. The review sought to provide assurance that the Co-operative's arrangements were operating effectively.

This review formed part of our 2023/24 Internal Audit Annual Plan.

Scope of review

Our objectives for this review were to ensure:

- The Co-operative has a policy for gas safety checks with appropriate procedures in place to ensure access is gained to properties as required and to ensure that checks are completed within the required timeframe.
- The Co-operative has appropriate escalation procedures to ensure all properties have an annual gas safety check and to ensure that the process begins as early as possible to ensure full compliance.
- Only Gas Safe registered contractors or personnel are used in respect of gas safety checks within the Co-operative.
- There are quality audits undertaken to ensure that the work carried out is of a satisfactory standard and any issues highlighted have been followed up, and value for money is being obtained from the service.
- The Co-operative has a relevant Asbestos Policy in place.
- The Co-operative complete risk assessments for Asbestos and any actions are properly assigned.

- Tenants and contractors are fully aware of the location and condition of asbestos.
- The Co-operative has processes and procedures in place to manage mould reported by its tenants.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There was no limitation of scope.

Background

Gas Safety

The Co-operative maintains a Management of Annual Gas Safety Checks - Access Arrangement Policy. The Policy was last reviewed in October 2022, and scheduled to be reviewed again in 2025/26. The Policy takes cognisance of the Health & Safety at Work Act 1974 and the Gas Safety (Installation & Use) Regulations 1998. The Policy outlines how the Co-operative will manage its legal responsibility to carry out annual gas safety checks for its properties.

City Technical Services (UK) Ltd are the Co-operative's current contractor to conduct required gas servicing. Gas servicing is required for all properties every 12 months. The Co-operative operates a 10-month programme to ensure compliance. This provides the Co-operative with a two month window to complete their gas servicing requirements within the annual timeframe.

Gas Safety Sample Testing

We conducted sample testing of 20 gas properties to ensure that that all properties were serviced within the 12 month timeframe. We can confirm from our testing that there were no issues.

Gas Servicing Quality Checks

The Co-operative utilise Argon Technical to carry out the quality assurance checks of the Co-operative's gas servicing where gas audits are completed on a monthly basis.

The purpose of the gas audits is to monitor the performance of the Co-operative's gas servicing contractor City Technical. The audit is reported to the Management Committee on a quarterly basis.

The audit consists of three main areas:

- Completion of Service (this includes any customer comments);
- Completion of documentation; and
- Installation Findings.

The Co-operative has an Asbestos Management Policy in place that was previously reviewed in January 2020 and due to be updated in 2024/25. The Policy sets out the Co-operatives responsibility in relation to identifying and managing asbestos within their timeframes.

The purpose of the Policy is to assist with the control and management of Asbestos Containing Materials (ACMs) within Rosehill's stock. All properties constructed prior to 2000 will be subject to the Asbestos Management Plan.

To manage properties that contain asbestos, the Co-operative has an Asbestos Register that details a comprehensive list of all owned properties. The Register outlines properties that have been surveyed and details if asbestos is present. The location and condition of any known asbestos is recorded within the Register.

Damp and Mould

The Co-operative does not have a specific Damp and Mould Policy in place. We have raised a medium-grade recommendation for the Co-operative to develop a Damp and Mould Policy to ensure that the presence of damp and mould is effectively managed within the Co-operative's properties. Please see **Section 3: Detailed Recommendations** for further information.

We conducted sample testing on 10 properties where damp and mould was reported present to the Co-operative. We identified that all 10 properties were inspected after report where 7 were concluded to have damp and mould present and therefore require remedial works. It should be noted that for 1 property, the Co-operative were unable to locate the original damp and mould Inspection Form and as a result an observation has been raised. Please see **Section 4: Observations** for further information.

Of the 7 properties that require remedial works, we identified that 2 that were not completed within the appropriate timeframe. Further, we identified that the Co-operative completed a formal follow up of the works completed for only 1 property sampled. As a result, we have raised a medium-grade and a low-grade recommendation. Please see **Section 3: Detailed Recommendations** for further information.

Work Undertaken

Our work undertaken for this review included the following:

Objective 1: The Co-operative has a policy for gas safety checks with appropriate procedures in place to ensure access is gained to properties as required and to ensure that checks are completed within the required timeframe.

- We reviewed the Co-operative's Gas Safety Policy to ensure it was up to date, robust and clearly outlines the arrangements in place to complete annual gas servicing requirements.

Objective 2: The Co-operative has appropriate escalation procedures to ensure all properties have an annual gas safety check and to ensure that the process begins as early as possible to ensure full compliance.

- We conducted testing on 20 gas properties within the Co-operative's housing stock to confirm that procedures are being adhered to by the staff and the properties received their gas service in line with regulations.
- We ensured for our sample of properties that all had an up to date CP12 that was completed within 12 months of the previous inspection.

Objective 3: Only Gas Safe registered contractors or personnel are used in respect of gas safety checks within the Co-operative.

- We confirmed that the Co-operative's gas contractors, City Technical Services, were Gas Safe Registered, and their engineers certified.

Objective 4: There are quality audits undertaken to ensure that the work carried out is of a satisfactory standard and any issues highlighted have been followed up, and value for money is being obtained from the service.

- We reviewed the Independent Gas Audits completed by Argon Technical to ensure quality controls are in place, with any issues highlighted and followed up on.

Objective 5: The Co-operative has a relevant Asbestos Policy in place.

- We reviewed the Asbestos Management Policy to ensure this was robust and fit for purpose.

Objective 6: The Co-operative complete risk assessments for Asbestos and any actions are properly assigned.

- We reviewed the Co-operative's Asbestos Register to ensure this was up to date and monitored.
- We completed testing on a sample of 5 management surveys, to ascertain if the Co-operative is adequately managing and controlling asbestos.

Objective 7: Tenants and contractors are fully aware of the location and condition of asbestos.

- We reviewed the Asbestos Register to ensure information is held on the location and condition of the asbestos and considered how this is reported to tenants/contractors.

Objective 8: The Co-operative has processes and procedures in place to manage mould reported by its tenants.

- We completed testing on a sample of 10 damp and mould cases to ascertain if the Co-operative is adequately managing damp and mould.

Conclusion

Overall conclusion

Overall Conclusion: Substantial

Following our review, we can provide the Co-operative with a substantial level of assurance surrounding the arrangements in place to manage gas safety, asbestos and damp and mould within their properties. We have raised several good practice points, 3 recommendations for improvement and an observation. Please see **Section 3: Detailed Recommendations** and **Section 4: Observations** for further information.

Summary of recommendations

Grading of recommendations

	High	Medium	Low	Total
Tenant Safety	0	2	1	3

As can be seen from the above table there were no recommendations made which we have given a grading of high.

Areas of good practice

The following is a list of areas where the Co-operative is operating effectively and following good practice.

1.	The Co-operative has an Asbestos Register that includes the relevant information to allow for the Co-operative to monitor and manage their properties that contain asbestos. This Asbestos Register contains the whereabouts of Asbestos in the property, the recommended treatment, and whether the Property has since received remedial works to remove the asbestos identified.
2.	The Co-operative completes a rolling stock condition survey of properties that includes a review for potential asbestos. Once the survey is completed, the Co-operative records any findings in relation to asbestos within the Asbestos Register.
3.	The Co-operative has a robust Asbestos Management Policy in place, the policy was last reviewed in January 2020 and scheduled for review in 2024/2025. The Policy sets out the Co-operatives position in relation to identifying and managing asbestos.
4.	Quality Assurance checks are carried out by the Co-operative through an independent third-party engineer, Argon Technical. Argon Technical will provide the Co-operative with detailed reports on a monthly basis that will outline the findings from their gas audits. This will include any corrective actions required, existing defaults and rectification work where required.
5.	All engineers from City Technical Services Ltd who have undertaken gas services for the Co-operative are Gas Safe Registered.
6.	Reporting of annual gas servicing requirements will be captured within the Co-operative's Organisation Performance Report which is reported to the Management Committee on a quarterly basis. As per the most recent report for the period April 2023-March 2024, we were able to confirm that the Co-operative were fully compliant with their annual servicing requirements.

The following is a list of areas where the Co-operative is operating effectively and following good practice.

7.	We undertook sample testing of 20 gas properties to ensure that each holds a valid CP12 certificate. We were able to confirm for all 20 properties a valid CP12 is present and was conducted within 12 months of the previous inspection.
8.	The Co-operative has a robust Management of Annual Gas Safety Checks - Access Arrangement Policy in place. The Policy was last reviewed in October 2022, and scheduled to be reviewed again in 2025/26. The Policy outlines how the Co-operative will manage its legal responsibility for carrying out annual gas safety checks to its properties.
9.	The Co-operative has a Tenant and Resident Safety Action Plan in place. The Action Plan is reviewed by the Technical Services Manager and reported to the Management Committee on a quarterly basis.

2 BENCHMARKING

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the most recently finished internal audit year.

Tenant Safety

Benchmarking				
	High	Medium	Low	Total
Average number of recommendations in similar audits	0	2	2	4
Number of recommendations at Rosehill Housing Co-operative Limited	0	2	1	3

From the table above it can be seen that the Co-operative has a lower number of recommendations compared to those associations it has been benchmarked against.

3 DETAILED RECOMMENDATIONS

Damp and Mould Policy			
Ref.	Finding and Risk	Grade	Recommendation
1.	<p>The joint briefing paper between the Chartered Institute of Housing, the Scottish Federation of Housing Associations, the Scottish Housing Regulator, and the Association of Local Authority Chief Housing Officers (ALACHO) states that policies and procedures should be in place to assist landlords address both damp and mould issues. These policies should be “accessible to tenants and written so that the message is clear, does not attribute blame to the tenant and how they live, but encourages landlords and tenants to work together to improve the condition of the home and the experience of living there”. It also states that the landlords must “clearly explain how they will approach the issue, and what actions will be taken to treat the problem”.</p> <p>During our review, we found that the Co-operative has yet to develop a Damp and Mould Policy. It should be noted that the Policy is due to be developed in April 2024 as per the Co-operative’s work plan.</p> <p>By not having a Damp and Mould Policy in place, issues arising in respect of damp and mould in properties may not be acted upon in a consistent manner and in line with the advice</p>	Medium	<p>We recommend that the Co-operative create a formalised Damp and Mould Policy alongside any required related procedures.</p> <p>We have listed below areas of good practice to include within a Damp and Mould Policy:</p> <ul style="list-style-type: none"> ➤ Causes of damp, mould, and condensation; ➤ Roles and responsibilities; ➤ How to report damp and Mould; ➤ Prioritisation of damp, mould, and condensation; ➤ Addressing damp and mould reports within Co-operative properties; ➤ Post inspection and follow up process; ➤ Training; ➤ Condensation; ➤ Complaints; ➤ Performance monitoring and responsibilities; and ➤ Legislation, regulation, and guidance.

3 DETAILED RECOMMENDATIONS

	<p>provided in the joint briefing paper. This can result in the Co-operative being unable to defend itself in the event of challenge.</p>		
<p>Management response</p>			<p>Responsibility and implementation date</p>
<p>Policy currently being developed for Committee approval in April 24 with a likely tenant consultation period before formal Committee approval and implementation by July/ August 24.</p>			<p><i>Responsible Officer:</i> Technical Services Manager</p> <p><i>Implementation Date:</i> July/ August 24</p>

3 DETAILED RECOMMENDATIONS

Follow Up to Damp and Mould Cases			
Ref.	Finding and Risk	Grade	Recommendation
2.	<p>All damp and mould reports should be followed up in line with agreed procedures to ensure that the damp or mould treatments have worked effectively.</p> <p>During our review, we found that the Co-operative does not have a documented process in relation to the completion of damp and mould follow ups.</p> <p>Further, from our sample testing we identified that only 1 out of the 7 damp and mould repairs sampled had a formal follow up completed.</p> <p>As identified, the Co-operative have yet to develop a Policy in relation to damp and mould where it is anticipated that the Policy will include coverage of follow up visits identifying the agreed timeframe based on the severity of damp and mould.</p> <p>There is the risk that without formalising a follow up process, the Co-operative may be unaware whether treatments/ repairs have effectively removed damp and mould in properties.</p>	Medium	<p>We recommend that the Co-operative monitors all properties on the Damp and Mould Register where damp and mould repairs have been completed and completes a follow-up 3-6 months after the original issues were repaired.</p>

3 DETAILED RECOMMENDATIONS

Management response	Responsibility and implementation date
<p>As part of the policy follow up visits will be included where a need has been identified. Some visits potentially result in no need to follow up and will be identified as such.</p>	<p><i>Responsible Officer:</i> Technical Services Manager</p> <p><i>Implementation Date:</i> July/ August 24</p>

3 DETAILED RECOMMENDATIONS

Completing Damp and Mould Repair Work within Target Dates			
Ref.	Finding and Risk	Grade	Recommendation
3.	<p>The Co-operative have targets in place surrounding the completion of their damp and mould repair work. Specifically, work should be completed within 7 days of the original date.</p> <p>During our review, we sampled 10 damp and mould repair works from the period 2023/24. From our testing we identified 2 repairs that were not completed within the target dates.</p> <p>It should be noted that for the 2 repairs identified, 1 was reported in April 2023 where the Co-operative had less experience managing these types of repairs and required further advice. The other repair identified was reported during the winter months where adverse weather conditions impacted the Co-operative’s ability to complete the repair within the relevant timeframe.</p> <p>Where repair work is not being completed in line with procedures and target timeframes it is possible that issues escalate. This can result in increased property damage and risk to the health of tenants.</p>	Low	<p>We recommend that all repairs work regarding damp and mould are completed within the target 7 days. Where this is not achieved, the reasoning as to why should be understood and lessons learned should feed into continuous improvement.</p>

3 DETAILED RECOMMENDATIONS

Management response	Responsibility and implementation date
<p>We currently manage damp and mould cases as reactive repairs with a 7 day target. These are monitored by our normal response times processes but in some cases due to weather and the complex nature of the works (sometimes requiring visits by specialist consultants) these will complete outside these times. In the case of complex repairs these will be recategorised as per our repairs procedures.</p>	<p><i>Responsible Officer:</i> Technical Services Manager</p> <p><i>Implementation Date:</i> Immediate</p>

4 OBSERVATIONS

The following is a list of observations from our review

- | | |
|----|--|
| 1. | We sample tested 10 damp and mould reports and found that 1 out of the 10 sampled did not have a completed Inspection Form. From discussions with the Technical Services Manager it was confirmed that the inspection form for this 1 sample could not be located, however, the inspection was confirmed to be completed as evidence within the Housing Management System. |
|----|--|

5 AUDIT ARRANGEMENTS

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit & Risk Sub Committee meeting.

Audit stage	Date
Fieldwork start	11 March 2024
Closing meeting	19 March 2024
Draft report issued	28 March 2024
Receipt of management responses	11 April 2024
Final report issued	12 April 2024
Audit & Risk Sub Committee	24 April 2024
Number of audit days	3

6 KEY PERSONNEL

We detail below our staff who undertook the review together with the Co-operative staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Manager	Scott McCready	Internal Audit Manager	scott.mccready@wyliebisset.com
Assistant Manager	Siobhan Archibald	Internal Audit Assistant Manager	siobhan.archibald@wyliebisset.com
Auditor	Megan Clarke	Internal Auditor	megan.clarke@wyliebisset.com

Rosehill Housing Co-operative Limited			
Key Contacts:	Geri Mogan	Director	geri.mogan@rosehillhousing.co.uk
	Sandra Hunter	Technical Services Manager	sandra.hunter@rosehillhousing.co.uk
Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

APPENDICES

For each area of review, we assign a level of assurance in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately.

A GRADING STRUCTURE

For each recommendation, we assign a grading either as High, Medium, or Low priority depending on the degree of risk assessed as outlined below:

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit Sub Committee and addressed by Senior Management of the Co-operative as a matter of urgency.
Medium	Significant issue or weakness which should be addressed by the Co-operative as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

The purpose of this assignment is to ensure that the risks surrounding the gas safety arrangements, damp & mould management arrangements and asbestos management arrangements in place at the Co-operative are appropriately managed and controlled. The review will seek to provide assurance that the Co-operative's arrangements are operating effectively.

This review forms part of our 2023/24 Internal Audit Annual Plan.

Scope of review

Our objectives for this review are to ensure:

- The Co-operative has a policy for gas safety checks with appropriate procedures in place to ensure access is gained to properties as required and to ensure that checks are completed within the required timeframe.
- The Co-operative has appropriate escalation procedures to ensure all properties have an annual gas safety check and to ensure that the process begins as early as possible to ensure full compliance.
- Only Gas Safe registered contractors or personnel are used in respect of gas safety checks within the Co-operative.
- There are quality audits undertaken to ensure that the work carried out is of a satisfactory standard and any issues highlighted have been followed up, and value for money is being obtained from the service.
- The Co-operative has a relevant Asbestos Policy in place.
- The Co-operative complete risk assessments for Asbestos and any actions are properly assigned.
- Tenants and contractors are fully aware of the location and condition of asbestos.

- The Co-operative has processes and procedures in place to manage mould reported by its tenants.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There is no limitation of scope.

Audit approach

Our approach to the review will be:

- Review the arrangements in place for gas, mould, and asbestos.
- Obtain and review the policies and procedures in place for tenant safety.
- Conduct sample testing of safety certificates.
- Review the communication methods between the Co-operative and its tenants regarding gas safety, mould safety, and asbestos safety.
- Discussing with staff the current staffing structures in place with regards to gas safety, mould safety and asbestos safety.
- Conducting testing of contractors to ensure they are Gas Safe registered.
- Review the quality checks and monitoring procedures in place to ensure value for money.
- Review the risk assessments for asbestos management.

Potential key risks

The potential key risks associated with the area under review are:

- The Co-operative does not have a policy for gas safety checks with appropriate procedures in place to ensure access is gained to properties as required and to ensure that checks are completed within required timeframes.
- The Co-operative does not have appropriate escalation procedures to ensure all properties have an annual gas safety check and to ensure that the process begins as early as possible to ensure full compliance.
- Gas Safe registered contractors or personnel are not used in respect of gas safety checks within the Co-operative.
- There are no quality audits undertaken to ensure that the work carried out is of a satisfactory standard.
- The Co-operative may have inappropriate or out of date policies for Asbestos Safety.
- Risk Assessments for Asbestos Safety may be incomplete and mitigating actions not properly assigned.
- Tenants and Contractors may not be aware of the location and condition of asbestos.
- The Co-operative does not have robust policies and procedures in place for the management of dampness and mould in its properties and as such inconsistencies in practice develop.