

Domestic Workshop

Quality Assurance (Audit Update)

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What is Quality?



“One can say that a product has good quality when it ‘complies with the requirements specified by the client.’”

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Black Box Thinking - Matthew Syed

- Success can only happen when we confront our mistakes
- More people die from mistakes made by doctors and hospitals than from traffic accidents.
- Aviation, on the other hands, has created an astonishingly good safety record because mistakes are learned from rather than concealed.
 - What went wrong?
 - What can we all learn?
 - What can we do to improve?
 - Not finger pointing – but a open loop process (to improve quality)

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Black Box Thinking - The Five Big Ideas

1. The single greatest obstacle to progress is failing to learn from mistakes.
2. A cornerstone to success is a progressive attitude to failure.
3. “Only by redefining failure will we unleash progress, creativity, and resilience.”
4. “When we are confronted with evidence that challenges our deeply held beliefs we are more likely to reframe the evidence than we are to alter our beliefs.”
5. “Marginal gains is not about making small changes and hoping they fly. Rather, it is about breaking down a big problem into small parts in order to rigorously establish what works and what doesn’t.”

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What is Quality Assurance

- Is much more than just auditing.
- Includes for example;
 - Qualifications,
 - Training,
 - Telephone/email support,
 - Software,
 - Bulletins/guidance
 - Conventions and Technical Steering Groups
- As well as an audit.

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Aims of Quality Assurance

- To ensure accurate energy certificates
- To ensure consistent energy certificates
- To ensure that all stakeholders have confidence in the credibility of energy certificates
- Continuous Improvement

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Domestic New Audit Regime

- New SORs created to define a way forward (April 2018)
 - Via EASOB – new ownership of part of the SOR
 - Regular meetings to keep SOR and auditing current
- New approach to audit sampling:
 - DEA Since Oct 2018
 - OCDEA Since Aug 2019
- Random audits (c.1%)
- Smart audit (c.1%)
 - A risk based approach
 - Focus on potential issues of quality
 - Currently 16 (DEA) and 3 (OCDEA) smart rules
 - Can quickly change over time (following identified risk)

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SMART Rules

- **Specific** – who, what, which, where, why?
 - **Measurable** – how many, how much?
 - **Attainable** – not too wide, not too difficult, not too easy
 - **Relevant** – is it the right thing to do?
 - **Time Bound** – needs to be focused, right amount of urgency
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- Smart Rules available at EASOB Website or via your scheme
 - <http://www.easob.co.uk/>

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DEA SMART Rules

Priority No.	Rule No	Rule
1	23	Any occurrence of 2 or more EPC lodgements for the same UPRN within a 3 calendar month period made by assessors from the same scheme.
2	1	No main heating system present, but mains gas supply available.
3	2	Main building age band is L
4	3	Heating controls of boiler energy manager
5	4	Overridden U-values for the main building walls
6	15	Wall of any building part that has insulation type unknown
7	16	Floor of any building part that has insulation type unknown
8	17	Non-pitched roof or roof room of any building part has insulation type/thickness 'unknown'
9	6	No heating controls present, but main heating system is a gas (incl. LPG) or oil boiler
10	22	Any floor of any building part room height is <1.5m or >4m
11	8	Mechanical ventilation present in property built prior to 2003 (including supply/extract)
12	21	Gas/Oil/LPG boiler main heating system and hot water from electric immersion
13	11	Age band A cavity walls
14	12	No access to main building loft
15	13	No access to HW cylinder
16	14	Multiple lodgements by same assessor on same property within 1 calendar month where SAP rating was F or G but is now E or above
NA	5	Dormant - Any building part on any element has insulation type recorded as unknown
NA	9	Gas boiler main heating system and hot water from electric immersion
NA	7	Dormant- Ground floor of main building room height is <1.5m or >4m
NA	18	Dormant- Duplicate lodgement of an EPC for the same property within 7 calendar days by the same assessor
NA	19	Dormant- Main building age band K or L
NA	20	Dormant- Floor and wall insulation unknown

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OCDEA SMART Rules

OCDEA SMART rules V1.1
Implementation date is from 1st September 2019
New rules and changes are highlighted in blue

Priority No.	Rule No.	Rule
1	4	Any occurrence of 2 or more EPC lodgements for the same UPRN within a 3-calendar month period made by assessors from the same scheme.
2	1	Energy Certificate lodged on same UPRN within 1 day (when none are marked as not for issue)
3	2	Energy Certificate lodged on same UPRN within calendar month (when first is not transaction type FITs)
NA	3	Dormant - Energy Certificate lodged on same UPRN within 3 calendar months (when none are marked as not for issue)

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SMART Audits

1. A smart audit is designed to find potentially defective Energy Certificates.
2. A smart audit will focus on the data items and associated evidence related to the smart rule(s) that the lodgement has triggered.
3. If a smart audit fails for a reason other than the smart audit rule that it triggered, then the subsequent follow on audit should be based on the same criteria that caused the fail.
4. If a lodgement is called for smart audit and triggered multiple smart audit rules then it should be audited against them all but only counted as one smart audit

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Results – a Stroma Perspective

Initial month – only getting down to smart rule 15 (priority 5)

- Smart rule 1 - (No main heating system, mains gas available) – 10% of Smart audits called.
- Smart rule 2 - (Main building age is band L) – 63% of Smart audits called.
- Smart rule 3 – (Heating controls of boiler energy manager) – 4% of Smart audits called.
- Smart rule 4 – (Overridden U values) – 15% of Smart audits called.
- Smart rule 15 – (Walls insulation type unknown) – 7% of Smart audits called.

- We saw a shift towards looking at multiple lodgements as Smart rules mid year, and although it went through iterations became the focus of the second half of 2019. This figure was extremely high to start with (although did vary across schemes), as much as 100% of our Smart audits were called on multiple lodgement rules in August.

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Results – a Stroma Perspective

Current - early 2020 – getting as far down as rule 21 (priority 12)

- Smart rule 23 – (Multiple lodgements within 3 calendar month period) – 0.5% of Smart audits called.
- Smart rule 1 - (No main heating system, mains gas available) – 4% of Smart audits called.
- Smart rule 2 - (Main building age is band L) – 10% of Smart audits called.
- Smart rule 3 – (Heating controls of boiler energy manager) – 1% of smart audits called.
- Smart rule 4 – (Overridden U values) – 3% of Smart audits called.
- Smart rule 15 – (walls insulation type unknown) – 5% smart audits called.
- Smart rule 16 – (floor insulation unknown) - 6% of Smart audits called.
- Smart rule 17 – (non pitched roof/roof room insulation unknown) - 55% of Smart audits called.
- Smart rule 6 – (No heating controls present, main heating gas, LPG or Oil) – 0.5% of Smart audits called.
- Smart rule 22 – (room height <1.5m or >4m) - 8% of Smart audits called.
- Smart rule 8 – (Mech vent present in property built prior to 2003) - 3% of Smart audits called.
- Smart rule 21 – (Gas/Oil/LPG boiler main system, hot water electric immersion) - 5% of Smart audits called.

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Initial conclusions

- A more positive process
- Focus around risk
- Still proportion of random – to find the new ‘unknown’ risks
- Quicker to achieve results – highlighting training, software, support, new smart rules etc.
- Closure of the endless loop of auditing of old SOR

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Positives

- Less random audits – more focus on known or higher risk data
- Most energy assessors do receive less audits (1% auditing)
- Removal of Targeted Audits – 2x audits following audit failure
- Replaced with single follow on audit
 - Smart follow on audits only triggered if the same risk/smart rule is repeated
- Highlights a training need more quickly
- Our findings show that smart audit failures don't lead to follow on's
 - The audit process is working

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Lessons Learned

- Implementing a new process and a new audit system has been a challenge.
- The order of the rules may need to be changed
- Can the rules be refined
- Do we need different rule
- We need more feedback from industry
- We need to interact with the new register to look at trends that single schemes can see.

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Questions?

- What risks are there around Domestic EPCs?
- Do you think that a risk based approach is right?
- If not what is a better way of auditing?
- What processes can we all change to improve the quality of Energy Certificates?

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