

Control of Contractors

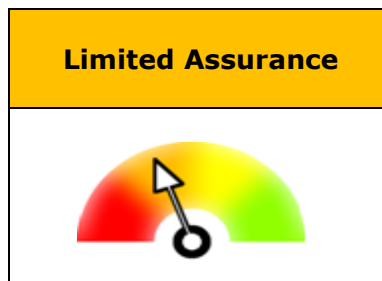
Proposed Final Internal Audit Report

2019/20

Hywel Dda University Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Internal Auditors.

ACKNOWLEDGEMENT

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

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1. Introduction and Background

The Control of Contractors audit was commissioned as a part of the approved 2019/20 internal audit plan, in order to evaluate the processes and procedures that support the management and control of contractors working for the Capital & Estates function of the University Health Board ('the UHB').

Both the UHB and its appointed contractors have responsibilities under health and safety law, to ensure appropriate precautions are taken to reduce the risks of dangers to patients, employees, visitors and contractors themselves. Applicable legislation includes the Health & Safety at Work etc. Act 1974, Management of Health and Safety at Work Regulations 1999, Control of Substances Hazardous to Health Regulations 2002 and the Control of Asbestos Regulations 2012, amongst others.

The Health & Safety Executive (HSE) has produced a range of guidance on the safe management of contractors, including "Managing Contractors" (HSG 159), and the "Using Contractors – a Brief Guide". The audit assessed compliance with the requirements of this guidance.

Note: the assessment of compliance with the Construction (Design and Management) Regulations 2007 was outside the scope of this current review.

2. Scope and Objectives

The review was undertaken to determine the adequacy of, and operational compliance with, the UHB's systems and procedures for the management of capital projects, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate.

The audit focussed on the management of contractors within the responsibility of the Capital & Estates function only. This review did not consider the management of other contractors such as IM&T or Medical Equipment, which will be considered at future audit plans.

Accordingly, the focus of the current audit was directed to the following areas:

- **Governance** – Assurance that the UHB had adequate arrangements in place to support the control of Capital & Estates contractors and compliance with regulations and guidance. Further, assurance that appropriate policy and procedural documents were in place to manage the control of contractors, in line with HSE requirements.
- **Appointment of contractors** – Assurance that potential Capital & Estates contractors were appropriately checked to establish

compliance with HSE requirements and the UHB's required standards for health and safety, including confirmation that contractors had:

- sufficient skills, knowledge and experience and the ability to implement appropriate health & safety systems;
 - undertaken an appropriate risk assessment in relation to the specific work they were to undertake; and
 - a reasonable track record of occupational health and safety performance at work of a similar nature.
- **Management of work on site** - Assurance that appropriate arrangements were in place to manage Capital & Estates contractors working on the UHB premises, including:
 - control over access to site;
 - appropriate site induction arrangements;
 - risk assessments, safe systems or work etc. were in place;
 - operation of Permits to Work where appropriate; and
 - regular monitoring of contractors on site, to ensure compliance with required practices.
 - **Monitoring and reporting** – Assurance that ongoing monitoring and review of Capital & Estates contractors / contractor-related incidents, was employed in order to maintain the required standards of health and safety and to improve existing practices, including:
 - Monitoring, review and reporting (both internal and external e.g. RIDDOR requirements) of any contractor-related incidents including the feedback of lessons learnt to contractors and to inform the UHB procedures; and
 - Monitoring of compliance with the UHB's requirements.

3. Associated Risks

The potential risks considered at the review were as follows:

- Patient, staff, contractor and public safety;
- Damage to the UHB property;
- Adverse publicity/reputational damage;
- Breach of HSE regulations and potential financial penalties; and
- Prosecution/criminal negligence.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The main weakness identified was the absence of a Control of Contractors policy at the UHB; however, it was acknowledged that a policy was being developed for ratification at the date of the audit. Subsequent to the issue of the draft report, the policy was approved by the Health, Safety and Emergency Planning Sub-Committee.

Being cognisant of the lack of formal guidance at the date of the audit, assessment of the management and control of contractors by the UHB was reviewed against HSE guidance and expectations. Compliance was noted in the following areas:


- Long standing Estates officers used their considerable first-hand experience in the appointment of appropriate contractors;
- Estates officers ensured they communicated to contractors (when they arrived on site) any job or location specific risks and their on-site contact;
- Robust site access controls at Glangwili General Hospital, including signing in/out procedures, issue of ID badges, out of hours procedures and clear communication channels.

However, application of the expected HSE standards was reduced in the following areas:

- The collation of key health & safety documentation [including applicable insurance cover], prior to commencement of work, should be improved in relation to all schemes/jobs;
- A formal induction process needs to be initiated including a centralised record of attendance;
- The site access controls need to be reviewed to ensure consistency across all UHB sites;
- Risk Assessments and Method Statements need to be requested and scrutinised prior to the contractor commencing the relevant activity on site;
- There is a need to develop an appropriate Permit to Work procedure to ensure consistency of issue;

- The formality of monitoring contractors on site and reporting post completion should be enhanced; and
- Action plans should be developed (and appropriately reported), in the unfortunate event a contractor-related incident is reported.





It is acknowledged that many of the above will be addressed through the issue of a the Control of Contractors policy and its consistent application; however, noting the extent of non-compliance with the HSE guidance and the associated risks surrounding management of on-site work, the level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the management of contractors is **Limited Assurance**.

RATING	INDICATOR	DEFINITION
Limited Assurance		The Board can take limited assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Assurance Summary					
1	Governance		✓		
2	Appointment of contractors		✓		
3	Management of work on site		✓		
4	Monitoring and reporting		✓		

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

Design of Systems/Controls

The findings from the review have highlighted **three** issues that were classified as weaknesses in the system control/design for the control of contractors at the UHB.

Operation of System/Control

The findings from the review have highlighted **six** issues that were classified as weaknesses in the operation of the designed system/control for the control of contractors at the UHB.

6. Summary of Audit Findings

The key findings are reported within the Management Action Plan (**Appendix A**).

6.1 Governance



We sought assurance that there were adequate arrangements, including policies and procedures, in place to support the control of Capital & Estates contractors and compliance with regulations and guidance.

The Health, Safety and Emergency Planning Sub-Committee has responsibility for the control of contractors.

There was no formal ratified Contractor Control Policy in place at the UHB (**recommendation 1**). Management advised that a policy had been drafted in 2016; however never reached a final approval stage therefore not circulated to provide the appropriate UHB staff with the required guidance.

It was acknowledged that the Operations Compliance Officer was in the process of finalising a proposed policy for approval by the Health, Safety and Emergency Planning Sub Committee by the end of the financial year. A high-level review of the proposed policy was undertaken noting that the content adequately addresses the Health & Safety Executive (HSE) guidance requirements and also improves on practices that were observed during the course of this review.

Noting the absence of a formal ratified policy for the control of contractors, **limited assurance** has been determined in this area.

6.2 Appointment of contractors



We sought assurance that Capital & Estates contractors were appropriately checked to establish compliance with HSE requirements and the UHB's required standards for health & safety.

Noting the absence of a Contractor Control policy, and associated guidance, the current appointment process of contractors, by the UHB, was assessed against HSE guidance.

Areas for which clarification / evidence should be sought prior to appointment include:

- Experience;
- Health & Safety policy and practice;
- Training and competence; and
- Supervision

Compliance with this guidance was reviewed for appointments at a sample of eight Maintenance team-led capital schemes and twelve Estates Maintenance jobs across three of the UHB sites [Withybush General Hospital (WGH), Prince Philip Hospital (PPH) and Glangwili General Hospital (GGH)].

There was minimal application of the guidance for all appointments made including:

- Evidence of membership of appropriate professional bodies, to provide assurance of appropriate health & safety processes at work, was obtained for two (10%) of the sample (**recommendation 2**). It was acknowledged for both schemes/jobs, the appointment process had been managed by NWSSP: Procurement Services; and
- Confirmation of appropriate insurance coverage was obtained for six (30%) of the sample (**recommendation 3**).

It was observed that, for many appointments, Estates Officers had placed reliance on previous interactions with contractors to assess competency and experience, but with insufficient evidence available to support the decisions made. Refer to **Appendix B** for full audit findings.

Upon appointment, there is an expectation that Risk Assessments and Method Statements (RAMS) are provided by the contractor. This was evidenced for 15 (75%) of the schemes/jobs sampled. However, there was limited evidence to demonstrate that the content of the RAMS had been effectively reviewed and accepted against UHB operational practices (**recommendation 4**).

Whilst acknowledging there is no approved policy in place, guidance to address compliance with HSE requirements is available to staff through external sources. Noting the issues highlighted above, **limited assurance** has been determined.

6.3 Management of work on site



We sought assurance that appropriate arrangements were in place to manage Capital & Estates contractors working on the UHB's premises.

The HSE sets out clear guidance for managing contractors on site, including the requirement for all contractors to sign in/out, a clear site contact to be established, information and rules to be reinforced and job checks to be undertaken prior to any work commencing.

Acknowledging the lack of an approved Control of Contractors policy to provide guidance, current practice at the UHB was defined as follows:

- Estates officers "toolbox talks" rather than a formal, standardised induction session. The talks are intended to provide contractor personnel an awareness of UHB expectations (i.e. fire evacuation procedures) and job specific risks. There was no defined time period for refresher talks to be delivered to contractor personnel or a centralised database recording the date the last talk was delivered (**recommendation 5**). Management advised that a new induction process will be rolled out to all appointed contractors during April 2020.
- A paper-based sign in/out process was operational at all three sites visited during the course of the review. However, there were variations in the application of the access controls. Furthermore, there were no formal mechanisms to manage site access controls at the UHB's community sites (**recommendation 5**).
- There was no supporting guidance in place to support staff in the issue of Permits to Work. Four (20%) of the schemes/jobs reviewed were identified as requiring a permit to work; all of which were 'working at height'. However, there was no evidence of the issue of the required permit (**recommendation 6**).

Refer to **Appendix C** for full audit findings.

It is acknowledged that the UHB is working towards the implementation of a formal induction process, however, until this is fully embedded and noting the issues highlighted above, **limited assurance** has been determined.

6.4 Monitoring and reporting



We sought assurance that appropriate ongoing monitoring and review of contractors / contractor related incidents was employed in order to maintain the required standards of health & safety and to improve existing processes.

Management advised that whilst regular monitoring of contractors was undertaken through ad-hoc site visits, there was no formal reporting of the same (**recommendation 8**).

The UHB established a HSE Enforcement Control Group in November 2019 to ensure compliance with the imposed Improvement Notices and Material Breaches identified by the HSE during their inspection in July 2019. As stated in the group's terms of reference:

"The Group will monitor, scrutinise and gain assurance from each Health Board sites/departments that the various actions contained within the Health Boards action plan relating to the 'Control of Contractors' are carried out to ensure that the weaknesses identified are rectified within the specified timescale" and "To share good practice across the Health Board so that improvements can be made to Health & Safety".

A review of the Group's minutes to date noted primarily coverage of the development of the Control of Contractors policy; however, the Group could provide a platform for discussing and escalating issues with contractors and monitoring of policy.

Furthermore, whilst acknowledging that Estates officers have significant experience working with the appointed contractors (due to a number of repeat appointments), there was no evidence of a formal review process for completed schemes/jobs as stipulated within HSE guidance (**recommendation 9**).

There had been no serious incidents reported at the UHB over the past three years. However, a review of the Datix report prepared for the period 1 April 2016 to 31 December 2019 noted a minor incident, involving a contractor, at WGH (April 2019). A detailed investigation report was prepared by the Head of Health, Safety & Security setting out the required countermeasures to mitigate the risk of a repeat incident occurring.

The introduction of the HSE Enforcement Control Group is acknowledged as good practice; however, noting the absence of appropriate data (refer to 6.2 and 6.3 above) to facilitate effective monitoring and reporting procedures, **limited assurance** has been determined.

7. Summary of Recommendations

The audit findings, recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below:

Priority	H	M	L	Total
Number of recommendations	4	5	-	9
Actioned since fieldwork	1	-	-	1
Recommendations to address	3	5	-	8

Note: Management agreement has been provided to all of the recommendations arising at this report. The target implementation dates will be reviewed on an ongoing basis recognising current operational pressures.

Finding 1: Policy	Risk
<p>There was no ratified Control of Contractors policy in place at the UHB. Management advised that a policy had been written in 2016 but never formally approved or circulated for staff awareness/application.</p> <p>At the date of the audit, work was being undertaken to develop a revised policy with a view for submission for approval by the Health & Safety Emergency Planning Sub Committee by the end of March 2020.</p> <p>A high-level review of the draft policy was undertaken and noted HSE guidance requirements had been addressed and that the proposed content improves on the current practices employed at the UHB.</p>	<p>Non-compliance with HSE requirements.</p>
Recommendation 1	Priority level
<p>The UHB should finalise the Control of Contractors policy and seek formal ratification.</p> <p>Upon ratification, the policy should be made available to all relevant users. (D)</p>	<p>High</p>
Management Response	Responsible Officer/ Deadline
<p>The Control of Contractors policy was ratified by the Health & Safety Emergency Planning Sub Committee on xx March 2020.</p>	<p>N/A Actioned since fieldwork</p>

Finding 2: Assessment of contractors pre-appointment

Risk

The HSE 'Managing Contractors – a guide for employers' (page 33) sets areas for which clarification should be sought prior to contractor appointment, including:

- Experience
- H&S policy and practice
- Training & competence
- Supervision

Management advised that there were no formal exercises undertaken at the point of appointment e.g. use of a pre-qualification questionnaire including insurances and membership of any Safety Scheme in Procurement (SSIP).

At the date of the audit, vetting of H&S requirements prior to appointment varied across UHB sites with many instances where reliance was placed on previous interactions with contractors but no evidence to demonstrate:

	DLO led scheme contractors	Maintenance work contractors
WGH	0 of 3	0 of 5
PPH	1 of 3 ¹	0 of 2
GGH	1 of 2 ²	0 of 5

Refer to Appendix A for full audit findings

It is, however, acknowledged that this will be a requirement within the Control of Contractors policy being developed for approval

Contractors may not hold appropriate competencies to undertake the work; or to adequately protect the UHB and patients/ visitors.

Non-compliance with HSE requirements.

¹ For this one contractor, the appointment process was led by NWSSP: Procurement Services

² As above

Recommendation 2	Priority level
<p>Management should request, and retain in a centralised location, the required data providing assurance of the competency of appointed contractors.</p> <p>A 'valid for' period should be included to ensure that, upon expiration, up to date information is requested rather than reliance placed on historic data. (O)</p>	High
Management Response	Responsible Officer/ Deadline
<p>Accepted. The data will be obtained through completion of the pre-qualification questionnaires [as per the new policy]. Initially, it will be logged on a centrally maintained spreadsheet with a view to investigate databases available to the UHB.</p> <p>Noting the unprecedented times we are facing an initial timeframe of six months has been set. All recommendations will be re-reviewed at this date. Furthermore, we are requesting a follow-up audit of this area in Q1 of the 2021/22 Internal Audit Plan to provide assurances on appropriate application of the policy across the UHB.</p>	<p>Interim Head of Operations September 2020</p>

Finding 3: Assessment of contractors - insurance			Risk												
<p>As referenced in finding 2, the introduction of a pre-qualification questionnaire will be specifying the request of relevant insurance documents prior to appointment.</p> <p>Whilst not currently formalised, there is an expectation that such information would be sought prior to appointment. However, it was observed that there was limited evidence of confirmation of appropriate insurance coverage (<i>refer to Appendix A for full audit findings</i>):</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #1a3d54; color: white;"></th> <th style="background-color: #1a3d54; color: white;">DLO led scheme contractors</th> <th style="background-color: #1a3d54; color: white;">Maintenance contractors</th> </tr> </thead> <tbody> <tr> <td>WGH</td> <td>2 of 3</td> <td>2 of 5</td> </tr> <tr> <td>PPH³</td> <td>1 of 3</td> <td>1 of 2</td> </tr> <tr> <td>GGH</td> <td>0 of 2</td> <td>0 of 5</td> </tr> </tbody> </table>				DLO led scheme contractors	Maintenance contractors	WGH	2 of 3	2 of 5	PPH ³	1 of 3	1 of 2	GGH	0 of 2	0 of 5	<p>Contractors may not hold appropriate insurance coverage to undertake the work; or to adequately protect the UHB and patients/ visitors.</p> <p>Non-compliance with HSE requirements.</p>
	DLO led scheme contractors	Maintenance contractors													
WGH	2 of 3	2 of 5													
PPH ³	1 of 3	1 of 2													
GGH	0 of 2	0 of 5													
Recommendation 3			Priority level												
<p>Management should ensure evidence of appropriate insurance coverage is provided prior to the commencement of work. (O)</p>			Medium												

³ Current insurance certificates were available as they had been requested by NWSSP: Procurement [noting that it was the same contractor for both areas of work undertaken]

Management Response	Responsible Officer/ Deadline
<p>Accepted. Refer to the recommendation 2.</p> <p>Noting the unprecedented times we are facing an initial timeframe of six months has been set. All recommendations will be re-reviewed at this date. Furthermore, we are requesting a follow-up audit of this area in Q1 of the 2021/22 Internal Audit Plan to provide assurances on appropriate application of the policy across the UHB.</p>	<p>Interim Head of Operations September 2020</p>

Finding 4: Risk Assessments & Method Statements	Risk
<p>Regulation 3 of the Management of Health & Safety at Work Regulations 1999 requires employers to carry out risk assessments for all work activities.</p> <p>Furthermore, best practice notes the provision of risk assessments and method statements (RAMS) upon appointment to indicate the monitoring and supervision required of contractors activities whilst on site. It was acknowledged that is stipulated in the Control of Contractors policy being drafted.</p> <p>Review of the 20 jobs sampled noted RAMS had been requested and received for 15 (75%). <i>Refer to Appendix A for full audit findings.</i></p> <p>There was limited evidence to demonstrate the RAMS had been effectively reviewed against UHB operational practices i.e. one RAMS reviewed stated a potential hazard identified (fire) and the response provided by the contractor was 'client induction programme attend, emergency response plans relayed by client & understood; client evacuation programme to be followed as per client induction. However, as has been identified through fieldwork, inductions are not delivered and there is no centralised record to confirm date of receipt of a 'toolbox talk].</p>	<p>Contractors may not be able to demonstrate the appropriate competencies to undertake the work; or to adequately protect the UHB and patients/ visitors.</p> <p>Non-compliance with HSE requirements.</p>
Recommendation 4	Priority level
<p>RAMS (where applicable) should be requested, checked and retained prior to the contractor commencing the relevant activity on site. (O)</p>	<p>Medium</p>

Management Response	Responsible Officer/ Deadline
<p>Agreed. The Job Requisition and Authorisation form [as per the new policy] stipulates the return of a RAMS by the appointed contractor. Estates Officers will be expected to sign acceptance of the receipt and content of the RAMS for retention at the specific site.</p> <p>Noting the unprecedented times we are facing an initial timeframe of six months has been set. All recommendations will be re-reviewed at this date. Furthermore, we are requesting a follow-up audit of this area in Q1 of the 2021/22 Internal Audit Plan to provide assurances on appropriate application of the policy across the UHB.</p>	<p>Interim Head of Operations September 2020</p>

Finding 5: Induction process and toolbox talks

Risk

There was no formal, standardised, induction completed at the UHB. Toolbox talks were delivered by Estates staff to appointed contractors however, it was noted this was undertaken at their discretion. Furthermore there was no defined time period for refresher toolbox talks nor a centralised database recording the date the last talk was delivered.

Toolbox talks have two elements to them:

1. Generic information e.g. scope of work activity, work permit, asbestos register location; fire evacuation procedure; and
2. Job / location specific

Delivery of a toolbox talk was assessed across a sample of contractor appointments (*refer to Appendix B for full audit findings*):

	Contractors appointed under DLO scheme	Contractors appointed on maintenance work
WGH	3 of 3	3 of 4
PPH	0 of 3	1 of 2
GGH	1 of 2	3 of 3

To coincide with the development of a Control of Contractors policy, it is noted that a PowerPoint presentation and video will form part of a new induction process that communicates to contractors more detailed general information with

Inconsistent advice given to contractors regarding UHB best practice.

<p>job / location specific information delivered via the proposed Job Registration & Authorisation form.</p>	
<p>Recommendation 5</p>	<p>Priority level</p>
<p>a) Formal inductions should be completed by all contractors engaged by the UHB and attendance recorded and reviewed appropriately on a centralised UHB database.</p>	<p style="text-align: center;">High</p>
<p>b) Job and location specific risks should be discussed and formally documented by relevant competent staff in addition to the induction via the new Job Registration and Authorisation form. (O)</p>	
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>Agreed. Plans had been made for all current contractors to receive the induction by 31 March 2020 with a log of attendance maintained. However, in light of the current unique times the country is faced with, these plans have been postponed. Appropriate arrangements will be made to roll out the induction through an appropriate means for existing contractors and any new appointments.</p> <p>Noting the unprecedented times we are facing an initial timeframe of six months has been set. All recommendations will be re-reviewed at this date. Furthermore, we are requesting a follow-up audit of this area in Q1 of the 2021/22 Internal Audit Plan to provide assurances on appropriate application of the policy across the UHB.</p>	<p>Assistant Director of Estates & Capital Management Interim Head of Operations September 2020</p>

Finding 6: Site access controls	Risk
<p>The UHB does not use any software to manage the information records of contractors or details of site access. Noting the manual systems used, there was no consistent approach to the management of site access for contractors across the three sites reviewed.</p> <p><u>WGH</u></p> <ul style="list-style-type: none">• Seven contractors were reviewed at this site and there was no evidence of sign in of contractor personnel for five [one was working under supervision of UHB officer therefore sign in not required; and evidence noted for one].• ID badges are not uniquely identifiable [i.e. numbered]• For contractors working out of hours, there is no sign out facility available once the main office is closed at the site. <p><u>PPH</u></p> <ul style="list-style-type: none">• Five contractors were reviewed at this site – there was evidence for three.• ID badges are uniquely identifiable but there is no requirement for the contractor operatives to include the badge number when they sign in.• For contractors working out of hours, if the office is closed when leaving the site, the contractor operatives are required to call switchboard and notify the on-call engineer they are leaving. <p><u>GGH</u></p> <ul style="list-style-type: none">• Five contractors were reviewed at this site – there was evidence for four.	<p>Non-compliance with HSE guidance. Lack of control in managing contractors on-site.</p> <p>The UHB does not know which contractors are on site on any given day.</p>

<ul style="list-style-type: none"> • ID badges issued are uniquely identifiable and contractor operatives are expected to include the badge number when they sign in. This was demonstrated appropriately. • For contractors working out of hours, Estates officers are aware of the names of personnel expected to be on site before they arrive. An on-call diary is maintained detailing when the operative arrives and leaves. <p>Furthermore, management advised that there were no formal mechanisms for sign in/out at the UHB's community sites.</p>	
<p>Recommendation 6</p>	<p>Priority level</p>
<p>A robust, and consistent, site access control system should be implemented across all sites that ensures:</p> <ul style="list-style-type: none"> • Daily sign in / out of ALL contractors • Uniquely identifiable badges issued and recorded on the sign in/out register • Robust process for management of contractors out of hours • A sign in/out system should be in place at each community site, using measures appropriate to the site, with ALL contractors required to action daily (O) 	<p>Medium</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>Agreed. The sign in / out process currently followed at GGH will be rolled out to all sites. For community sites, an additional section within the Asbestos Registers</p>	<p>Interim Head of Operations September 2020</p>

will be used for contractors to sign in / out and they will be informed of this expectation prior to going to site.

Noting the unprecedented times we are facing an initial timeframe of six months has been set. All recommendations will be re-reviewed at this date. Furthermore, we are requesting a follow-up audit of this area in Q1 of the 2021/22 Internal Audit Plan to provide assurances on appropriate application of the policy across the UHB.

Finding 7: Permits to work	Risk
<p>HSE guidance states that “<i>permits to work are required if there is a risk of serious injury which cannot be adequately controlled by normal physical safeguards</i>”. Permits specify the work to be done and precautions to be taken and provide a clear record that all foreseeable hazards have been considered. HSE guidance also outlines the requirement for a formal documented procedure to be in place. There was no formal documented procedure in place at the UHB.</p> <p>Of the 20 jobs reviewed, four were identified as requiring a permit to work; all of which were ‘working at height’. However, there was no evidence of the issue of the required permit.</p> <p>Whilst acknowledging the lack of permits issued, management advised that there is no specific ‘working at height’ permit issued by the UHB, rather, use of the general work permit. However, this does not lend itself to addressing the requirements in undertaking the work:</p> <ul style="list-style-type: none"> • Weather conditions which could compromise worker safety • Check of the place where work at height is to be undertaken • Measures to stop materials or objects from falling • Store materials and objects safely • Plan for emergencies and rescue <p>Whilst acknowledging the appointed contractors may have greater competency and training that the Estates officer issuing the permit, the UHB has a</p>	<p>Inconsistent / inappropriate processes applied due to lack of formal guidance.</p> <p>Non-compliance with HSE requirements</p>

<p>responsibility and duty to discuss and ensure appropriate measures are being taken by contractors prior to commencement of the work.</p>	
<p>Recommendation 7</p>	<p>Priority level</p>
<p>a) A permit to work procedure should be developed, ratified and communicated to all relevant officers.</p>	<p style="text-align: center;">High</p>
<p>b) Appropriate permits to work for different high risk types of work must be issued by Estates staff in line with HSE guidance and the new Control of Contractors policy. (D)</p>	
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>Agreed. A procedure will be drafted to address the different types of permits that may require issue for work on UHB sites. As noted through a recent CDM course attended, when Estates Officers are signing the RAMS, they are accepting that the content appears reasonable. They do not have the expertise to confirm that the content is correct. This will be addressed accordingly.</p> <p>Noting the unprecedented times we are facing an initial timeframe of six months has been set. All recommendations will be re-reviewed at this date. Furthermore, we are requesting a follow-up audit of this area in Q1 of the 2021/22 Internal Audit Plan to provide assurances on appropriate application of the policy across the UHB.</p>	<p>Assistant Director of Estates & Capital Management Interim Head of Operations September 2020</p>

Finding 8: Monitoring/progress of work	Risk
<p>Regular progress reporting / monitoring of contractors was through ad-hoc visits. These were undertaken by Estates officers and coverage included:</p> <ul style="list-style-type: none"> • Standard of work • Cleanliness of site • PPE worn • Appropriateness of environment i.e. hazards <p>However, there was no formal reporting on the output of the visits [including any actions to be taken], nor a record of the number of visits undertaken within a given timeframe.</p>	<p>Non-compliance with HSE guidance. Lack of control in managing contractors on-site</p>
Recommendation 8	Priority level
<p>Management should formalise the output of contractor monitoring and report to an appropriate forum. (O)</p>	<p>Medium</p>
Management Response	Responsible Officer/ Deadline
<p>Agreed. This will be a standing agenda item for the Operational Delivery Group meetings for Operational Officers to provide updates / escalate concerns.</p> <p>Noting the unprecedented times we are facing an initial timeframe of six months has been set. All recommendations will be re-reviewed at this date. Furthermore, we are requesting a follow-up audit of this area in Q1 of the 2021/22 Internal</p>	<p>Interim Head of Operations September 2020</p>

Audit Plan to provide assurances on appropriate application of the policy across the UHB.	
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Finding 9: Review of projects/jobs post completion	Risk
<p>A recommendation was raised, and accepted, the Financial Safeguarding (Maintenance) Final Report [issued November 2019] that all schemes will be signed off on practical completion by an appropriate officer.</p> <p>Section 12.5 of the policy being drafted states “the contractors work must be checked before they leave site....Reviewing is primarily concerned with evaluating the quality of the work against both the job and the contractor’s performance. An effective review will also identify lessons learnt i.e. what should be done differently next time to secure any necessary improvement”</p> <p>There was no evidence of sign off for the projects/jobs reviewed at this audit, but noted that the dates of work preceded the date of the agreed recommendation. Discussions noted that differing approaches were being applied at the three sites visited, with only GGH advising that a formal sign off process had been implemented.</p>	<p>Absence of a review/feedback loop could result in the future use of subpar contractors</p>
Recommendation 9	Priority level
<p>Management should embed a standard formal sign off process across all sites that:</p> <ol style="list-style-type: none"> 1. Confirms completion of the work; and 2. Facilitates the sharing of any lessons learnt. (D) 	<p>Medium</p>

Management Response	Responsible Officer/ Deadline
<p>Agreed. All Site Operations Managers will be reminded of the requirement for formal sign off on completed works.</p> <p>Noting the unprecedented times we are facing an initial timeframe of six months has been set. All recommendations will be re-reviewed at this date. Furthermore, we are requesting a follow-up audit of this area in Q1 of the 2021/22 Internal Audit Plan to provide assurances on appropriate application of the policy across the UHB.</p>	<p>Interim Head of Operations September 2020</p>

	Project/Job	Location	UHB's H&S standards conveyed	Evidence of contractor vetting prior to appointment)	Request for current SSIP accreditation	Evidence of current insurances	Risk assessment/Method statement
	DLO led schemes						
1	Upgrade of St Thomas Flat	WGH	N	N	N	N	N
2	Upgrade of Kensington Flat	WGH	N	N	N	Y	Y
3	Repairs to Puffin Ward Cladding	WGH	N	N	N	Y	Y
4	Repairs to GGH Ward Block Roof	GGH	N	Y	N	N	Y
5	Theatre UC Canopy Remedial Works	GGH	N	N	N	N	N
6	Automatic Door Replacement	PPH	N	N	N	Y	Y
7	External Grounds 2019	PPH	N	Y	Y	N	Y
8	Electrical PAT Testing & Fixed Boards 2019	PPH	N	N	N	N	Y
	Compliance		0%	25%	13%	38%	75%
	Estates Maintenance						
1	Breakdown – Pneumatic Tube System	GGH	N	N	N	N	Y
2	Physio Rm Block 4 – Air Cond Unit	GGH	N	N	N	N	Y
3	Main Entrance Corridor	GGH	Not started	Not started	Not started	Not started	Not started
4	Block 4 – Medical Window & Door	GGH	N	N	N	N	N
5	Repair to West Chiller	GGH	N	N	N	N	Y
6	Repairs to St David's Generator	GGH	N	N	N	N	Y
7	Courtyard scaffolding (Steam Leak)	WGH	N	N	N	N	Y
8	HSDU – repairs to sanitation fan assembly ⁴	WGH	N/A	N/A	N/A	N/A	N/A

⁴ The repair work was undertaken off site, therefore testing was not applicable.

	Project/Job	Location	UHB's H&S standards conveyed	Evidence of contractor vetting prior to appointment)	Request for current SSIP accreditation	Evidence of current insurances	Risk assessment/Method statement
9	External Grounds – resurfacing	WGH	N	N	N	Y	Y
10	Service Air Compressors	WGH	N	N	N	Y	Y
11	Cleaning of pigeon poop various areas	WGH	N	N	N	N	N
12	Crymych HC – Heating Boiler service & repair	WGH	N	N	N	N	N
13	Angle iron dropped on roof of boiler house	PPH	N	N	N	N	Y
14	Inner auto doors stuck open in main entrance	PPH	N	N	N	Y	Y
	Compliance		0%	0%	0%	25%	75%

	Project/Job	Location	Evidence that Toolbox talk completed	Induction completed	Knowledge of on-site contact	ID Badge issued	Sign in/out records
	DLO led schemes						
1	Upgrade of St Thomas Flat	WGH	Y	N	Y	Y	N
2	Upgrade of Kensington Flat	WGH	Y	N	Y	Y	N
3	Repairs to Puffin Ward Cladding	WGH	Y	N	Y	N	N
4	Repairs to GGH Ward Block Roof	GGH	N	N	Y	N	N
5	Theatre UC Canopy Remedial Works	GGH	Y	N	Y	Y	Y
6	Automatic Door Replacement	PPH	N	N	N	N	Y
7	External Grounds 2019	PPH	N	N	Y	N	N
8	Electrical PAT Testing & Fixed Boards 2019	PPH	N	N	Y	N	Y
	Compliance		50%	0%	88%	38%	38%
	Estates maintenance						
1	Breakdown – Pneumatic Tube System	GGH	Y	N	Y	Y	Y
2	Physio Rm Block 4 – Air Cond Unit	GGH	Not started	N	Not started	Not started	Not started
3	Main Entrance Corridor	GGH	Not started	Not started	Not started	Not started	Not started
4	Block 4 – Medical Window & Door	GGH	Y	N	Y	Y	Y
5	Repair to West Chiller	GGH	Y	N	Y	Y	Y
6	Repairs to St David’s Generator	GGH	Under supervision	N	Y	Under supervision	Under supervision
7	Courtyard scaffolding (Steam Leak)	WGH	Y	N	Y	Y	N
8	HSDU – repairs to sanitation fan assembly ⁵	WGH	N/A	N/A	N/A	N/A	N/A
9	External Grounds – resurfacing	WGH	N	N	Y	N	N

⁵ The repair work was undertaken off site, therefore testing was not applicable.

Project/Job		Location	Evidence that Toolbox talk completed	Induction completed	Knowledge of on-site contact	ID Badge issued	Sign in/out records
10	Service Air Compressors	WGH	Y	N	Y	Y	Y
11	Cleaning of pigeon poop various areas	WGH	Y	N	Y	Y	N
12	Crymych HC – Heating Boiler service & repair	WGH	Under supervision	N	Y	Under supervision	Under supervision
13	Angle iron dropped on roof of boiler house	PPH	N	N	Y	N	N
14	Inner auto doors stuck open in main entrance	PPH	Y	N	Y	Y	Y
Compliance			78%	0%	100%	78%	56%

Audit Assurance Ratings



Substantial assurance - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.



Reasonable assurance - The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved.



Limited assurance - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.



No Assurance - The Board has **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

* Unless a more appropriate timescale is identified/agreed at the assignment