

Argyll and Bute Council
Internal Audit Report
September 2019
Final

Health and Safety

Audit Opinion: High

	High	Medium	Low
Number of Findings	0	0	2

Contents

1. Executive Summary	3
Introduction	3
Background	3
Scope	4
Risks	4
Audit Opinion	4
Recommendations	4
2. Objectives and Summary Assessment	4
3. Detailed Findings	5
Appendix 1 – Action Plan	9
Appendix 2 – Audit Opinion	11

Contact Details

Internal Auditor: **David Sullivan**
 Telephone: **01546 604125**
 e-mail: **david.sullivan@argyll-bute.gov.uk**

1. Executive Summary

Introduction

1. As part of the 2019/20 internal audit plan, approved by the Audit & Scrutiny Committee in March 2019, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Health and Safety (H&S).
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. The Council has a duty to protect the health, safety and welfare of its employees, in accordance with the Health and Safety at Work Act. This means making sure workers are protected from anything that may cause harm and effectively controlling any risks to injury or health that could arise in the workplace.
5. Effective management of H&S risks enables the Council to:
 - maximise the well-being and performance of its employees
 - stop people getting injured, ill or killed by their work
 - prevent reputational damage
 - encourage better relationships with partners and contractors and ensure the activities of contractors do not pose a health and safety risk for the Council or its employees, visitors or customers
 - minimise the likelihood of prosecution and consequent penalties.
6. The Council's H&S team provide a number of services including:
 - provision of H&S advice to enable council services to meet statutory duties and implement council policies
 - generation, review and maintenance of corporate safety documents
 - management of audiometry and hand arm vibration health surveillance
 - undertaking specialist risk assessments
 - vetting and subsequent approval of contractors
 - investigate significant accidents, incidents and near misses to identify root causes and recommend actions to prevent similar events occurring in the future
 - provide information on accidents, incidents and near misses to senior management to enable review of service performance.

Scope

7. The scope of the audit was to ensure there are key controls in place to provide assurance that Health and Safety policies/procedures are being adhered to as outlined in the Terms of Reference agreed with the Head of Legal and Regulatory Support on 31 July 2019.

Risks

8. The risks considered throughout the audit were:
 - **Audit Risk 1:** Failure to have a clear health and safety policy aligned to relevant legislation
 - **Audit Risk 2:** Failure to ensure that adequate health and safety training is in place
 - **Audit Risk 3:** Failure to undertake specialist risk assessments where appropriate
 - **Audit Risk 4:** Failure to vet and approve council contractors
 - **Audit Risk 5:** Failure to ensure that accidents are reported with appropriate action taken
 - **Audit Risk 6:** Failure to provide adequate performance management information

Audit Opinion

9. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
10. Our overall audit opinion for this audit is that we can take a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.

Recommendations

11. We have highlighted two low priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:
 - the H&S audit program and methodology document should be amended to reference the newly developed audit checklist
 - quarterly reports to the Departmental Management Team (DMT) could be enhanced by reporting compliance with the 24 hour incident reporting timescale for all services.
12. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

13. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	The Council has a health and safety policy which is aligned to relevant legislation	Audit Risk 1	Substantial	The Council has an H&S policy and supporting procedures/guidance which are comprehensive and available via the HUB. The H&S audit program and methodology document needs to be amended to reference the newly developed audit checklist.
2	Appropriate health and safety training is made available to relevant officers	Audit Risk 2	High	All new starts must undergo H&S induction training module with further training available on request or via LEON.
3	Specialist risk assessments are undertaken where appropriate	Audit Risk 3	High	Specialist risk assessments can be carried out if required with identified actions prioritised and monitored.
4	Council contractors are vetted and, where appropriate, approved by health and safety	Audit Risk 4	High	Contractors are assessed and approved by H&S before being added to the Council's approved contractors list. Appropriate contractual terms and conditions are in place to ensure contractors are responsible for the activities of sub-contractors.
5	The Council has adequate accident reporting and monitoring arrangements	Audit Risk 5 Audit Risk 6	Substantial	There are comprehensive arrangements for reporting accidents and appropriate management information is provided to the DMT on a quarterly basis. These reports could be further enhanced by reporting on compliance with the 24 hour incident reporting timescale for all services.

14. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

The Council has a health and safety policy which is aligned to relevant legislation

15. The Council has a Corporate H&S policy (the Policy) that was approved by the Chief Executive on 12 August 2019. The Policy clearly sets out the Council's aims and objectives to keep a safe and healthy environment for council workers and the Council's commitment to, and responsibility for, ensuring its activities are undertaken without risk to employees and third parties. We found the Policy to be comprehensive and fit for purpose.
16. In addition there are written procedures and guidance documents accessible to all council employees via the HUB that cover appropriate hazards and activities and, where applicable provide a link to appropriate legislation/guidance. This includes procedures for:

- accident/Incident reporting
 - risk assessments
 - display Screens
 - manual handling
 - control of noise
 - H&S training.
17. Procedures are reviewed on an ad-hoc basis whenever any changes/amendments to legislation are made with relevant personnel informed of any amendments via the H&S Service Link Officer. We reviewed the procedures and concluded that they are comprehensive. Furthermore the roles and responsibilities of elected members and officers are clearly set out within existing guidance.
18. There is a 2018/19 Corporate H&S plan which establishes the services priorities for the year, the actions required to achieve the desired outcome, success measures, target dates and the responsible officer.
19. H&S have recently introduced a checklist for H&S audits which cover aspects of H&S including ensuring arrangements are in place for:
- employees to access H&S policy, guidance and training
 - risk assessments
 - managing contractors
 - accident reporting/recording
 - first aid
 - fire safety
 - electrical appliances
 - hazardous substances
 - operating vehicles
 - display screens
 - workplace arrangements and equipment
20. H&S have an 'H&S Audit Program and Methodology' document which outlines the methodology and process for auditing the performance of the Council's health and safety management systems. The document should be updated to reference the newly developed audit checklist.

Action Plan 1

Appropriate health and safety training is made available to relevant officers

21. All new starts must undergo H&S induction training using a module available on the Council's LEON training platform. There are a number of H&S modules on LEON including:
- H&S introduction
 - driving at work
 - slips and trips
 - fire safety.
22. H&S provide training to all council departments on request and maintain training records. Within their annual report H&S detail the training they have delivered to council officers.

Specialist risk assessments are undertaken where appropriate

23. H&S carry out specialist risk assessments for council departments including assessments relating to:
- fire
 - control of substances hazardous to health
 - noise
 - vibration
 - moving and manual handling.
24. Recommendations highlighted by risk assessments are prioritised using a traffic light system. Those classified as red must be corrected within a week, medium within a month and yellow within two months or more.
25. Services are responsible for ensuring that recommended action is taken within the prioritised timescale. All recommendations are recorded within the relevant service's H&S plan. H&S officers attend management meetings where H&S issues are discussed including the status of all recommendations made.

Council contractors are vetted and, where appropriate, approved by health and safety

26. The H&S team are responsible for reviewing the suitability of contractors seeking to undertake council work in respect of their H&S management competence. 147 contractor applications were reviewed by H&S during 2018/19.
27. We reviewed the last five contractors to be added to the Council's approved contractor list and confirmed that all five had completed a H&S application form and forwarded the required documents as specified by the form and a member of the H&S team had completed a contractor assessment form, scored the application and approved the contractor's addition to the list.
28. The H&S team do not vet sub-contractors as it is not the Council's contractual responsibility. The Council contracts with the main/principle contractor with the terms of that contract set out in the Council's contract terms and conditions documentation. In particular clause 44 of those terms and conditions makes clear that contractors *'shall not sub-contract the provision of the Service or any part thereof to any person without the prior written consent of the Council'* and that *'the Contractor shall properly supervise the activities of any sub-contractor and shall be responsible for the acts, defaults or negligence of any sub-contractor, its employees or agents in all respects as if they were the acts, defaults or negligence of the Contractor'*
29. Where contractors rely upon a sub-contractor to deliver a contract in full, this is dealt with during the procurement process. In this instance the main contractor will be required to complete a questionnaire to ensure that they *'are adhering to their policy and written risk assessments are in place for the most significant risks and that the work control measures they identify have been implemented'* periodically during the lifetime of the contract.

The Council has adequate accident/incident reporting and monitoring arrangements

30. H&S must report on all Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) in order to comply with the 2013 (RIDDOR) legislation as published by the Health and Safety Executive. Line managers are responsible for reporting all accidents, incidents and near misses via an internal accident/incident report form.

31. There is a comprehensive management procedure detailing the process for reporting accidents/incidents located on the Council Hub. The document was last reviewed and amended in July 2019.
32. Accidents/incidents are reviewed and investigated by an appropriate H&S officer. If an accident/incident is significant then a more detailed exploration is undertaken to determine the root cause and identify required actions to help prevent similar incidents occurring in future.
33. The management procedure states that accidents/incidents '*must be reported within 24 hours to enable investigation before evidence is cleared up and while events are fresh in the minds of those who witnessed what happened*'. Accident/incident forms include a field for the date of the incident and the date reported to H&S to be recorded.
34. H&S provide comprehensive quarterly reports to the DMT on a range of H&S statistics including incidents and categories of incidents involving employees and service users. Whilst a number of reports include performance against the 24 hour reporting target this is not occurring consistently across all services.

Action Plan 2

35. H&S prepare an annual report which includes summaries of all accidents and incidents by service. The 2018/19 annual report includes comparatives of incidents by service for the previous two years.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Low	1	<p>Audit Program and Methodology</p> <p>Health and Safety have an ‘H&S Audit Program and Methodology’ document which outlines the methodology and process for auditing the performance of the Council’s health and safety management systems. The document should be updated to reference the newly developed audit checklist.</p>	H&S audits may not be carried out consistently and in line with current working practice.	The H&S Audit Program and Methodology’ document will be amended to reference the audit checklist	Governance, Risk and Safety Manager 31 October 2019
Low	2	<p>Accident/Incident Reporting</p> <p>H&S provide comprehensive quarterly reports to the DMT on a range of H&S statistics including incidents and categories of incidents involving employees and service users. Whilst a number of reports include performance against the 24 hour reporting target this is not occurring consistently across all services.</p>	Failures to meet the 24 hour reporting target may not be identified meaning corrective action is not taken to reduce the risk of re-occurrence	H&S will include 24 hour reporting to DMT across all services	Governance, Risk and Safety Manager 30 November 2019

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.