



Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Head of Audit and Inspection

Contact: Duncan Black Extension: 74053

Item 4

3rd October 2018

FOLLOW-UP AUDITS

Purpose of Report

This report provides an update on action taken to implement audit recommendations agreed previously with Services and ALEOs.

Recommendation

It is recommended that Committee notes the progress made in terms of the recommendations implemented and that the Head of Audit and Inspection submits further reports on the implementation of outstanding recommendations.

Ward No(s):

Citywide:

Local member(s) advised: Yes No

consulted: Yes No

1. Introduction

This report provides a summary of Internal Audit follow up work undertaken in relation to reports previously reported to Committee. This report includes:

- First-time follow up audits undertaken since the last Committee meeting;
- Secondary follow up audits undertaken in relation to recommendations that were not fully implemented on initial follow-up; and
- A summary of reports with outstanding recommendations that have revised implementation dates and will be subject to future follow up audits.

2. First-time Follow up Audits

2.1 During the period from 28th July 2018 to 20th September 2018, follow-ups have been completed for the audits listed below:

Audit Description	Number of Recommendations												
	Made	Not yet due for completion			Completed			Outstanding			No Longer Relevant		
		H	M	L	H	M	L	H	M	L	H	M	L
ACCESS – Security of the Server Environment (note (i))	12							4	6	2			
Chief Executive’s Department & Social Work Services – Information Security in Relation to the Use of Surveys (note (ii))	5				4			1					
Corporate Review – Information Requests	2					1	1						
Corporate Review – Risk Mitigation Actions (note (iii))	2					1			1				
Development and Regeneration Services – Housing Intervention and Support Team (note (iv))	6					4	1		1				
Education Services – Glow Implementation (note (v))	4					2			1	1			
Corporate Review – Cyber Maturity (note (vi))	7							3	4				
Chief Executive’s Department – 8 th City Smart Communities Mobile Working Project – Capital Project Management and Governance Arrangements (note (vii))	6				1	2	2		1				

Audit Description	Number of Recommendations												
	Made	Not yet due for completion			Completed			Outstanding			No Longer Relevant		
Financial Services – Treasury Management (including Review of MiFID II Requirements)	1						1						
Cordia (Services) LLP and Social Work Services - Homecare	5				3	1	1						
Corporate Review - Surplus Property Process	8				5	3							

Of the 58 recommendations made, 33 (56.9%) have been completed and 25 (43.1%) are currently outstanding.

As at 20th September 2018, there are 23 audits which have been reported to Committee where follow-up work has yet to be completed. Of these audits, 7 are not yet due to be followed-up and 16 are ongoing.

Notes

- (i) The majority of recommendations made during this audit, and actions required to implement these, were dependant on the arrangements in place following the transition to the new ICT provider, CGI. Since the contract has gone live a number of projects have been initiated which will enhance the control environment, although these are still being finalised. Internal Audit are working with the Council's Governance and Strategic Innovation and Technology (SIT) teams, along with input from CGI to progress the recommendations. A further update will be provided in December 2018.
- (ii) The outstanding recommendation relates to the licensing of an on-line survey product and the management of the user accounts. A new survey product has now been procured and additional controls have been implemented in relation to the management of user accounts, however some additional work is required before the recommendation can be fully implemented. A revised implementation date of 30th November 2018 has been advised. This recommendation is high priority.
- (iii) The outstanding recommendation relates to ensuring compliance with the Risk Management Policy and Framework within DRS. Steps have been taken to review risk management within the Service however this is a work in progress with functions being transitioned onto the new framework. It is anticipated that this will be fully completed by 31st October 2018. This is a medium priority recommendation.
- (iv) The outstanding recommendation relates to the data matching of information for Houses in Multiple Occupancy (HMO) and Council Tax. This has been delayed due to enhancements required to refine the datasets ahead of this year's enforcement cycle. This enforcement cycle is currently underway and runs through to December 2018, and it is anticipated that the recommendation will be implemented by 31st December 2018. This is a medium priority recommendation.

- (v) The first outstanding recommendation relates to the raising of concerns with the GLOW users' group so that data security stays on the national agenda. A date for the next users' group has not yet been confirmed however a further update will be provided in December 2018. This is a medium priority recommendation.

The second outstanding recommendation relates to training for staff on using the GLOW system. Implementation has been delayed due to the previous support provider no longer being involved with the Council. Work is ongoing on the introduction of a mentoring scheme to facilitate training, and a further update on progress will be provided in December 2018. This is a low priority recommendation.

- (vi) Similar to note (i) above, the majority of recommendations made during this audit, and actions required to implement these, were dependant on the arrangements in place following the transition to the new ICT provider, CGI. Since the contract has gone live a number of projects have been initiated which will enhance the control environment, although these are still being finalised. Internal Audit are working with the Council's Governance and Strategic Innovation and Technology (SIT) team's, along with input from CGI to progress the recommendations. We will provide a further update in December 2018.
- (vii) The outstanding recommendation relates to a scheme of delegation being implemented for the project. A draft has been prepared, however it has still to be approved by all parties involved in the project. It is anticipated that the recommendation will be fully implemented by 30th September 2018. This recommendation is medium priority.

3. Previously Reported Follow Ups

This section summarises reports that have previously been subject to a follow up audit, were found to have outstanding recommendations, and have since been subject to a subsequent additional follow up audit. The timing will depend on revised implementation dates. Reports where additional follow up reviews have been completed since the last Committee are noted in the table below. We continue to monitor the progress of individual outstanding and overdue recommendations on an ongoing basis.

Audit Description and <i>Opinion</i>	Number of Recommendations								
	Originally Reported			Previously Reported as Outstanding	Completed	Outstanding			No Longer Relevant
	H	M	L			H	M	L	
Land and Environmental Services – Hire of Plant (note (i)) <i>Unsatisfactory</i>	2	3		1		1			
ACCESS – SAP GRC Implementation (note (ii)) <i>Reasonable</i>		3	1	2			1	1	

Audit Description and <i>Opinion</i>	Number of Recommendations								
	Originally Reported			Previously Reported as Outstanding	Completed	Outstanding			No Longer Relevant
	H	M	L			H	M	L	
City Building (Glasgow) – Application Review (note (iii)) <i>Reasonable</i>		4	2	1			1		
Social Work Services – Review of Revised Procurement Arrangements (note (iv)) <i>Reasonable</i>		1		1			1		
Education Services – Inventory Management (note (v)) <i>Limited</i>	2	3		1			1		
Capital Projects – Lessons Learned (note (vi)) <i>Reasonable</i>	1	4		5	2		3		
Corporate Review – Gifts and Hospitality (note (vii)) <i>Reasonable</i>		5		4	2		2		
Corporate Review – Carbon Management (note (viii)) <i>Limited</i>	1	4	1	1					1
Social Work Services – Self Directed Support (note (ix)) <i>Limited</i>		1		1		1			
Social Work Services – Homelessness Debt Write Off <i>Reasonable</i>		3		1	1				
Education Services – Education Establishment Property Responsibilities <i>Limited</i>	3			1	1				
Development and Regeneration Services – Economic Development <i>Limited</i>	3	2	1	1	1				
Education Services – Blairvadach Outdoor Education Centre – Cash Handling and Records Retention	2	4		1	1				

Audit Description and <i>Opinion</i>	Number of Recommendations								
	Originally Reported			Previously Reported as Outstanding	Completed	Outstanding			No Longer Relevant
	H	M	L			H	M	L	
Social Work Services – Budgetary Control and Monitoring of Capital Budgets		3		2	2				

Of the 23 recommendations previously reported as outstanding, 10 (43.5%) have been implemented, 12 (52.2%) remain outstanding with a date for further review and 1 (4.3%) is deemed as no longer relevant.

Notes

- (i) The outstanding recommendation relates to a review of governance procedures for using Teckal as an exemption from the procurement regulations. The requirements of this recommendation closely form a key part of a number of projects which commenced under the Transforming Glasgow and the Council Family Review programmes, and which are progressing. Due to the dependencies across these programmes, a specific implementation date cannot be confirmed at this time but a further update will be provided by 31st March 2019. This recommendation is high priority.
- (ii) The outstanding recommendations relate to system access risks and a post-implementation review of the project. The system access risks will be covered under SAP GRC (Governance Risk and Compliance) Phase 3 project, which is currently on hold and is expected to recommence in April 2019, and a post implementation review will take place following the completion of this project. It is anticipated that the recommendations will be fully implemented by 31st December 2019. These recommendations were medium and low priority.
- (iii) The outstanding recommendation relates to the provision of an alternative server location which can be utilised in the event of a power outage. The Council server move to Datavita is scheduled to be complete by the end of the year and it is intended that following this City Building servers would move early next year. It is anticipated that the recommendation will be fully implemented by 28th February 2019. This recommendation is medium priority.
- (iv) The outstanding recommendation relates to the automation of personalised payments to service providers. Work is ongoing on this recommendation but has been delayed due to the prioritising of payments to service providers in relation to the Scottish Living Wage and increases for sleepover rates. It is anticipated that the recommendation will be fully implemented by 31st October 2018. This recommendation is medium priority.
- (v) The outstanding recommendation relates to the implementation of ICT asset management procedures. Although Management Circular 54 has been updated to include further guidance on ICT asset management, the document is still awaiting approval from Education Services Directorate before being issued to relevant staff. Due to over 90 Management Circulars requiring approval, it is anticipated that the recommendation will be fully implemented by 30th November 2018. The recommendation is medium priority.
- (vi) The outstanding recommendations relate to the management of capital projects across Services and Glasgow Life, in particular ensuring that the

Project Management Toolkit requirements have been adhered to for the selected projects. In all instances, progress had been made towards implementing the recommendations, with services introducing procedures to ensure compliance with the toolkit. It is anticipated that the remaining recommendations will be implemented by 30th November 2018. These recommendations are medium priority.

- (vii) The outstanding recommendations relate to the completion of all parts of the Services Gift and Hospitality registers. Whilst progress has been made, additional evidence is required to confirm full implementation. It is anticipated that the recommendations will be fully complete by 30th November 2018. Both outstanding recommendations are medium priority.
- (viii) The recommendation deemed as no longer relevant relates to the updating and ongoing review of the Council's Carbon Management Plan (CMP). Implementation of this recommendation was delayed due to significant resource pressure and a focus on delivering key Council Strategic Plan priorities, such as the low emission zone. Due to new carbon reduction targets announced by the Scottish Government, a new CMP to be drafted to take effect from April 2020 and this will supersede the current CMP. This recommendation is low priority.
- (ix) The outstanding recommendation relates to a solution for administering direct payments to Social Work Services service users. The process has now been completed and a preferred supplier has been identified. Work started regarding testing and governance matters, however ACCESS were unable to finalise this project prior to the ICT transition. CGI continue to liaise with the preferred provider and Legal Services are working to finalise the draft contract. It is anticipated that the recommendation will be fully implemented by 31st January 2019. This recommendation is high priority.

Recommendations reported to Committee in previous follow-up audits, and which remain outstanding, are detailed in Appendix 1.

4. Recommendation for Committee

It is recommended that Committee notes the progress made in terms of the recommendations implemented and that the Head of Audit and Inspection submits further reports on the implementation of outstanding recommendations.

Appendix 1 – Previously Reported Follow-ups

Audit Description	Follow-up Reported to FASC	Recommendations			Original Due Date	Revised Completion Date	Notes
		High Priority	Medium Priority	Low Priority			
Social Work Services – Self Directed Support	19/08/15	1			September 2014	January 2019	Further follow-up work not yet due
Land and Environmental Services – Plant Hire	10/02/16		1		August 2015	March 2019	Further follow-up work not yet due
ACCESS/Corporate Services – SAP GRC Implementation	09/03/16		1	1	November 2015	December 2019	Further follow-up work not yet due
Corporate Review – Review of ICT Asset Register	09/03/16			1	December 2015	January 2018	Note – see below
ACCESS – Management of Third Party Suppliers	15/06/16		1		September 2015	January 2018	Note – see below
City Building Glasgow – Application Review – 1 st Touch	14/09/16		1		April 2016	February 2019	Further follow-up work not yet due
Corporate Review – Property Governance	14/09/16	1	1		December 2015	February 2019	Further follow-up work not yet due
Education Services – Inventory Management	12/10/16		1		June 2016	November 2018	Further follow-up work not yet due
Social Work Services – Carefirst 6 Application Review	12/10/16		1		March 2016	December 2017	Note – see below
Corporate Review – Asbestos Management Arrangements	11/01/17	1			October 2016	September 2018	Further follow-up work not yet due
Social Work Services – Review of Revised Procurement Arrangements	08/02/17		1		December 2016	October 2019	Further follow-up work not yet due
Corporate Review – Gifts & Hospitality	25/10/17		2		November 2016	November 2018	Further follow-up work not yet due
Corporate Review – Review of Physical Document Storage	25/10/17		2		December 2016	December 2018	Further follow-up work not yet due
Land and Environmental Services – Maintenance of Vehicles	25/10/17		1		April 2017	May 2019	Further follow-up work not yet due
Capital Projects – Lessons Learned	22/11/17		3		July 2017	November 2018	Further follow-up work not yet due
Development and Regeneration Services – Ownership Information Services Team	14/02/18			1	August 2017	February 2019	Further follow-up work not yet due
Education Services – School Placing Request Process	09/05/18		2		April 2018	September 2018	Further follow-up work not yet due
Development and Regeneration Services – Planning Process Review	09/05/18		5		December 2017	January 2019	Further follow-up work not yet due
Corporate Review – Review of Internet Access Controls	08/08/18	1	1		March 2018	December 2018	Further follow-up work not yet due

Note – These outstanding recommendations are being reviewed by the Strategic Innovation and Technology (SIT) team and work is ongoing with CGI.