



# **Gas Servicing**

## **City of York Council**

### **Internal Audit Report 2015-16**

Business Unit: Communities & Neighbourhoods  
Responsible Officer: Head of Building Services  
Service Manager: Repairs, Planning and Heating Manager  
Date Issued: 13 June 2016  
Status: Final  
Reference: 11730/004

|                              | P1             | P2       | P3       |
|------------------------------|----------------|----------|----------|
| <b>Actions</b>               | <b>0</b>       | <b>0</b> | <b>0</b> |
| <b>Overall Audit Opinion</b> | High Assurance |          |          |

# Summary and Overall Conclusions

## Introduction

The council is responsible for maintaining a housing stock of over 7,000 properties. This work includes performing annual landlord gas safety checks and any gas repairs and maintenance. The work is carried out in-house by Housing Building Services and their team of engineers at a cost of just over £1 million per annum.

It is a legal requirement for landlords to perform a gas safety check every twelve months and to maintain the associated paperwork. The Health and Safety Executive (HSE) will issue cautions or prosecute for non-compliance and failings, and the penalties for carbon monoxide poisoning and gas explosions are severe, as well as any ensuing reputational damage.

## Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system will ensure that:

- The council is complying with legal requirements.
- The service has appropriately qualified, trained and experienced staff.
- Correct and accurate records are being maintained.
- Performance and management information is monitored and reported and enables effective management of the service.

The audit focussed on the arrangements for annual gas servicing in domestic properties and the work done by Housing Building Services. However, it also considered the arrangements in place to meet the council's legal obligations in respect of non-domestic properties.

## Key Findings

Historically the Heating Services Team has used a spreadsheet (the Walking Order) to maintain the gas servicing schedule. This works well but is a rolling spreadsheet and does not retain historical data. Servitor is a property maintenance system which has started to be used to maintain gas servicing schedules since late 2015. It is currently being populated with appliance details for all residential properties as they are serviced. Both systems are being used at the moment, until Servitor has been fully populated, and careful cross-checks are made to ensure that no properties are missed from the service schedule.

Engineers use hand-held devices when visiting properties. These devices are linked to Servitor and are pre-loaded with tenant and property details. This has made an improvement by cutting out any simple administrative errors that might have otherwise been present on the CP12 certificates. Tenants sign the CP12 directly on the hand-held device and a system is in place for the CP12s to be posted out the following day to the tenant.

From the testing that we carried out we are satisfied that all domestic housing stock properties hold current landlord gas safety certificates, and that there is a robust system in place to ensure that these are renewed within the statutory 12 months. Every reasonable effort is made to access those properties where entry has been denied, and evidence of attempted access is obtained and retained on Servitor. The statistics are monitored on a daily basis (the percentage of properties with a current gas certificate is always between 99% and 100%) and any corrective measures deemed necessary are taken. The number of properties at any one time which are out of date is around 30 out of a current total of 7347 properties. This is due to entry not being gained for various reasons. There is a procedure for warrants to be obtained if access to the property cannot be gained. The warrant system is administered by the Housing Team. It was evident from our discussions that it is important for Housing Services and the Heating Services Team to continue to work collaboratively in order to gain access to those properties where there has been an issue.

It is a statutory requirement that a copy of the gas safety certificate must be retained by the landlord for a minimum of 2 years. Our testing confirmed that this is being done. Recent CP12s issued were stored on Servitor and CP12s issued prior to Servitor were available on the Document Management System (DMS).

There is a procedure in place to ensure that the Council complies with regulations in the case of a tenant vacating a property (voids). The initial work to cap the gas meter is carried out by an engineer from the Facilities team, and the work to uncap the meter and issue a CP12 upon a new tenancy is performed by engineers from the Heating Team. Our testing confirmed that regulations are being complied with.

Landlords have a statutory duty to arrange annual gas safety checks which are carried out only by a Gas Safe registered engineer. Appropriate checks are made by the team prior to the employment of an engineer and the necessary records are maintained. Training needs for all technical staff are identified and competencies are regularly updated. We are satisfied that staff are appropriately qualified and trained to carry out work with gas installations and there is a system in place to control the type of work that the engineers are qualified to undertake.

Quality checks are undertaken by an independent organisation on 5% of all gas servicing works. The results show that there has been a steady improvement in the quality and accuracy of the services undertaken and CP12s completed. Performance Indicators are extracted on a monthly basis by the strategic B.I Team who make the information available on a corporate database. These show an improvement in the gas servicing performance since 2011-12. Benchmarking information is used to compare with peer groups, and regular meetings with Housing Services have been instigated to use this information to the full.

An audit was carried out by Gas Safe in 2014 which highlighted some improvements to be undertaken within Building Services regarding the overall management of gas works. It is noted that many of the areas highlighted for improvement are in areas of the Council where gas works are undertaken but which are not under the control of the Heating Team.

Gas Safe has one of the Heating Supervisors as the named “Responsible person”. Responsible Person is defined as “the person responsible for ensuring the organisation’s compliance to the gas safety regulations”. Based on this definition, a Heating Supervisor is not of a sufficiently senior level within the organisation to hold this position. The independent quality control contractor has also raised concerns about there being no overall identified responsible officer for gas, in this instance, specifically in relation to void works. It has also become evident during the course of the audit that gas works are undertaken at other properties owned and managed by the Council, such as the commercial properties serviced by the Facilities team (107 properties) and in excess of 1200 commercial properties which are managed by Asset Management. In fact, some of the properties managed by Facilities are domestic properties with mixed domestic and commercial installations.

This audit has not identified any particular issues arising from this division of responsibility for different types of properties. However, consideration should be given to recognising one officer, at a suitable level within the organisation, to be nominated as ‘Responsible Officer’ for gas across the whole authority. This person does not necessarily need to have direct responsibility for delivering gas servicing. However, they would need to be provided with sufficient information, by the departments who are responsible for different types of properties, to be assured that legal requirements are being met.

## **Overall Conclusions**

It was found that the arrangements for managing risk were very good. An effective control environment appears to be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided High Assurance.

## Audit Opinions and Priorities for Actions

| Audit Opinions   |   |
|--|---|
| <p>Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.</p> <p>Our overall audit opinion is based on 5 grades of opinion, as set out below.</p> |   |
| Opinion  | Assessment of internal control  |
| High Assurance   | Overall, very good management of risk. An effective control environment appears to be in operation.   |
| Substantial Assurance  | Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.             |
| Reasonable Assurance   | Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.     |
| Limited Assurance  | Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.                   |
| No Assurance   | Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse. |

| Priorities for Actions |  |
|------------------------|--|
| Priority 1             | A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.        |
| Priority 2             | A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management. |
| Priority 3             | The system objectives are not exposed to significant risk, but the issue merits attention by management.                                     |

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