



**Internal Audit Report
2015-2016**

Safety Inspections (Zurich)

**Sarah Hornsby
02 September 2015**

Contents

Audit: Safety Inspections (Zurich)
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1 Introduction

- 1.1 The Council has a responsibility to mitigate risks wherever possible. In doing so they also reduce the potential for claims to be made by staff and members of the public who may injure themselves using the Council's services and equipment.
- 1.2 To aid the Council in this process they have employed the insurers Zurich to carry out inspections on all engineering equipment, subject to specific regulations using their specialist team Zurich Engineering. After an inspection has been undertaken a report is provided with a defect type, which is to be rectified within a certain timescale. The different types of defects and the timescales are: -

Item Status	Summary	Action Required	Crimson update required
Serious Defect AE, AN	Item is or could soon become a serious danger to the safety of people	Immediately take out of service and do not use until defect is rectified. Aim to rectify within 7 days	Update within 7 days with actions taken/planned Track actions to closure
Other Defects BD	Requires attention, typically as part of routine maintenance	Must be rectified within 30 days	Update within 30 days with actions taken/planned Track actions to closure
See Observations	Customer advice notice	Review and if appropriate take action Aim to complete within 30 days	Update within 30 days with actions taken/planned Track actions to closure
OK	No defect, but there may be a recommendation	None unless there is a recommendation, in which case you should review and take action if appropriate.	Update within 30 days to confirm report reviewed. If there was a recommendation, include a comment regarding any planned actions
Not available Not located NV, NL	Item was not available for inspection or could not be found	Item should be located and Zurich called back to inspect as soon as possible. If item has been sold/lost, notify the Insurance Officer who will update	Update within 30 days to confirm actions taken

		Crimson Aim to complete within 30 days	
Deleted DL	Item removed from inspection schedule (typically sold, replaced or lost). It will remain on Crimson with details of any previous inspections. No action is required.		

2 Scope

- 2.1 The Council perform their own safety inspections as well as relying on the work of Zurich Engineering. This audit reviewed the procedures in place for Zurich Engineering and not of any internal inspections undertaken by the council.
- 2.2 The Audit focused on the following areas: -
- Risk Management - That services have identified their risks and taken mitigating action by carrying out Risk Assessments and Pre Work Checklists at least annually.
 - Operational Monitoring & Reporting - that defects are rectified within the designated timescale and reported at the appropriate level.
 - Reputational Risk - accidents as a result of not rectifying a defect would result in adverse publicity and insurance claims being made against the Council.

3 Findings

- 3.1 Inspections on equipment and plant are undertaken at set times throughout the year. The frequency of testing is determined by the risk attached to the activity and dependent on regulation recommendation. Each location within Chichester District Council has a Chichester District Council employee, otherwise known as the Responsible Person, who is responsible for communicating with Zurich over the inspection visits. It is then the responsibility of the location Manager, Head of Service and Director to ensure compliance with the procedures associated with these inspections.
- 3.2 Appointments are made by Zurich prior to the inspection usually one to two weeks in advance. Testing found that in all cases the Responsible User, or their representative, were contacted prior to the inspection.
- 3.3 Reports, once produced, are placed by the inspector onto the Zurich System (Crimson) which the Responsible Person has access to. They are notified by email that a report is available and it is their responsibility to review, action and comment on the report. If the actions taken are not recorded on Crimson there is an incomplete audit trail, leaving the council open to potential legal action in the future. Testing found that these notes were not always completed in a timely manner.

- 3.4 Zurich produces defect reports which are classified according to the seriousness of the defect. For example, if the Service is provided with a Type AE or AN defect it is categorised as a piece of equipment that could now or soon become a serious danger to the safety of people. As a result the service is issued with a report at the end of the on-site inspection which they must sign for, and the equipment cannot be used until that defect is repaired. From the sample tested it was found that there was one Type AN defect issued. The service was issued with a report at the end of the site inspection, which was signed for. However, the piece of equipment was not taken out of service until four days later and action taken was not recorded on Crimson, leaving an incomplete audit trail.
- 3.5 All Responsible Persons have been provided with training and procedure notes to follow when dealing with Zurich. They are required to complete a Pre Works Checklist and Risk Assessment for the area to be inspected and where necessary obtain a site specific risk assessment from Zurich. Testing found that of the 13 cases tested, 12 had either not produced a Pre Works Checklist or were unable to locate them when requested to by Internal Audit. Risk assessment for all the areas tested had been completed.
- 3.6 The Council's Insurance Officer produces an Inspection Status Report for each site on a quarterly basis. These reports enable all outstanding defects to be highlighted and monitored. They are presented at quarterly meetings held with the relevant service area and Head of Service so ensuring that any insufficient action by those responsible is escalated to Senior Management.
- 3.7 Testing found that access rights for users of Crimson are restricted to the maintenance of their user profile. Crimson is also password controlled and a backup procedure carried out by Zurich secures all the information processed and held.

4 Conclusion

- 4.1 Overall Internal Audit is reassured that inspections are being undertaken however, the audit has identified areas where controls could be strengthened. Therefore recommendations have been made and these can be seen in the action plan on the next page.

5 Recommendations

- 5.1 An Action Table has been produced for recommendation made, see Appendix 1. In order to prioritise actions required, a traffic light indicator has been used to identify issues raised as follows:

Red – Significant issues to be addressed


Amber – Important issues to be addressed

Green – Minor or no issues to be addressed

6 Action Plan – Appendix 1

Paragraph Ref	Recommendation	Responsible Officers	Priority	Agreed?	Comments	Implementation Date
3.3	That Responsible Officers are reminded that they must access the system and make comments or actions on each defect report, ensuring an audit trail of events, in a timely manner	Accountancy Services Manager to raise the profile with Heads of Services who will be responsible for ensuring that action is taken	●	Yes	Accountancy Services Manager, will aim to include in Management Forum Risk Management training scheduled for 16 December 2015	31 December 2015
3.4	Responsible Officers are made aware that equipment found to have a type AE or AN defects are to be taken immediately out of service until the defect is repaired	Accountancy Services Manager to raise the profile with Heads of Services who will be responsible for ensuring that action is taken	●	Yes	Accountancy Services Manager, will include in Management Forum Risk Management training scheduled for 16 December 2015. It will also be raised at the next quarterly review meeting with the specific service.	31 December 2015

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3.5	Responsible Officers are to be made aware that they are to carry out Pre Work Checklists at least annually, and documentation is to be kept on file to show this has been completed.	Accountancy Services Manager to raise the profile with Heads of Services who will be responsible for ensuring that action is taken		Yes	Accountancy Services Manager, will include in Management Forum Risk Management training scheduled for 16 December 2015. It will also be raised at the next quarterly review meeting with the specific service.	31 December 2015
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