

— LAND &amp; WATER

# Agency Labour Compliance Audit

How an independent agency audit uncovered serious Right to Work, payroll and qualification risks — and put every one of them right.

**68**

Workers sampled across  
supplying agencies

**50%**

Failed Right to Work checks  
before remediation

**100%**

Of failure items addressed  
through an action plan

Independent, evidence-based assurance for  
complex labour supply chains

Agency labour · Supplier audit

## CLIENT OVERVIEW

## Caring for the nation's coastline and waterways

Land & Water is first and foremost an environmental company, full of people who are passionate about caring for the nation's coastline and its network of rivers, streams, wetlands and waterways.

The business started 40 years ago and has grown and flourished to support the changing landscape and environments we live in — and to leave the world a better place.

Its clients, from government agencies to large corporations and private individuals, rely on the diverse and creative problem-solving mindset it brings to every project. Over the years it has designed equipment specifically to solve complex engineering challenges, developed inventive ways to recycle waste products, patented waste treatment technologies and incorporated species-saving solutions into the most sensitive habitats.

## AT A GLANCE

CLIENT  
Land & Water

SECTOR  
Environmental engineering

ESTABLISHED  
40 years

CLIENTS  
Government agencies,  
corporations and private  
individuals

ENGAGEMENT  
Agency labour compliance audit

OUTCOME  
Full compliance with relevant  
UK legislation

## THE BACKGROUND

## Why an agency audit?

Land & Water contacted Compliance.One to help carry out an audit of its recruitment agencies.

Compliance.One's audit checks cover 100% of supplied workers and are carried out every six months. By reviewing the processes, systems and records in place for each recruitment partner, clients can verify ongoing compliance and ensure their agencies have everything they need to meet the standards expected of them.

## OUR VIEW

**Audits are an excellent tool for evaluating the level of risk within a supply chain — which is why we recommend setting up an ongoing audit programme.**

## THE OBJECTIVES

## What Land & Water's agency audits set out to verify

**01**

Compliance with legislative and regulatory requirements

**02**

Compliance with the agreed terms of business

**03**

Necessary worker pre-employment checks are completed

**04**

How workers have been engaged

**05**

The labour provider and any sub-suppliers are suitably insured

**06**

Whether the labour provider is socially responsible in its treatment of worker pay, benefits and statutory employment rights

## THE AUDIT SOLUTION

## Major elements of the Compliance.One audit

The major elements of the Compliance.One audit provided to Land & Water were:

**1****Legislative & regulatory compliance**

To verify whether suppliers comply with legislative and regulatory requirements.

**2****Best practice & SLAs**

To verify whether recruitment best practice is adhered to and suppliers are operating in line with any agreed SLAs.

**3****Social responsibility**

To verify whether suppliers are socially responsible in their treatment of worker pay, benefits and statutory employment rights.

**4****Ethical operating processes**

To verify whether suppliers' operating processes regarding the disclosure of finances and redress of grievances can be deemed ethical.

## THE AUDIT SOLUTION — CONTINUED

## Agency resource in scope of the audit

Each supplying agency was asked to provide evidence across 14 documents, covering corporate and financial standing through to policies, statements and accreditations.

| Corporate & contractual <span>7 ITEMS</span>                                                                                                                                                                                                                                                                                                              | Policies & accreditations <span>7 ITEMS</span>                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Pre-audit questionnaire</li> <li>Certificate of incorporation</li> <li>VAT certificate of registration</li> <li>Documentary evidence that the labour provider is registered for PAYE</li> <li>Confirmation of business insurance</li> <li>Template registration forms</li> <li>Template worker contract</li> </ul> | <ul style="list-style-type: none"> <li>Health &amp; safety policy</li> <li>Equal opportunities and diversity policy</li> <li>Environmental policy</li> <li>Complaints policy and procedure</li> <li>Modern Slavery Statement</li> <li>ISO certificates (if held)</li> <li>Membership certificates (e.g. ALP, REC, APSCo)</li> </ul> |

## HOW THE PROGRAMME WORKS

# 100%

of supplied workers covered by audit checks

# 6-monthly

audit frequency for ongoing compliance

# 3

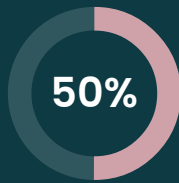
lenses reviewed: processes, systems and records

## EVIDENCE, NOT ASSUMPTION

*Every item is reviewed as evidence — not simply confirmed as present — so that gaps in process, documentation or worker treatment can be identified and put right.*

## THE RESULT

## What the audit uncovered



### 34 of 68 workers failed Right to Work checks

Half of the sampled workforce failed Right to Work checks — the most significant risk identified in the audit.

### 48 workers

may not have held the required CSCS / CPCS card

### 33 workers

paid via a payroll intermediary that went into liquidation

## SIGNIFICANT FINDINGS

#### Right to Work failures

Out of a sample of 68 workers, 34 (50%) failed Right to Work checks.

#### Licences & qualifications

An inconsistent process for obtaining and checking licences and qualifications.

#### Offshore payroll

A worker engaged via an offshore payroll company, with no deductions made to gross payment.

## OTHER FINDINGS

#### Payroll intermediary in liquidation

33 workers were paid via a payroll intermediary which had recently gone into liquidation.

#### CSCS / CPCS cards

48 workers may not have held the required CSCS / CPCS card.

## THE ACTION

## Fully compliant with all relevant UK legislation

A plan was put in place to rectify all of the failure items identified. Land & Water's supplying agencies and workers are now fully compliant with all relevant UK legislation.



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complex labour supply chains

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