Internal Audit

FINAL

Southway Housing Trust

Assurance Review of Facilities Management

2023/24

April 2024

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Property assets not effectively managed.

KEY STRATEGIC FINDINGS

Contract monitoring is in place that is appropriate to the scale and type of work undertaken.

Not all of the KPIs contained within the cleaning contract with ServiceMaster are collated and reviewed at the monthly meetings.

Staff within the Age-Friendly schemes are able to discuss performance issues with the ground's maintenance and cleaning contractors.

GOOD PRACTICE IDENTIFIED

Annual satisfaction surveys undertaken at the extra care schemes ask whether residents are satisfied with the facilities, including the gardens.

The agreements with the tenants of the hair salon and café at the Age Friendly schemes contain the requirement for annual health and safety works, including PAT testing and extractor fan cleaning.

SCOPE

The review assessed the arrangements in place for facilities management across the Trust, focussing on record keeping.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Facilities Management Officer stated that data is collected in relation to the KPIs that are contained within the cleaning contract and are discussed with ServiceMaster at the monthly contract monitoring meetings. A review of the monthly cleaning operations reports showed that, whilst several KPI areas were discussed, for example accidents and incidents, vacancies, training and quality audits, there are a number of KPIs that were not covered. These include confirmation that risk assessments are up to date, cleaner to supervisor ratio, stock control, complaints and customer satisfaction. It should be ensured that data in relation to these contractual areas is collated and formally monitored.	It be ensured that data in relation to all cleaning contractual KPIs is collated and reviewed with the contractor.	2	*Will review with the Team at next Team meeting in April. Most of the items mentioned are discussed at the contractors meeting, it needs to be better documented, and some items recorded even if there are no actions, for example if there are no accidents to report in the period it should be recorded.*	*31-05-24*	*KD Carlton Head of Health Safety and Building Compliance*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No operational effectiveness matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-

Other Findings

In addition to the property compliance areas such as fire safety, water hygiene, gas safety, electrical testing and asbestos management, the Trust is responsible for a number of facilities management tasks at its schemes, communal areas and other buildings within its control. These include contract cleaning and grounds maintenance, in addition to emergency lighting, automatic doors and CCTV maintenance. It was agreed with the Head of Health Safety and Building Compliance and the Strategic Director – Property and Development that this audit would focus on the contract management arrangements of these areas.

The risk of "Property assets not effectively managed" has been recorded within the Trust's Significant Risk Map. A number of appropriate controls have been identified, including:

- Contractor selection progresses and all information available to contractor at commencement of contract.
- A review of procurement procedure to ensure we fully achieve Value for Money outcomes.

The specification of the Ground's Maintenance contract contains the arrangements regarding the management of grass cutting, hedges, trees and other areas. This also details the frequency of visits, for example once every two weeks on all general sites between March and October. This work is carried out by C & J Garden Maintenance and Landscapes at the Age Friendly and Extra Care schemes.

The Age Friendly Scheme Co-ordinator confirmed that, as the schemes are manned by Housing Officers and other on-site staff, they see the contractor completing the works and, therefore, if there are any issues they can speak with them directly. The Co-ordinator is also on site regularly and makes direct contact with the contractor on a regular basis. Residents are welcome to raise any concerns to the Housing Officers who are on site 9:00-16:00 Monday to Friday. Also, the age friendly team have a Wellbeing Officer who runs coffee mornings weekly where residents can discuss anything to do with the scheme, including grounds maintenance.

Annual satisfaction surveys are undertaken at the extra care schemes (Gorton and Dahlia) where one of the questions asks whether residents are satisfied with the facilities, including the gardens.

Other Findings

ServiceMaster carries out the general cleaning and window cleaning works. The contract commenced in April 2023 for a period of three years and contains details of the standards of cleaning required within apartment block communal areas, extra care and age friendly schemes, the Community Centre, Community Hub, Library and Stores Facility and the head office.

The key performance indicators in place come under the headings of health and safety, personnel, quality management, contract management and reporting and customer satisfaction, and include, with their targets shown in brackets:

- Risk assessments: Up to date. (100%)
- Resourcing: Cleaning hours fulfilled. (97%)
- Stock control: Items out-of-stock. (3%)
- Audits: % of required audits carried out. (100%)
- Customer satisfaction: Net Promoter Score. (20)

Regular audits are carried out at each site by the contractor Area Manager or Site Supervisor. These use a traffic light system (Green = acceptable standard, Amber = improvement required and Red = immediate action required) in relation to a number of compliance subjects, in addition to the standard of cleaning undertaken. The Trust also carries out regular inspections of the cleaning to ensure that they are satisfied with the standards.

Monthly Cleaning Operations Reports are produced by the contractor's Managing Director. These contain commentary and, where relevant, data in relation to site specific issues, reporting, feedback and actions, the scores achieved on quality audits, health and safety, and staffing.

The Gorton Mill House Extra Care scheme contains a café and hair salon that are leased to "Les the Baker" and V Hyndes T/A Enhance Manchester Training Academy respectively. In addition, there is the Sofra pop-up café within Dahlia House. A review of the documentation provided showed that the tenants of these are required to carry out PAT testing and to provide a copy of all relevant certification to the Trust. Evidence was provided to demonstrate that PAT testing had been undertaken. In addition, the extractor fan had been cleaned in November 2022. The previous café operator ended the tenancy in June 2023, and it was relet in November 2023. The current café provider is now responsible to have this completed in 2024.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

Other Findings

Electrical PPM work, such as automatic door servicing, CCTV and emergency lighting, is currently carried out by Fieldway. For information, the total annual value of works expected for 2024/25 is approximately £41,600. Certificates and/or worksheets are provided to evidence completion of the required works. The contract commenced on 1st April 2020 and ends on 31st March 2024, with a potential extension to 19th July 2024 available. Discussions with the Head of Health Safety and Building Compliance confirmed that consideration is being given to breaking the works down into specific works streams and appointing individual contractors. It is, however accepted that, as the number of complex buildings and schemes developed and owned by the Trust increases, the workload involved in managing these contracts will also increase significantly. This may influence the decision to appoint one overall contractor rather than individual operators.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	3rd May 2023	10th May 2023
Draft Report:	14th March 2024	25th March 2024
Final Report:	2nd April 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Southway Housing Trust		
Review:	Facilities Management		
Type of Review:	Assurance	**Audit Lead:**	David Robinson

Outline scope (per Annual Plan):	The review will assess the arrangements in place for facilities management across the Trust, focussing on record keeping.
Detailed scope will consider:	The review will set out to provide assurance to the Audit and Risk Committee that the Trust has robust processes in place for facilities management across its range of properties. • The processes are supported by appropriate policies and procedures. • The risks associated with facilities management have been considered and appropriate mitigating actions have been identified and are operating and monitored. • All properties that require inspections/servicing/risk assessments have been identified and detailed recorded. • Actions arising from inspections/servicing/risk assessments are implemented in accordance with their priority. • The Board/Committee is provided with appropriate assurance on all activities.

Planned Start Date:	01/03/2024	**Exit Meeting Date:**	06/03/2024	**Exit Meeting to be held with:**	Head of Health Safety and Building Compliance

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N