

EXECUTIVE COUNCIL

PUBLIC

Title:	Public Accounts Committee – response from FIG to “Health & Safety” raised at the Legislative Assembly on 27 th July 2017
Paper Number:	74 /18
Date:	25 April 2018
Responsible Director:	Director of Human Resources
Report Author:	Director of Human Resources
Portfolio Holder:	Honourable MLA Spink
Reason for paper:	This paper is submitted to Executive Council: For policy decision
Publication:	Yes after 29 May 2018
Previous papers:	None
List of Documents:	Letter to the Legislative Assembly 3 July 2017 Internal Audit Report – health & Safety (13/17)

1.0 Purpose

To respond to the recommendations made by the Public Accounts Committee as provided in the PAC letter dated 9th December 2016.

2.0 Recommendations

2.1 That Executive Council:

- a) Agree the submission of the response detailed below to the Legislative Assembly;
- b) That this report is made public after submission of the response to the Legislative Assembly on 29 May 2018.

3.0 Background

3.1 The Public Accounts Committee submitted a letter of 3 July 2017 (Appendix A) to Members of the Legislative Assembly (laid on the table on 27 July 2017) following their review of the Internal Audit Report (Appendix B):

- Internal Audit of Health and Safety Management Agreements.

3.2 The Public Accounts Committee Ordinance 2009, Section 14 (1) states:

If the Committee, in reporting to the Legislative Assembly, recommends that the Government should or should not take a course of action, the Governor is to submit within six months a written response to the Assembly”.

- 3.3 The letter from the Public Accounts Committee was received by the Director of Human Resources on 27 February 2018 and as such the draft response below has been developed.

4.0 Details

4.1 Response to the Public Accounts Committee (PAC/17/6/9)

Further to the letter from the Chair of the Public Accounts Committee (3 July 2017) I confirm that following a review of the Internal Audit report on Health and Safety (13/17) by the Monitoring Group and the Corporate Management Team a set of arrangements were developed for the management of Health & Safety across the Falkland Islands Government. Having been the subject of consultation it is proposed that the revised Governance Framework, Policy Statement and Corporate Health & Safety arrangements will replace the arrangements set out in Chapter 2 of the Falkland Island Government’s Management Code.

The new Health and Safety Governance arrangements and Policy Statement form the basis on which health and safety is managed and developed across all government departments. The documents, clarify the roles and responsibilities for all Officers from the Chief Executive through the Corporate Management Team (Directors) and across each Directorate.

In support of the Health & Safety Management Governance Framework and Policy Statement additional thematic guidance is being developed. To ensure the revised arrangements are effectively embedded across FIG a comprehensive training programme has been developed to ensure that all those responsible for the management of Health & Safety are appropriately knowledgeable and competent to perform their duties. This training programme will initially extend for a six month period to capture as many staff as possible and will then form part of the annual corporate training programme of ‘Management’ and ‘Employee’ Essentials Workshops, which will include specialist training where appropriate.

5.0 Resource Implications

5.1 Financial Implications

None directly linked to this report.

5.2 Human Resource Implications

None directly linked to this report.

5.3 Other Resource Implications

None directly linked to this report.

6.0. Legal Implications

- 6.1 There are no specific legal issues resulting from this report. The proposed H & S Governance Framework provides for compliance with the relevant legislation.

7.0 Environmental & Sustainability Implications

- 7.1 There are no environmental and sustainability implications directly linked to this report.

8.0 Consultation

- 8.1 The Honourable MLA Spink in his capacity as Portfolio Holder and MLA Edwards as Deputy Portfolio Holder via the MLA Briefing in March 2018.

9.0 Communication

- 9.1 There are no additional communication requirements created as a result of this report. Publication of the above draft response is detailed a Recommendation 2.1 (b)

Public Accounts Committee

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Ref: PAC/17/06/09

3rd July 2017

Members of the Legislative Assembly
Gilbert House
Stanley

Dear Members,

Internal Audit: Health and Safety

At our Committee Meeting held on 8th June, the Chief Internal Auditor appraised us of an Internal Audit regarding Health and Safety.

We understand that the audit had limited assurance. Part 5 of the Crimes Ordinance (2014), which came into force on 21 April 2017, creates a new offence of Corporate Manslaughter. This means that individual managers who do not provide an acceptable level of duty of care to their employees may be liable to prosecution.

In terms of standards applied, it has been indicated by FIG, to private sector organisations, that where the Falkland Islands does not have specific health and safety regulations, the Courts will look to regulations in force in the UK for guidance on what is required by an employer to fulfil their duty of care to employees.

Members are very concerned that health and safety systems are limited with policies not always followed. We want assurance that this is being looked into as a matter of urgency with a response by the end of August. If no such response is received, Members will request a meeting with either the Chief Executive or the Director of Human Resources for an explanation.

Yours sincerely,



Dr Andrea Clausen
Chairman
Public Accounts Committee

cc: Chief Internal Auditor



Internal Audit Report
Falkland Islands Government
Health and Safety
Draft Issued: March 2017
Final Issued: May 2017

Report No. 13/17

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Executive Summary

Introduction

The FIG Strategic Risk Register includes a risk that FIG does not have suitable processes in place to ensure the wellbeing of staff at work or members of the public, leading to avoidable injury and potential litigation. Chapter 3 of the FIG Management Code covers Health and Safety and provides an overview of how FIG will manage health and safety including risk assessments, accident reporting and fire safety.

We understand that there is no specific legislation in place in the Falkland Islands regarding health and safety. However the FIG Health and Safety Policy states that the government is committed to ensuring it's officers health and safety at work by all reasonably practicable means within it's power.

In addition to the Management Code there is also a FIG Health and Safety Book available on Public Folders. This Health and Safety Book was published in 2001 and has not been updated since.

Overall Conclusion

Risk-1. Inadequate guidance is provided to management and staff.

Limited Assurance.

Risk-2. Lack of monitoring of health and safety across FIG.

No Assurance.

Risk-3. Lack of compliance with health and safety requirement across FIG.

Limited Assurance.

As part of the audit 3 departments from different FIG directorates were selected and the health and safety arrangements were discussed and walkthrough testing performed where controls were in place. It was apparent from the limited amount of audit testing performed that there are significant gaps between the health and safety arrangements in place and those as per the Management Code/ Health and Safety Book. For example risk assessments were generally not carried out, in particular they had not been carried out for recent FICS school work

experience placements. Fire Safety arrangements also varied significantly, FICS had developed their own Fire Drill Procedure which included a list of Fire Wardens and a record of the regular fire drills. However, other departments such as Natural Resources had not had a fire drill in several years and did not have anyone responsible for Fire Safety. During the course of the audit the Fire and Rescue Service have advertised some training for Fire Wardens and Fire Extinguisher Training. We have provided feedback to the 3 departments individually on the key areas that need to be addressed as a matter of urgency. However, rather than raise a list of recommendations in this report we believe action needs to be taken by the FIG Corporate Management Team to decide on the Health and Safety arrangements across FIG and to then ensure that appropriate training and support is provided rather than individual departments working in isolation.

The FIG Strategic Risk Register includes the planned mitigation that FIG would raise awareness, provide training and systems would be considered and implemented across the civil service. However, no action has been taken to address this risk and there are no immediate plans to provide the described mitigations.

Opinion

Results of testing show that the level of assurance Internal Audit is able to give to Health and Safety is:

Limited

This is explained in more detail in Appendix 3.

Recommendation Summary

Priority	High	Medium	Low
No of Recommendations	1	0	0

These recommendation levels are explained below.

Priority	Explanation
High	Fundamental control weaknesses for senior management action. These recommendations relate to key controls crucial to managing the risk of error, loss, fraud or the non-achievement of business objectives.
Medium	Other control weaknesses for local management action. These recommendations address controls the absence of which, in themselves, are not likely to be serious, but if other key controls lapse there could be a problem.
Low	Recommended best practice to improve overall control and/or efficiency.

Findings and Recommendations

Ref	Finding	Recommendation	Management Response (Including Implementation Date)
1	<p>Chapter 3 of the FIG Management Code covers health and safety and provides an overview of how FIG will manage health and safety including risk assessments, accident reporting and fire safety. In addition to the Management Code there is also a FIG Health and Safety Book available on Public Folders. This Health and Safety Book was published in 2001 and has not been updated since.</p> <p>Our audit review identified significant gaps between what the policies and procedures required and the health and safety arrangements in place.</p> <p>The guidance provided on health and safety has not been updated since 2001 and 2003 and there is a lack of training and support to help Directorates. One exception to this is the Fire Warden and Fire Extinguisher training courses which have recently been advertised by the Fire and Rescue Service.</p>	<p>CMT should as a matter of urgency ensure that:</p> <ul style="list-style-type: none"> a) the FIG Health and Safety arrangements as per the Management Code and the Health and Safety Book are reviewed and updated; b) Training is arranged for all Heads of Service covering the revised health and safety arrangements; c) Appropriate support is provided for departments in carrying out their health and safety roles (this will depend on part a above but could include central resources to carry out electrical equipment tests etc) <p>High Priority</p>	<p>Management response:</p> <p>The audit finding is accepted and Health and Safety will be added to the next CMT agenda to allow a full discussion on the matter and agree the next steps.</p> <p>Implementation Date:</p> <p>To be discussed at CMT by the middle of May with appropriate actions to be agreed and monitored by CMT.</p>

Appendix 1 – Audit Framework

Audit Objectives

- 1.1 This audit was undertaken to provide assurance that there are adequate controls in place to manage risks in respect of health and safety.
- 1.2 Detailed findings were discussed with management and their factual accuracy agreed. Our opinions take into account the likelihood of risks occurring and their impact together with the adequacy of controls in place to detect, minimise or prevent them materialising. Our assurance opinion is expressed on a four-point scale. Assurance opinions are explained in Appendix 3.
- 1.3 We plan our work so that we have a reasonable expectation of identifying significant control weaknesses and possible indicators of loss and / or fraud. Such weaknesses and the discovery of any fraud will be reported to the Director; if the indicators of fraud are sufficient, we may carry out further investigative work and/or pass our concerns to the Chief Executive. But internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. As such, internal audits should not be relied upon solely to uncover any fraud that may exist, unless we are requested to conduct a special investigation for such activities in a particular area.
- 1.4 Recommendations resulting from the audit are shown against each of the risks covered by the audit.

Audit Approach and Methodology

The audit approach was developed with reference to Internal Audit procedures and by assessment of risks and management controls operating within each area of the scope.

The following procedures were adopted:

- Identification of the role and objectives of each area;
- Identification of risks within the systems, and controls in existence; and
- Evaluation and testing of controls within the systems.

From these procedures we have identified weaknesses in the systems of control, produced specific proposals to improve the control environment and have drawn an overall conclusion on the design and operation of the system.

Areas Covered

Audit work was undertaken to cover the following risk areas:

- Inadequate guidance;
- Lack of appropriate monitoring; and
- Lack of compliance with health and safety requirements.

Appendix 2 – Report Distribution

Draft Report	Andrew Almond-Bell	Director of Emergency Services and Island Security
	Stuart Hampson	Director of Human Resources
	Lydia Morrison	Financial Secretary
	Barry Rowland	Chief Executive

Final Report	Andrew Almond-Bell	Director of Emergency Services and Island Security
	Stuart Hampson	Director of Human Resources
	Lydia Morrison	Financial Secretary
	Barry Rowland	Chief Executive

Appendix 3 – Assurance Definitions

Good	There is a good system of governance, risk management and control in place. If weaknesses have been identified they are minor. Internal control would be improved if they were addressed, but they would not affect key controls and would be unlikely to impair the achievement of objectives.
Satisfactory	A system of control is in place but there are some weaknesses in its design or application. These weaknesses increase the risk that objectives may not be achieved.
Limited	A system of control is in place but there are serious weaknesses that could have a significant impact on the achievement of objectives and / or a serious risk of loss (financial or otherwise) to the Falkland Islands Government.
None	There is no assurance that objectives will be achieved. Key controls are absent, poorly designed or there is a high level of non-compliance. Immediate action is required to improve the adequacy and effectiveness of governance, risk management and control.