Glasgow City Council Internal Audit Section
Committee Summary
Neighbourhoods, Regeneration and Sustainability, Financial Services and Chief Executive's Department – Council Family Review Implementation

Item 2 (d)

30th November 2022

1 Introduction

1.1 As part of the internal audit plan we have carried out a review of the governance arrangements across several Council services in relation to a recent Council Family review.

1.2 A report was approved by the Council Administration Committee (CAC) in January 2021 in relation to a review of Development & Regeneration Services (DRS) and Neighbourhood & Sustainability (NS). This report concluded that the majority of service areas within these departments would benefit from a combined service model with the underlying theme of "Place and Development", integrating key city strategies and services to promote better outcomes for people and communities. This new Service became "Neighbourhoods, Regeneration and Sustainability" (NRS).

1.3 The findings of the exercise also considered that two business areas should not be included within NRS but should instead transfer to other Council services. This resulted in Economic Development transferring to Chief Executive's Department (CED) and Catering & Facilities Management (C&FM) transferring to Financial Services (FS).

1.4 The purpose of the audit was to gain assurance that there were adequate processes and controls in operation following the recent changes resulting from the Council Family Review. The scope of the audit included:

- Ensuring that the roles & responsibilities of the service and affected staff are clearly defined.
- Ensuring the documented procedures and policies have been updated to reflect new working practices.
- Confirming that new reporting lines have been formalised, documented and communicated to all relevant staff.
- Ensuring that the Scheme of Delegated Functions and any local schemes of delegation have been updated to reflect the new governance structures and delegated authority.
- Reviewing changes to the financial monitoring arrangements, including ledger adjustments.
- Reviewing key control arrangements for the department (referred to as the 1st and 2nd lines of defence) confirming that no gaps have arisen, and
- Reviewing any temporary or interim measures adopted as a result of the Covid-19 Pandemic.

2 Audit Opinion

2.1 Based on the audit work carried out, assurance can be taken that the control environment is satisfactory.

3 Main Findings

3.1 We are pleased to report that key controls are in place and are operating effectively. Through discussion with key officers within Economic Development and C&FM, we were satisfied that the operational changes to each service area as a result of the transfer were minimal. There was no significant impact to either service with the move more of a 'lift and lay', meaning that that the key governance arrangements (such as procedures, roles & responsibilities and reporting lines) remained mainly unaffected. Where there was a change, evidence was supplied to support this and provided assurance that there were no gaps in the control environment.

3.2 In relation to NRS, we were satisfied that following the initial transfer, there were appropriate changes to financial monitoring processes, ledger adjustments were actioned, and the financial systems adequately updated to reflect the new service. In addition, roles & responsibilities, reporting lines and the Scheme of Delegation have been updated and approved by Senior Management.

3.3 From a review of two specific NRS service areas (Finance & Transformation and City Development), we were satisfied that the 1st and 2nd lines of defence in place after the initial transfer were satisfactory and confirmed that appropriate work had been undertaken by senior officers to ensure that new processes and team structures were adequately communicated to all staff.

3.4 Whist the major changes were made in 2021, we were advised that due to the size of the service, and in light of current external factors impacting the Council as a whole, NRS will continually monitor the structure to ensure that its governance arrangements remain fit-for-purpose. This monitoring has resulted in NRS altering the structure further and reporting lines have been amended to take account of these required changes. We were satisfied that the changes did not affect normal processes and that no gaps in controls or governance arrangements were created.

3.5 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.

3.6 We would like to thank officers involved in this audit for their cooperation and assistance.