



Internal Audit Report 2021/22



COMPLIANCE WITH THE PUBLIC
SECTOR INTERNAL AUDIT STANDARDS
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Merseyside Recycling and Waste Authority Health and Safety Management System

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Assignment Control

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Health and Safety Management System

1.1 Introduction

An audit review of the Health and Safety Management System (HSMS) was undertaken as part of the 2021/22 Internal Audit Plan. The purpose of the Audit was to provide an assessment of the adequacy of the control environment established, to ensure that objectives are achieved and risks are adequately managed.

This work relates in particular to Strategic Risk 36 – Failure to meet health & safety obligations, in that by ensuring that there is a sound Health & Safety Management System, the Authority satisfies its legal duty to put in place suitable arrangements for health & safety.

1.2 Scope

The review considered policies and procedures, the audit and inspection programme, risk identification mechanisms, accident and incident reporting and monitoring arrangements.

1.3 Background

Context

Merseyside Recycling & Waste Authority (MRWA) is committed to providing a safe and healthy working environment for all its employees.

MRWA has adopted a risk-based approach to health and safety whereby resources will be targeted at hazards where there is a potential for significant impact or where most incidents have arisen. As a minimum, MRWA will take all necessary steps to comply with health and safety legislation and Approved Codes of Practice, with due regard to HSE Guidance and relevant British, European, and International Standards.

There is no designated Health & Safety Officer within MRWA's structure, however, the Service Level Agreement with St Helens Borough Council provides for a health & safety advisory service.

Budget

There is no direct budgetary provision in terms of a separate cost centre. Costs for health and safety related training and equipment is funded from service budgets.

1.4 Audit Opinion

Internal Audit contribute to the overall governance of the Council by providing an opinion on how effectively risks are being managed and the adequacy and effectiveness of internal control in relation to the areas under review.

Our opinion is based on the work performed as described in the above scope, which was agreed with management prior to the commencement of the review.

Our overall opinion, following this review is as follows:

Substantial Assurance

The majority of expected controls are in place but there is some inconsistency in their application. Whilst there is basically a sound system of controls, there may be weaknesses in the design and/or operation of these and recommendations have been made to enhance the control environment further.

1.5 Agreed Action

Actions to address the recommendations made in this report are included in section 4, which has been agreed with the relevant Managers.

Control Objectives 2

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To gain assurance that the following control objectives are being achieved within an appropriate framework of control:

1. Health and Safety policies and procedures have been documented, subject to review, approved, issued to staff, and staff are aware of their requirements.
2. A robust audit and inspection programme is in place, implemented, subject to review and monitored accordingly.
3. The Authority has assessed its different health and safety risks and has implemented appropriate and effective control measures for each.
4. There are clearly defined and well communicated procedures for the reporting of accidents and near misses and for reporting any accidents/incidents that fall within RIDDOR. There are effective mechanisms in place for reporting and monitoring accident and near miss performance and for taking remedial action in response to trends and concerns.
5. The Authority's commitment to robust health and safety is evidenced by consideration of H&S matters at all levels throughout the organisation.

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Health and Safety Management System

The main findings from our review are highlighted below, and our detailed findings and recommendations are included in Section 4.

3.1 Areas of Good Practice

The Health & Safety Management System (HSMS) is a comprehensive system providing a robust basis for health & safety management. Risk Assessments and procedures have been well developed and the Authority has undertaken appropriate measures to safeguard against the risks of COVID-19.

3.2 Key Areas of Development

Whilst the HSMS in itself is robust, there are areas that have either not been fully embedded since its introduction, or have been compromised in their application due to the impact on resources and processes during the COVID-19 pandemic. Key areas requiring consideration and strengthening relate to:

- the Annual review and approval of the Health & Safety Policy;
- the Annual Management Review process; and
- the routine internal audit and inspection (by MRWA officers) of HSMS procedures.

3.3 Recommendation Summary

In order to assist management in using our reports, we categorise our recommendations according to their level of priority, please see section 5 for definitions.

This table details the number of recommendations made for each level of priority.

Low priority recommendations are provided at the exit meeting, and are not included in this report.

Priority	Number
High	1
Medium	4
Low	2

REF.	FINDINGS	IMPLICATIONS / RISKS	RECOMMENDATION	MANAGEMENT RESPONSE
<p>Control Objective 1: Health and Safety policies and procedures have been documented, subject to review, approved, issued to staff, and staff are aware of their requirements.</p>				
<p>1</p>	<p>The Health & Safety Policy Statement requires annual review which would normally be undertaken during the annual Management Review meeting held in January. This review meeting did not take place in 2021 resulting in the Policy not being reviewed and signed-off by the Chief Executive, as would normally be the case.</p> <p>The annual Management Review meeting would also normally include examination of health & safety performance and setting targets and objectives for the following year.</p>	<p>The absence of the annual Management Review meeting has led to the Policy not being subject to review and approval, as well as senior management oversight of health & safety arrangements being less robust.</p>	<p>i. The Health & Safety Policy Statement should be subject to review and sign-off by the Chief Executive at the earliest opportunity and annually thereafter.</p> <p>ii. The annual Management Review meeting should be convened, as planned, in January each year.</p> <p>Priority: High</p>	<p>Agreed Action: As per recommendation.</p> <p>Responsible Officer: Estates Manager.</p> <p>Timescale: 31st January 2022</p>

REF.	FINDINGS	IMPLICATIONS / RISKS	RECOMMENDATION	MANAGEMENT RESPONSE
2	The Authority has introduced an Agile Working Policy, although this is yet to be fully implemented due to the current, interim working practices resulting from the Pandemic. However, once the Agile Working Policy is fully implemented, the HSMS will require refreshing to reflect associated changes in working practices.	The HSMS would not fully reflect working practices.	The HSMS be refreshed to reflect the impact of the introduction of the Agile Working Policy. Priority: Medium	Agreed Action: As per recommendation. Responsible Officer: Estates Manager. Timescale: 31 st March 2022
3	There is a process in place for the establishment, assessment and review of health & safety legislation associated with all aspects of MRWA's operations. The Legislation Update Service (LUS) had been used to identify the relevant items of legislation. A standard template is in use to record the review of each item of legislation, however, whilst it was confirmed that the reviews had been undertaken, they were incomplete in that the sections on key compliance requirements, evidence of conformity and sources of evidence had not been completed.	Non-conformity with legislation may go undetected.	The Review Template in support of verifying compliance with health & safety legislation should be fully completed for future reviews. Priority: Medium	Agreed Action: The recommendation has been adopted as the Review Template is now being fully completed during the ongoing review process. Responsible Officer: Estates Manager. Timescale: Implemented

REF.	FINDINGS	IMPLICATIONS / RISKS	RECOMMENDATION	MANAGEMENT RESPONSE
Control Objective 2: A robust audit and inspection programme is in place, implemented, subject to review and monitored accordingly.				
4	<p>The internal audit of each Section of the HSMS has not been undertaken to the level that was initially scheduled since 2019/20. Whilst the COVID19 Pandemic had an impact, in particular for the early part of 2020/21, the coverage has fallen short of the minimum expectation that all sections should be reviewed on at least a three yearly cycle.</p> <p>In support of the process, An Audit Findings Log is in place to track issues and recommendations that are highlighted by the HSMS Internal Audit Review Process. However, the log was incomplete and whilst the document provides for review and oversight by the Director of Finance on a quarterly basis, this is not being undertaken.</p>	Non-compliance with expected procedures going undetected.	<p>i. The Audit Findings Log should be updated, kept up to date and evidenced as subject to regular review by the Director of Finance, in accordance with procedure</p> <p>ii. The Internal Audit Programme should be completed to schedule.</p> <p>Priority: Medium</p>	<p>Agreed Action: As per recommendation. The Audit Findings Log will be updated by 31st December, and the Programme will be completed by 31st March 2022. Both will then be maintained thereafter.</p> <p>Responsible Officer: Estates Manager.</p> <p>Timescale: 31st March 2022</p>

REF.	FINDINGS	IMPLICATIONS / RISKS	RECOMMENDATION	MANAGEMENT RESPONSE
<p>Control Objective 4: There are clearly defined and well communicated procedures for the reporting of accidents and near misses and for reporting any accidents/incidents that fall within RIDDOR. There are effective mechanisms in place for reporting and monitoring accident and near miss performance and for taking remedial action in response to trends and concerns.</p>				
<p>5</p>	<p>The Health & Safety Policy is clear that employees have a duty in respect of reporting matters of health and safety concern. However, this could be bolstered by reminding employees that they can also report matters confidentially / anonymously via the Confidential Reporting Policy, should the need arise.</p>	<p>Matters of health & safety concern going unreported due to fear of repercussions.</p>	<p>Employees should be reminded that matters of concern can be reported anonymously / confidentially.</p> <p>Priority: Medium</p>	<p>Agreed Action: As per recommendation.</p> <p>Responsible Officer: Estates Manager.</p> <p>Timescale: 31st December 2021</p>

Assurance Levels

High Assurance	All expected controls are in place and being applied consistently and effectively and there is a sound system of control designed to ensure the achievement of the service or system's business objectives.
Substantial Assurance	The majority of expected controls are in place but there is some inconsistency in their application. Whilst there is basically a sound system of controls, there may be weaknesses in the design and/or operation of these and recommendations have been made to enhance the control environment further.
Limited Assurance	A number of expected controls do not exist or are not applied consistently or effectively. There are weaknesses in the design or operation of controls that could impact upon achievement of the service or system's business objectives and these may have resulted in the emergence of key issues.
Minimal Assurance	A significant number of expected controls are not in place or there are significant weaknesses in the control system that may put the service or system's business objectives at risk. A number of recommendations have been made and / or key issues identified.

Recommendation Priority

High	Issues that are fundamental to the system of internal control for the area subject to review.
Medium	Issues where improvements in control are required to reduce the risk of loss, error, irregularity or inefficiency.
Low	Issues that merit attention and would improve the overall control environment.