

Newark and Sherwood District Council

Gas Audit – Follow Up

January 2024

Preface

Pennington Choices provides property surveying and consultancy services to organisations nationwide. We have a wealth of experience working with more than 150 public and private sector organisations across social housing, NHS, education, retail, rail, police, and local authorities over the past 20 years. Our breadth of services makes us unique and provides a cost and time-effective solution to our clients.

Our advisory, professional and out-sourced services are:

- Housing and finance consultancy
- Occupational health and safety
- Recruitment services
- Asbestos – surveying, analysis, and management
- Chartered building and quantity surveying
- Stock condition and asset management
- Fire safety and compliance
- Energy - EPCs and sustainability services
- Gas and electrical – auditing, inspection, and management
- Professional training and qualifications

We develop lasting professional relationships and partnerships with all our clients. We do this by helping them to meet their strategic objectives by adding real value to organisations and projects. Many of our long-term clients are contractors, social housing organisations, local authorities, health and social care organisations, private landlords, homeowners, and education providers.

Contents

1. Summary	4
2. Introduction.....	5
3. Progress with Findings	5
Appendix 1 – Assurance rating criteria	7



Report prepared by: Caitlin Stubbs

Our ref: NWS2430

Version Control

Date	Version	Description
05/01/2024	V0.1	Report Final
09/01/2024	V.02	Internal QA
09/01/2024	V1.0	Issued to Client
17/01/2024	V1.01	Update issued to Client

1. Summary

Objective	
To review the progress made against Newark and Sherwood District Council’s Priority 1 actions as highlighted in the August 2023 Gas Audit.	
Audit review findings	
	<p>Compliance records Our review of 400 compliance records found 31 instances of non-compliance.</p>
Assurance rating	
Our overall assurance rating is reasonable assurance which represents our assessment of cross-cutting themes, such as data, governance, and reporting, as well as outturn performance (see Appendix 3 for full assurance rating criteria).	 <p>Reasonable Assurance</p>
Recommendations	Next steps
We have made seven practical recommendations within this report (summarised in an action plan at Appendix 1). <ul style="list-style-type: none"> • 1 x P1 action is outstanding. 	We recognise that you are committed to improving property compliance management arrangements and you have an appreciation of the challenges to overcome. Implementing our recommendations within the suggested timescales will provide assurance that you are addressing your compliance obligations appropriately.

2. Introduction

In August 2023, we completed a review of your approach to gas safety as a result of your self-referral to the Regulator of Social Housing for non-compliance.

Since this time, you have been working to address the actions made in our Compliance Action Plan and have requested a follow-up audit of your Priority 1 (High Risk) actions which were covered by Recommendations 14 and 24.

3. Progress with Findings

We were provided with a copy of your policy document and two samples of 200 Landlord Gas Safety Records (LGSR) to review as evidence of your progress.

Recommendation 14

Positively, your Gas Servicing and Safety Policy, which was out-of-date at the time of our original gas safety review, has now been updated and was approved in November 2023. We consider this as suitable evidence to close Recommendation 14 as complete on the Action Plan.

Recommendation 24

Recommendation 24 refers to the sample record audit of 250 gas servicing records conducted as part of the gas safety review, which identified 56 records where the LGSR inspection dates and 12-month reinspection anniversaries did not align with the reinspection dates held in your Apex compliance management system. The recommendation was to investigate any discrepancies with the data to determine if the errors are genuine and to extend the audit to an internal investigation for 100% of all records. This exercise was to allow you to correct inaccurate data, and gain assurance on the current status of all your assets in relation to gas safety.

To examine whether recommendation 24 has been completed, you provided an initial sample of 200 LGSRs for auditing against the reinspection dates in Apex. From the audit, we found 12 records which did not align with the dates on your system. Your feedback was that the misaligned dates have been caused by an American date formatting error in Apex. However, there was a variance in dates of up to 12 days, which does not appear to be a date format issue.

Following this initial feedback, a further 200 sample records were provided for review. You also confirmed that the American date formatting error had been resolved. However, of these records 19 did not align with the information in your system. We found the following issues:


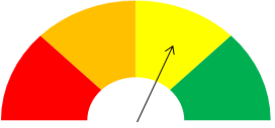
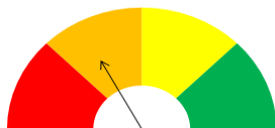
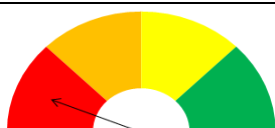
- 17 dates on your system did not match the dates on the LGSR certificate, with a variance of up to five days.

- An admin error resulted in an outstanding service for one property (49B The Meadows).
- American date formatting errors were still present at the time of the second record audit.

Unfortunately, the results of both sample audits have not provided the required assurance to demonstrate Recommendation 24 has been completed. Where the system holds dates that exceed 12 months from the inspection dates, there is a high level of risk that an inspection that an asset will become non-compliant. Inaccurate data undermines effective delivery and accurate reporting, and does not provide assurance that as an organisation you are legally compliant. It is important to note that there can be no tolerance for out of date gas servicing. All LGSRs must be completed before or at the very least, on the day they are due.

We acknowledge that you have completed some additional work to improve the approach to your data management in this area, however, we recommend that further investigation is undertaken to resolve the issues above. An audit of 100% of all records should be undertaken to correct all inaccuracies between system and certificate dates. This should be combined with regular reconciliation to ensure compliance data remains accurate and reliable.

Appendix 1 – Assurance rating criteria

Assurance level	Design of internal control framework	Operational effectiveness of internal controls
 <p>Substantial Assurance</p>	There is a robust system of internal control designed to achieve system objectives. Appropriate procedures are in place to mitigate key risks and fully comply with applicable legislation. There are several areas of best practice.	The controls in place are applied consistently and there are no, or only low, priority weaknesses noted.
 <p>Reasonable Assurance</p>	There is a reasonable system of internal control designed to achieve system objectives with some exceptions. Generally, appropriate procedures are in place to mitigate key risks and comply with applicable legislation, although some are not fully effective.	The controls are applied in most instances; however, some non-compliance was identified through testing. Weaknesses are primarily of a medium or low priority.
 <p>Limited assurance</p>	There are significant gaps in the system of internal control, with system objectives at risk of not being achieved. There are several weaknesses identified in the procedures in place to mitigate key risks and comply with applicable legislation.	There is evidence of non-compliance and several reoccurring weaknesses identified through testing. Weaknesses are primarily of a medium priority.
 <p>No assurance</p>	The system of internal control is not fit for purpose and a significant likelihood that the system’s objectives will not be achieved. There are several procedural gaps which do not mitigate key risks or facilitate compliance with applicable legislation.	There is evidence of consistent or frequent non-compliance. Due to the absence of effective procedures, several reoccurring weaknesses have been identified through testing. Weaknesses are primarily of a high priority.
Recommendation priorities		
Low	Areas that individually have no significant impact, but where the organisation would benefit from improved controls to achieve greater effectiveness and efficiency.	
Medium	A weakness where there is a moderate risk of legal or regulatory non-compliance, poor value for money, or failure to achieve operational objectives. Remedial action should be taken as soon as practicable.	
High	A weakness where there is substantial risk of legal or regulatory non-compliance, poor value for money, or failure to achieve operational objectives. Remedial action should be taken urgently.	