

Glasgow City Council Internal Audit Section

Committee Summary

Corporate Review – Establishment Visits

Item 6(c)

18th September 2024

1

1 Introduction

1.1 As part of our agreed Internal Audit Plan we have carried out unannounced spot checks at a sample of 15 Council establishments. Depending on the services delivered at each location, these spot checks comprised of reviews of relevant aspects such as physical security, information security, health and safety, and cash management (including school funds).

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

- Education Services (EDS) – 4 establishments.
- Neighbourhoods, Regeneration and Sustainability (NRS) – 5 establishments.
- Social Work Services (SWS) – 6 establishments.

The nature of testing included:

- Information Security
- Cash Management (including school 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 four recommendations which management should address.

3 Main Findings

Physical Security

- 3.1 Some key controls in relation to physical security were found to be in place and operating effectively at the 15 establishments visited as part of our audit. Where appropriate, reception areas were suitably staffed, appropriate visitor sign in procedures were in place and all locations were aware of what to do if a security issue occurred.
- 3.2 However, we did identify some instances where controls in relation to physical security could be strengthened across two NRS establishments and four EDS establishments.
- 3.3 At one NRS establishment access to the reception is controlled by door entry codes, however, we were advised that the door code is not updated on a regular basis
- 3.4 At one NRS establishment visited, the Premises Risk Assessment which should be completed biennially was overdue review at the time of our visit.

- 3.5 At three EDS establishments we were granted access to restricted areas without being asked to provide identification, although the auditors were accompanied at all times by a member of staff from each establishment. A member of staff at one establishment had not yet been issued with an ID badge despite been employed for several years.

Information Security

- 3.6 We found key controls were in place and the establishment managers we met demonstrated an awareness of the Council's Policies in relation to Information Security, in particular, only encrypted devices were found to be in use and staff were all aware not to share credentials. Staff showed awareness of the procedures for reporting data losses and near misses. Appropriate arrangements for the security of hard copy data were in place.

Health and Safety

- 3.7 In general, most of the controls in relation to Health and Safety (H&S) 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 and staff on a regular basis.

- 3.8 At one NRS establishment, we found that full site H&S Risk Assessments were not provided at the time of our visit and could not subsequently be verified, and at two NRS establishments, the Fire Safety Risk Assessments were overdue. At one SWS establishment we were advised that the H&S and Fire Safety Risk Assessment were held off site by City Property and these were not subsequently provided by SWS. At another SWS establishment the H&S Risk Assessment had not been updated since October 2019.

- 3.9 At one EDS establishment visited we observed an internal fire door which had been wedged open.

General Cash Management

- 3.10 Of the 15 establishments visited, five 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.
- 3.11 We conducted a cash count at a SWS establishment and £20 was missing from the Residents Budgetary Fund. Staff raised this issue prior to the count and advised a defalcation report had been completed.
- 3.12 We were unable to access the cash at one EDS establishment as the Operation Support Manager only had one half of the safe code, the other half was held by the Office Manager who was on sick leave at the time of the visit. We were advised that approximately £200 cash was held from

general fund-raising activities. As these funds were not earmarked for a particular purpose they should be banked until required.

- 3.13 Another EDS establishment held £200 in cash for the school fund at the time of our visit and this was held in an unlocked drawer. There was also an envelope containing approximately £23 within the safe and staff were unable to explain the purpose of these funds.
- 3.14 At one NRS establishment we found the cash handling arrangements in place could be strengthened.

School Funds

- 3.15 Of the four EDS establishments visited we found scope for improvement of school fund management at three of these. The principals outlined in Management Circular 23 regarding the management of school funds which include such factors as administration, income, expenditure, record keeping were not always being followed.
- 3.16 An action plan is provided at section four outlining our observations, risks and recommendations. We have made four 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.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	4
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

- 3.17 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.18 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.19 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.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Physical security controls are in place and operating effectively.				
1	<p>Physical security controls could be improved at some of the establishments visited.</p> <p>NRS We conducted a walkthrough of the sites visited and found that:</p> <ul style="list-style-type: none"> - Access to the reception area at one site is controlled by door entry codes, however, we were advised that the door code is not regularly changed. - The biennial Premises Risk Assessment at one NRS establishment was overdue at the time of our visit. <p>EDS We conducted a walkthrough of the sites visited and found that:</p> <ul style="list-style-type: none"> - Three establishments did not request ID prior to allowing access to restricted areas. - A staff member at one site school had not yet been issued with an ID badge despite been employed for several years. 	<p>NRS and EDS management should ensure that appropriate steps are taken to remedy the physical security risks identified. This includes ensuring that:</p> <ul style="list-style-type: none"> • Door codes used to restrict access to staff only areas should be changed on a regular basis. • Premises Risk Assessment documentation should be completed as per corporate guidance. • A reminder is issued to staff to request ID prior to granting access to restricted areas. • Staff are issued with a security pass where required. 	Medium	<p>Response:</p> <p>EDS: Accepted.</p> <p>All schools identified have been contacted and reminder issued to all establishments.</p> <p>NRS: All points raised in the recommendation will be included in the next quarterly security reminder scheduled for issue in mid-September.</p> <p>Officer Responsible for Implementation:</p> <p>EDS: Head of Resources</p> <p>NRS: Safety and Resilience Manager</p> <p>Timescales for Implementation:</p> <p>EDS: 31 August 2024</p> <p>NRS: 30 September 2024</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	If robust physical security arrangements are not adhered to, there is an increased risk of unauthorised entry to premises.			

Glasgow City Council Internal Audit Section

Committee Summary

Corporate Review – Establishment Visits

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Health & Safety controls are in place and operating effectively.				
2	<p>Health & Safety controls could be improved at some of the establishments visited.</p> <p>NRS Based on our observations at the time of the visits we found that:</p> <ul style="list-style-type: none"> - At one NRS establishment, the H&S Risk Assessment was not available. - At two NRS establishments the Fire Safety Risk Assessments were overdue. <p>SWS Based on our observations at the time of the visits we found that:</p> <ul style="list-style-type: none"> - At one SWS establishment we were advised that the H&S and Fire Safety Risk Assessment were held off site by City Property and these were not subsequently provided to the auditor by SWS. - The H&S Risk Assessment at another SWS establishment had not been updated since October 2019. <p>EDS We conducted a walkthrough of the sites visited and found that:</p>	<p>NRS, SWS and EDS management should take steps to remedy the Health & Safety issues identified.</p> <p>Services should ensure that all appropriate risk assessments are in place and that plans are developed so that these are routinely updated.</p>	Medium	<p>Response:</p> <p>EDS: Accepted: Establishment identified has been contacted and advised. Reminder has been issued to all establishments.</p> <p>NRS: Accepted</p> <p>SWS: Accepted</p> <p>Officer Responsible for Implementation:</p> <p>EDS: Head of Resources</p> <p>NRS: Safety and Resilience Manager</p> <p>SWS: Assistant Chief Officer - Finance</p> <p>Timescales for Implementation:</p> <p>EDS: 31 August 2024</p> <p>NRS: 30 September 2024</p> <p>SWS: 30 September 2024</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>- An internal fire door at one establishment visited had been wedged open.</p> <p>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.</p>			

Glasgow City Council Internal Audit Section

Committee Summary

Corporate Review – Establishment Visits

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Cash Management controls are in place and operating effectively.				
3	<p>We identified some control weaknesses in relation to cash management processes at some of the sites visited:</p> <p>SWS We identified that £20 was missing from the Residents Budgetary Fund at one establishment and staff advised that a defalcation report had been completed in relation to this.</p> <p>EDS Based on our observations at the time of the visits we found that:</p> <ul style="list-style-type: none"> - Cash could not be accessed at one EDS location as a safe code is used and the staff member with one half of the code was absent on sick leave. In addition, we were advised that £200 was held in cash although there were no immediate plans to use this cash. - Cash for the school fund at one establishment was held in an unlocked drawer, and an envelope containing £23.10 was held in the safe and staff were unable to explain the purpose of these funds. 	<p>Services where issues were identified should remind establishments that appropriate controls in relation to cash management must be implemented, including:</p> <ul style="list-style-type: none"> • 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. • Cash on site is appropriately protected. 	Medium	<p>Response:</p> <p>EDS: Accepted. Schools identified have been contacted and reminded of the expectation of minimum cash in schools, use of ParentPay to mitigate and the requirements of appropriate storage facilities.</p> <p>A reminder has been issued to all establishments.</p> <p>NRS: Accepted.</p> <p>SWS: Accepted.</p> <p>Officer Responsible for Implementation:</p> <p>EDS: Head of Resources</p> <p>NRS: Group Manager</p> <p>SWS: Assistant Chief Officer - Finance</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>NRS</p> <p>At one NRS establishment we found the cash handling arrangements in place could be strengthened.</p> <p>If cash is not managed appropriately, there is an increased risk of fraud and or error at Council premises.</p>			<p>Timescales for Implementation:</p> <p>EDS: 31 August 2024</p> <p>NRS: 30 September 2024</p> <p>SWS: 30 September 2024</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: School fund controls are in place and are operating effectively.				
4	<p>We identified some control weaknesses in relation to school fund management processes at three of the four EDS sites visited:</p> <p>The principals and best practice outlined in Management Circular 23 are not always being followed, for instance in the administration of the fund:</p> <ul style="list-style-type: none"> - There was not always an appropriate number of staff involved with the fund. For example, we identified cases where reconciliations had not been countersigned and occasions where there was insufficient oversight from senior staff members. - Minutes of School fund committee meetings were not kept and no written constitution was in place. <p>We acknowledge that a number of the requirements rely on input from volunteers and therefore cannot be mandated.</p> <p>However, if school funds are not managed appropriately, there is an increased risk of fraud and / or error.</p>	<p>EDS should remind schools of the importance of complying with Management Circular 23 and ensuring that school funds are being managed in accordance with the written guidance in this document. For example:</p> <ul style="list-style-type: none"> • Appropriate oversight is in place, for example a committee exists for fund management where possible. • Sufficient members are involved with the school funds to ensure adequate oversight. 	Medium	<p>Response:</p> <p>Accepted: Reminder issued to all establishments.</p> <p>Officer Responsible for Implementation:</p> <p>Head of Resources</p> <p>Timescales for Implementation:</p> <p>31 August 2024</p>