

Glasgow City Council Internal Audit Section

Committee Summary

Neighbourhoods, Regeneration and Sustainability Services – Parking Income

1 Introduction

- 1.1 As part of the annual internal audit plan we have carried out a review of Parking Income.
- 1.2 Glasgow City Council (GCC) generates revenue through parking income from various sources such as on-street parking, car parks, penalty charges and from the sale of abandoned vehicles. Drivers have multiple options for payment including utilising pay and display machines, using the mobile parking app RingGo, and applying for parking permits specific to designated zones, available for both residents and businesses.
- 1.3 The purpose of the audit was to gain assurance that appropriate controls are in place in relation to parking income. The scope of the audit included a review of:
 - Reviewing the documented procedures in place in relation to parking income and training where appropriate.
 - Reviewing the arrangements for dealing with refunds.
 - Reviewing the arrangements for the collection of fines.
 - Ensuring that appropriate reporting arrangements are in place in relation to parking income, and
 - Reviewing the reconciliation arrangements in place.

Item 6 (k)

18th September 2024

2 Audit Opinion

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

3 Main Findings

- 3.1 We are pleased to report that most key controls are in place and operating effectively. There are various sources of income including payment machines for on and off-street parking, RingGo mobile payments, penalties and fines, and abandoned vehicles sold at auction. We noted that there are various streams of payment for each source of income, including cash, cheques, BACS payments, and card payments.
- 3.2 Through sample checking income received and refunds issued relating to off-street parking we found that there was a robust reconciliation process with appropriate segregation of duties and effective controls in place. We also found that all documentation had the relevant signatories for approval in relation to refunds issued.
- 3.3 For income received from on-street parking, we found a robust reconciliation process in place, with appropriate segregation of duties in the processes of collecting and reconciling income.
- 3.4 We found that variances between actual and expected income can occur for a variety of reasons, such as coin / note jams in payment machines. Any variances are identified in the reconciliation process and we found that these were dealt with appropriately with variance amounts noted, and where appropriate, supporting documentation and authorised signatories completed.
- 3.5 Vehicles are sometimes required to be uplifted from public property and taken to the vehicle pound. In these occurrences the vehicle owner can make a payment to the vehicle pound to have their vehicle released. Where the vehicle owner does not respond to any communications by GCC, after the appropriate period of time and background checks, the vehicle will be given to Wilson's auctions to be sold. Income received from the auction is paid to GCC by BACS payment and this income is reconciled.
- 3.6 We found that there are documented procedures and / or training notes in place for all major sources of income with exception of the reconciliation of income from RingGo for on-street parking and income collected through the vehicle pound.

3.7 For the income which is received from penalty charges we found that cases are monitored to ensure that income is received, however, there is no reconciliation process to confirm the income to the ledger.

3.8 An action plan is provided at section four outlining our observations, risk and recommendations. We have made two 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.	1
Low	Lower level controls absent, not being operated as designed or could be improved.	1
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

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

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

3.11 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: Income is adequately recorded, reconciled and banked.				
1	<p>We found that income from penalty charges is not being reconciled.</p> <p>Without proper and thorough reconciliation there is an increased risk that income could be wrongly coded or that variances between the expected and actual amount of income received will go unnoticed.</p>	<p>NRS management should make arrangements for the reconciliation of income from penalty charges.</p> <p>Once a reconciliation process for penalty charges and vehicle pound income has been developed written procedures should be produced and made available to relevant staff.</p>	Medium	<p>Response:</p> <p>Accepted</p> <p>NRS Management will ensure a reconciliation is in place in relation to income from Penalty Charge Notices & appropriate procedures documented and issued to relevant staff.</p> <p>Officer Responsible for Implementation:</p> <p>NRS Divisional Director for Finance, Transformation & Governance</p> <p>Timescales for Implementation:</p> <p>31 October 2024</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: There are sufficient procedures in place for the collection and recording of parking income.				
2	<p>There are no documented procedures / training notes for the process of reconciling income relating to RingGo on-street parking.</p> <p>Without thorough procedure notes there an increased risk that the proper process will not be followed by staff when reconciling the income related to RingGo on-street payments.</p>	NRS management should create procedural documents for reconciling on-street RingGo income and share this with all relevant staff.	Low	<p>Response:</p> <p>NRS Management will ensure procedural documents are developed for reconciling on street RingGo income & will share this with all relevant staff.</p> <p>Officer Responsible for Implementation:</p> <p>NRS Divisional Director for Finance, Transformation & Governance</p> <p>Timescales for Implementation:</p> <p>31 October 2024</p>