GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

COMMITTEE SUMMARY

Item 2(f)

28th September 2022

Title of the Audit: Corporate Review – Establishment Visits

1. Introduction

1.1 As part of our agreed Internal Audit Plan we have carried out a sample of unannounced spot checks at 14 Council establishments. Depending on the services delivered at each location, these spot checks comprised reviews of relevant aspects such as physical security, information security, health and safety, cash management (including school and service user funds and belongings) and education software licensing.

1.2 We carried out the spot checks across three Council Services:

- Education Services (EDS) – 7 establishments
- Neighbourhoods, Regeneration and Sustainability (NRS) – 2 establishments
- Social Work Services (SWS) – 5 establishments

The nature of testing conducted is listed in the table below.

	EDS	NRS	SWS
Information Security	✓	✓	✓
Software Licensing	✓		
Cash Management (including school and client funds)	✓	✓	✓
Physical Security	✓	✓	✓
Health & Safety	✓	✓	✓

1.3 The purpose of the audit was to assess the controls in place across the different aspects noted above and the effectiveness of these at each of the locations visited.

2. Audit Opinion

2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and six recommendations which management should address.

3. Main Findings

Physical Security

3.1 Some key controls in relation to physical security were in place and in the main operating effectively at the establishments visited as part of our audit.

3.2 We did identify some instances where controls in relation to physical security could be strengthened. We were not asked to present identification upon arrival at nine of the establishments, although this was addressed with management at the time of the visit. Furthermore, we identified two establishments where we had been able to gain entry to the premises unchallenged.

3.3 We found that the management of key fobs require to be improved at two EDS establishments and one SWS establishment.

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3.4 At one NRS establishment there was no signage to advise that CCTV was in operation.

3.5 At six EDS establishments visited, contacts indicated that they had not formally assessed physical security risks / threats for the locations in question.

Information Security

3.6 We found that some key controls are in place and the establishment managers we met during the course of the audit demonstrated an awareness of the Council's Policies in relation to Information Security. Staff at each of the establishments advised that they had been made aware of the key requirements of the Council's Information Security Policy through corporate communications, and that these had been reinforced through annual Information Security training.

3.7 However, we did encounter some instances across the Services reviewed where compliance with the controls could be improved. At two establishments hard copy personal information was not held securely, though buildings were locked out of hours. A further three establishments did not comply with clear desk requirements at the time of our visit and the auditor was able to enter an unlocked room and view personal information on display.

Health and Safety

3.8 In general, most of the controls in relation to Health and Safety were in place and operating effectively. All establishments advised that they were aware of the corporate Health and Safety Policy and that this, along with other Health and Safety related communications, had been cascaded to establishments on a regular basis. We also observed at each of the locations that fire exits were free from any unnecessary obstruction.

3.9 At three establishments we found that the fire risk assessment was overdue or that the records could not be located by staff at the time of the visit, though staff advised that these had been completed.

3.10 From a review of the local training records, we found that four establishments did not have sufficient numbers of staff who had completed full elements of either health and safety, fire warden or first aid training. We were informed that this was largely due to a backlog of training due to the Covid pandemic.

Cash Management (including School and Client Funds)

3.11 Of the 14 establishments visited, 10 held cash in some form, including school funds, client money, cash floats and petty cash for incidental purchases. During our visits we identified some instances across a range of services where compliance with cash controls could be improved.

3.12 We noted at two EDS locations that the supporting documentation required under the financial procedures (e.g. record cards and receipts), was not always completed correctly. In two other EDS establishments the officer who managed the funds was not onsite at the time of the visit and we were unable to gain access to the fund record; we could

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therefore not verify the cash held matched the corresponding records.

3.13 At one establishment we found a pre-signed cheque in the cash box waiting to be used, it appeared to be a one-off but represented a fraud risk. This same establishment had a safe but was not on the corporate GCC register of premises containing a safe.

3.14 At two care homes visited we found that improvements could be made to cash receipting and logging as well as with the amount of funds held per client. In some cases relatively excessive amounts were held on site rather than being banked. In 17/20 cases sampled at one home, clients had amounts in excess of the specified £200 limit.

Software Licensing

3.15 We visited 7 EDS establishments and reviewed the desktop software licensing arrangements on site, in line with Management Circular 59 (the procedure for managing software licensing within EDS).

3.16 We found that monitoring of administration rights regarding software is not routinely carried out and regular reviews of software on devices is not undertaken. Both aspects are a requirement of the management circular relating to EDS software.

3.17 An action plan is provided at section four outlining our observations, risks and recommendations. We have made 6 recommendations. The priority of each recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	1
Medium	Less critically important controls absent, not being operated as designed or could be improved.	5
Low	Lower-level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

3.18 This audit has been undertaken in accordance with the Public Sector Internal Audit Standards.

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

3.20 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.

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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Access to internal and external areas is prevented through controlled entry systems and access is monitored and challenged as necessary.				
1	At 9 of the 14 establishments reviewed, across three services (SWS, EDS, and NRS) we were not asked to provide identification on arrival. This was highlighted to management at the time of the visits. At two EDS Secondary Schools further improvements in relation to physical security could be made. Without the necessary security controls in place there is an increased risk that access is provided to unauthorised individuals which may go unnoticed and unchallenged.	Relevant staff should be reminded to ask for identification when granting site access to a visitor. Education Services should review the physical security arrangements at the two schools identified and make improvements where necessary.	**Medium**	**Response:** Accepted (NRS), (SWS), (EDS). **Officer Responsible for Implementation:** Divisional Director, Community Safety, Regulatory Service and Governance (NRS). Principal Officer, Business Development (Operations) and Business Development Manager (SWS). Heads of Establishments (EDS). **Timescale for Implementation:** 30 September 2022 (NRS), (SWS), (EDS).

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No.	Observation and Risk	Recommendation	Priority	Management Response
2	Physical security controls could be improved at some of the establishments visited. The arrangements for managing key fobs could be further enhanced at three of the establishments visited (2x EDS and 1x SWS). At one NRS establishment there was no signage to advise that CCTV was in operation. At six establishments visited (2x EDS and 4x SWS), contacts indicated that they had not assessed physical security risks / threats for the locations in question. This is a requirement of the Council's Security Threats Management Standard. If physical security risks are not managed appropriately there is an increased risk of unauthorised entry to Council establishments.	EDS and NRS should ensure that the appropriate physical security related measures are put in place and complied with: • NRS should ensure that appropriate signage in installed at sites where CCTV is operational. • Key fob arrangements should be strengthened across EDS and SWS establishments, with a log of fob holders being kept. EDS establishments should ensure that appropriate physical security risk / threat assessments are undertaken where necessary.	**Medium**	**Response:** Accepted (NRS), (SWS), (EDS). **Officer Responsible for Implementation:** Divisional Director, Community Safety, Regulatory Service and Governance (NRS). Business Development Manager (SWS). Heads of Establishments (EDS) **Timescale for Implementation:** 30th September 2022 (NRS), (SWS), (EDS).

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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Access to personal/sensitive data is restricted by need and controlled.				
3	Information security controls could be further enhanced at some of establishments visited. • At two establishments (1x EDS and 1x SWS) hard copy personal information was not held securely. • A further three establishments (1x EDS, 1x SWS and 1x NRS) did not adhere to clear desk requirements at the time of our visit. If information security risks are not managed appropriately, there is an increased risk of data loss.	Services must ensure that information security procedures are adhered to as appropriate. Appropriate steps should be taken to ensure that Council data is protected at all times including hard copy data and that: • hard copy personal information is held securely. • clear desk requirements are reinforced and monitored.	**Medium**	**Response:** Accepted (NRS), (SWS), (EDS). **Officer Responsible for Implementation:** Divisional Director, Community Safety, Regulatory Service and Governance (NRS). Business Development Manager (SWS). Heads of Establishments (EDS). **Timescale for Implementation:** 30th September 2022 (NRS), (SWS), (EDS).

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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Health and Safety risks are addressed appropriately.				
4	Some Health and Safety controls weaknesses were identified at the establishments visited. • At two establishments (1x EDS and 1x SWS) we found that the fire risk assessment was overdue or that the records could not be located by staff at the time of the visit, though staff advised that these had been completed. • Six establishments (2x EDS, 3x SWS and 1x NRS) did not have sufficient numbers of staff who had completed full elements of either, health and safety, fire warden or first aid training. If Health and Safety risks are not managed appropriately, there is an increased risk that health and safety events occur or are not responded to effectively by the Council.	Services should ensure that all appropriate risk assessments are in place and routinely updated. Additionally, services should ensure that appropriate numbers of staff are trained in aspects such as fire safety, health and safety and first aid.	**Medium**	**Response:** Accepted (NRS), (SWS), (EDS). **Officer Responsible for Implementation:** Divisional Director, Community Safety, Regulatory Service and Governance (NRS). Principal Officer, Business Development (Operations) (SWS). Heads of Establishments (EDS). **Timescale for Implementation:** 30th November 2022 (NRS). 30th September 2022 (SWS), (EDS).

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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Cash Management risks are addressed appropriately.				
5	We identified some control weaknesses in relation to cash management processes at the sites visited: • Higher levels of individual resident cash were found to be held on site at two care homes visited (2x SWS) which cumulatively created a larger risk for the homes in question. • Record keeping could have been improved at eight Council establishments (4x EDS, 1x NRS and 3x SWS). • One pre-signed cheque was found at one EDS establishment. • Cash could not be accessed at two EDS locations as the officer responsible was not onsite at the time of the visit. If cash is not managed appropriately, there is an increased risk of fraud and or error at Council premises.	Services should review the arrangements in relation to cash management at establishments and ensure that appropriate controls are implemented, including: • Cash kept on site is minimal in order to reduce the risk of theft of loss. • Appropriate numbers of staff can access cash on site when required so that there is continuity of operations. • All records are up to date including invoices and bank reconciliations. • Safe logs are maintained. • No blank cheques are left pre-signed.	**High**	**Response:** Accepted (NRS), (SWS), (EDS). **Officer Responsible for Implementation:** Divisional Director, Community Safety, Regulatory Service and Governance (NRS). Principal Officer, Business Development (Operations) (SWS). Heads of Establishments (EDS). **Timescale for Implementation:** 30th September 2022 (NRS), (SWS), (EDS).

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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Software monitoring processes are routinely undertaken.				
6	As Education Services have more leeway to install software than other services the administration of this controlled through management circular 59. However we found that there was a lack of awareness of the requirements at the establishments visited. Controls such as the monitoring of administration right and regular checks of the software installed on devices were not implemented. There is therefore an increased risk of inappropriate software being installed and not being detected.	EDS establishments should ensure that the admin rights granted at the location are kept under review and that these remain appropriate over time. Furthermore establishments should ensure that periodic reviews of the software installed are conducted to ensure that only licensed software is in use.	**Medium**	**Response:** Accepted (EDS) Heads of Establishment will be reminded to adhere to the guidance in MC59. **Officer Responsible for Implementation:** Heads of Establishments (EDS) **Timescale for Implementation:** 30th September 2022 (EDS).