

London Borough of Hammersmith and Fulham
Final Internal Audit Report
Operational Security Management

December 2021



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This report ("Report") was prepared by Mazars LLP at the request of the London Borough of Hammersmith and Fulham (LBHF) and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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1 Introduction

As part of the internal audit plan for 2020/21, agreed by the Audit Committee, we have undertaken an internal audit of Operational Security Management at the London Borough of Hammersmith & Fulham.

The Operational Security Management team provides physical and strategic security to Council sites, staff and users. Services were previously provided by a contractor until 1st May 2019 when security was brought back inhouse. This has included TUPE'd staff.


In August-October 2019, 1,700 staff were decanted out of the old Town Hall complex into serviced accommodation while the annexe building was demolished, and the listed building stripped out and refurbished as part of a wider mixed use. We were advised that the speed of the decant programme resulted in a number of issues:

- A number of staff, who were transferred in on the basis of the job titles and brief role profiles provided by the contractor, could not be matched to specific roles in LBHF and were made redundant. Others were placed into roles which did not suit their competencies and a significant cohort of staff have not had any training, supervision, or management for significant periods.
- Staffing levels in the delivery of cleaning and security were high, resulting in significant HR caseloads of performance management, discipline, timekeeping, and unverified working hours.
- The standards of service, customer care and delivery are perceived as low. A number of support functions provided by the contractor were outside of the scope of TUPE. Therefore, they have had to be rebuilt, including space planning and workplace management.
- A contract was agreed for the provision of Agency staff to fulfil operational needs.

The fieldwork for this review was completed during the government measures put in place in response to the coronavirus pandemic (Covid-19). Therefore, this review was completed remotely.

2 Executive Summary

2.1 Assurance Opinion

	Nil	Limited	Satisfactory	Substantial
Audit Opinion				

2.2 Recommendations Summary

The following table highlights the number and categories of recommendations made.

Area of Scope	Adequacy	Effectiveness	Recommendations Raised		
			High	Medium	Low
Policy and Procedures			0	1	0
Operational Risk Assessments	*	*	0	1	0
Use of Agency Staff			1	1	0
Skills of Security Officers and Training	*	*	0	1	0
Workforce Deployment and Performance Management			0	3	0
Monitoring			0	2	0
Budgetary Control			0	0	0
Total			1	9	0

Please refer to the Appendix 1 for recommendations and Appendix 2 for a definition of the audit opinions and recommendation priorities.

* We were unable to provide an assurance in these areas due to a lack of information provided.

3 Summary of Findings

In Internal Audit's opinion, **Limited Assurance** can be given to Members, the Chief Executive and other officers that the controls relied upon at the time of the audit were suitably designed, consistently applied and effective in their application.

Findings within this report have been impacted by insufficient information provided by Operational Security Management team during the audit. Where applicable, we have referred to missing information within each finding.

The key findings and an assessment of controls are summarised below:

Application of and compliance with controls to address the key risks identified

Policy and Procedures

- There are five sites within the Council for which security staff are required to be in place. We confirmed that Security Assignment Instructions are in place for these five sites and are available on a Teams shared site for all relevant officers to access. These Assignment Instructions assist Security Officers in performing their duties to the standards expected and agreed by Facilities Management and the client. All five sets of instructions were noted as dated May 2020 and discussion with the Facilities Management (FM) Manager indicated that the Security team is in the process of consolidating all Security Assignment Instructions, with the instructions being reviewed as part of this process.
- Whilst the FM Manager advised that procedures are in place for the Operational Security Management (OSM) team, which set out procedures for deploying security staff to sites, when to use agency staff, completion of risk assessments etc., these could not be located. We understand that this is due to the previous manager moving these to another shared area before leaving the Council. Furthermore, the FM Manager stated that these procedures have not been reviewed or updated over the past few years (**Recommendation 1**).

Operational Risk Assessments

- The FM Manager stated that the OSM team has created a new set of Security Workplace Risk Assessments for each site. We obtained a risk assessment for one of the sites undertaken in July 2020 and confirmed that it was completed by an FM Officer and signed off by the Head of Soft Services. However, we were unable to confirm that risk assessments had been completed by the other four sites due to no response from the FM team. Therefore, we are unable to provide assurances in this area.
- Risk assessments are required to be reviewed annually. We were unable to confirm that the risk assessment for the one site had been reviewed annually due to copies of the previous risk assessments not being available. A new risk assessment form is in place that includes a field to record the review dates; however, given that this was the first year of use of the new forms, the risk assessment is not yet due for review.
- Discussion with the FM indicated that there is no monitoring system in place to review when the risk assessment was carried out, by whom, and when the next assessment is due (**Recommendation 2**).

Use of Agency Staff

- We confirmed that the Council obtains agency staff from two sources. Discussion with the FM Manager indicated that a Council-wide contract is in place with one of these which includes the provision of security services. However, we noted that a contract is not in place with the other supplier, who provide more specialised security and key holding services. We

were advised that this is due to the team only using this supplier for covering members of staff who have not turned up to their shift at short notice and, therefore, the Council does not use them to a sufficient level to justify entering into a contract. **(Recommendation 3)**

- For a sample of agency security staff used between January 2021 to March 2021, we confirmed that they were all from the contracted supplier.
- We confirmed that the OSM team does not carry out any formal checking or monitoring of qualifications of agency workers. The FM Manager advised that pre-checks are carried out by the agencies prior to the staff member being assigned to the Council, with the staff member being required to wear their SIA license (a compulsory security guard licence) whilst working. However, the FM Manager stated that no evidence is sought or provided regarding these checks. **(Recommendation 4)**
- Review of a sample of timesheets from December 2020 to March 2021 confirmed that the timesheets were approved by the FM Manager.

Skills of Security Officers and Training

- Discussion with the FM Manager indicated that a spreadsheet is in place for monitoring permanent staff members' qualifications. We were however unable to confirm this as no evidence was provided.
- The FM Manager stated that additional training is provided to staff members where there has been an update in the SIA qualification specification or if a complaint has been made in relation to the OSM team. However, evidence of this additional training is not maintained and there is no monitoring to confirm whether or not training has been completed by all relevant officers. **(Recommendation 5)**
- We confirmed that induction training is carried out for new permanent members of staff, with a copy of the induction training checklist provided. Although not recorded on a monitoring system, the checklist is signed by the trainer and the trainee with copies being retained. No induction training has taken place over the past 12 months as there has not been any new permanent members of staff joining the OSM team.

Workforce Deployment and Performance Management

- The FM team is responsible for ensuring that there are adequate number of permanent security staff available for each site. We confirmed that a weekly staff rota is in place detailing the names of permanent security staff required to be present at each site.
- We reviewed weekly staff rotas for the five sites where the OSM team currently provides security staff and noted that one was manned solely by agency staff for four out of seven days every week between September 2020 and March 2021, with one week (w/c 1 February 2021) being manned solely by agency staff for 7 days **(Recommendation 6)**.
- Each site manned by security staff has a Daily Occurrence Book (DOB) which is used to log all activities and incidents throughout the security officers' shift. The supervisor should complete the first section on commencement of duty and record the names of all security officers on duty. We were unable to confirm whether a DOB is completed on a daily basis at each of the sites as evidence of this was not provided. It was noted that the OSM team is also unaware of whether the DOB is completed on a daily basis as this is not monitored. The DOB is only reviewed by the team if a member of the public raises a complaint in respect of the security team on site **(Recommendation 7)**.
- Whilst we were advised that the OSM team conducts spot checks on each site during the month to confirm that security officers are present as per the staff rota and are undertaking their roles as per the Assignment Instructions, the outcome of these spot checks is not formally recorded **(Recommendation 8)**.

- For permanent staff, performance is monitored via the Council's annual performance management process. However, this is on an annual basis and there is no other mechanism in place to continually monitor staff performance in order to identify areas of concern. **(Recommendation 7).**
- For agency staff members, if there is an issue with regards to performance, this will be raised directly with the agency staff. Where further action is required, then this will be escalated to the provider.

Monitoring

- The OSM team is required to undertake a cost benefit analysis prior to the use of agency staff to determine whether the roles can be fulfilled by permanent staff. However, due to the need for rapid turnover for requests for the provision of security staff during the coronavirus pandemic, these exercises have not been completed during the past 12 months. Additionally, we were informed that cost benefit analysis previously completed had not been formally recorded and retained. **(Recommendation 9).**
- Whilst the OSM team is able to obtain a list of agency staff used from the provider, there is currently no formal monitoring system in place detailing the number of agency staff being used, the length of their use or that they all hold the relevant qualifications. Furthermore, no monitoring process is in place in respect of agency staff supplied by the second provider **(Recommendation 10).**

Budgetary Control

- The Facilities Management budget is monitored by the Head of Soft Services on a monthly basis. This was confirmed by review of a sample of three monthly budget monitoring spreadsheets. Budget monitoring meetings are held between the Finance team and the Head of Soft Service with notes and any action points recorded on the monitoring spreadsheets.
- A recharge document is required to be issued to Finance team within the Council detailing items that have been allocated to the Operational Security Management budget from departments requiring additional security services outside of their agreed provision.
- Review of the year end budget for 2020/21 confirmed that there was an underspend of £273,484 due to a number of initiatives, including a Voluntary Redundancy programme.

4 Acknowledgement

We would like to thank the following members of staff for their time and assistance during the audit:

- Mark Finch – Head of Soft Services
- Ray Rahman – Facilities Management Manager

Appendix 1: Management Action Plan

1. Policies and Procedures – Procedures for Operational Security Management Team

Priority	Issue	Risk	Recommendation
Medium	<p>Discussion with the Facilities Management (FM) Manager indicated that procedures are in place for the Operational Security Management (OSM) team detailing procedures for deploying security staff to sites; when to use agency staff, completion of risk assessments etc.</p> <p>However, the FM Manager was unable to locate these and confirmed that the procedures have not been reviewed or updated over the past few years.</p>	<p>Where up to date procedures are not in place and are not accessible to staff, there is risk that Operational Security Management team members will be unaware of formal practices that are required of them. This in turn leads to incorrect or inconsistent practices being carried out.</p>	<p>The FM Manager should put in place general policy and procedure notes for the Operational Security Management team. These should include, but not limited to:</p> <ul style="list-style-type: none"> • undertaking risk assessments; • authorisation responsibilities; • use and authorisation of agency workers; • timesheet practices; • monitoring practices; and • reporting practices. <p>Once developed, the procedures should be made available to all relevant staff and reviewed on a periodic basis to ensure they remain relevant.</p>
Management Response			
<p>The recommendation is accepted in full. The management team of FM will look at the policies and procedures and will ensure that they are specific to each site and in place for further inspections.</p> <p>An electronic document will be available, and parts of the document will be made available in paper format and kept on each site for unannounced audits.</p>			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities Management			15 November 2021

2. Operational Risk Assessment – Monitoring System

Priority	Issue	Risk	Recommendation
Medium	<p>Security risk assessments are designed to identify and address threats and operational issues in accordance with a framework.</p> <p>There is no monitoring system in place currently to provide oversight of when risk assessments are carried out, by whom, and when the next assessments are due.</p>	Where a monitoring system is not in place risk assessments may be incomplete or out-of-date and corrective action may not be taken in a timely manner.	<p>The OSM team should ensure that a system is put in place to monitor the completion of risk assessments. The monitoring system should include, but not limited to, the following:</p> <ul style="list-style-type: none"> • Name of site manned by the Security team; • When the risk assessment was last completed/formally reviewed; • Who completed the risk assessment; and • The date for the next risk assessment.
Management Response			
<p>The recommendation is accepted. A full process will be implemented to ensure that risk assessments are review and signed by the officers who are undertaking the assignments at the sites. This will pick up the monitoring areas identified.</p> <p>The process will also include toolbox talks as a refresher and annual reviews (or reviews as and when changes occur).</p>			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities Management			15 November 2021

3. Use of Agency Staff – Contracts with agencies used

Priority	Issue	Risk	Recommendation
High	<p>We confirmed that the Council obtains agency staff from two providers.</p> <p>Whilst we understand that a Council-wide contract is in place with one of these, a contract is not in place with a second company, who provide more specialised security services and key holding services, including short notice cover for absent members of staff.</p> <p>We were advised that the Council does not use the specialist provider to a sufficient level to warrant entering into a contract.</p>	<p>Where a contract is not in place with an agency for the provision of temporary security staff, there is an increased risk of an inadequate service being provided by the agency, such as inappropriate or unqualified staff being provided, and / or value for money not being attained.</p> <p>Furthermore, the Council may be unable to enforce any penalties on the agency in the event of any issues arising.</p>	<p>Contracts should be held with all agencies used to supply agency staff.</p> <p>The level of annual spend with the specialist provider should be assessed and used to negotiate favourable hourly rates for temporary security staff provided. This should be compared to other similar agencies to ensure that value for money is achieved.</p> <p>A contract should then be entered into to formalise these agreed rates and set out the level of service required, including the specifications for the staff supplied.</p>

Management Response

The recommendation is accepted and the issue is proposed to be addressed through directly employing security officers rather than as was the case when the audit was undertaken through the contracted provider. This is in process of being approved through the Council’s internal sign-off for staffing. This approach will provide a sustainable resourcing model and mean that we reduce reliance on external agency resources.

It is the intention to only use the contracted provider for emergency cover going forward.

The contract with the specialist provider was used as a last resort where the regular contractor are unable to provide emergency cover. We do not foresee the need going forward to use the specialist provider as a security contractor should the RMB request be approved. Therefore no formal agency worker contract would be required.

Responsible Officer	Deadline
Ray Rahman – Head of Facilities Management	15 November 2021

4. Use of Agency Staff – Evidence of licence checks

Priority	Issue	Risk	Recommendation
Medium	<p>The OSM team does not carry out any formal checking or monitoring of qualifications of agency workers.</p> <p>Whilst the FM Manager advised that pre-checks are carried out by Pertemps or United Guarding prior to the staff member being assigned to the Council, no evidence is sought or provided regarding these checks.</p>	<p>Where the Council does not require evidence of the check or monitoring of qualifications of agency security staff, there is risk individuals may be provided who lack the necessary skills / qualifications to perform the required tasks or who may be unacceptable, and as a consequence, services may not be delivered or delivered in a sub-standard manner.</p>	<p>The Council should ensure that pre-employment checks, including licence checks, are carried out by the agencies by requiring evidence of these checks on booking the temporary member of staff.</p> <p>The requirement to undertake these compliance checks should be built into contracts with the agencies.</p>
Management Response			
<p>As part of the contractor's onboarding process they undertake checks on security officers under employment and we (H&F) specify that a valid SIA licence is required. When the agency worker attends the FM team ensure that they always have the physical SIA licence on display and that it is valid.</p> <p>Unfortunately, and due to DPA the contractor has been unwilling to give us SIA licence details in advance – however happy for us to view and get the information in person on day 1</p> <p>Happy to keep a password protected document with this information on as we gain it.</p>			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities management			16 December 2021

5. Skills of Security Officers and Training – Training Records

Priority	Issue	Risk	Recommendation
Medium	<p>Discussion with the FM Manager stated that currently, refresher training is only completed if there have been any changes within the SIA qualification or if a complaint has been received in relation to the Security team.</p> <p>It was noted that this refresher training is not formally recorded by the OSM team and there is no monitoring to confirm whether or not training has been completed by all relevant officers.</p>	Where training records are not maintained or where completion of training is not monitored, there is risk of security staff members not having the required skills to undertake their roles leading to ineffective /incorrect practices being carried out.	The OSM team should ensure that refresher training is formally provided, recorded and monitored for each member of staff. Those who have not completed the training should then be requested to complete the training in a timely manner.
Management Response			
This recommendation is included in item 2 – Monitoring and continual development			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities Management			15 November 2021

6. Workforce Deployment and Performance Management – Sites manned solely by Agency Staff

Priority	Issue	Risk	Recommendation
Medium	<p>We reviewed weekly staff rotas for the five sites that the OSM team currently provide security staff to and confirmed that one location has been manned solely by agency staff for four out of seven days for every week between September 2020 and March 2021, with one week (w/c 1 February 2021) being manned solely by agency staff for 7 days.</p> <p>Discussions with the FM Manager indicated that this was due to the site requiring 24-hour monitoring by security staff.</p>	Where a site is manned solely by agency staff members, this increases the risk of ineffective or incorrect practices being carried out and not highlighted in a timely manner.	The OSM team should review staff contracts and ensure that at least one permanent member of security staff is placed at each site to provide oversight.
Management Response			
This is not possible at the moment due to financial restraints; we have however started the process of directly employing the security staff which will meet this recommendation			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities Management			16 December 2021

7. Workforce Deployment and Performance Management – Review of Daily Occurrence Book and Site Visits

Priority	Issue	Risk	Recommendation
Medium	<p>Each site manned by security staff has a Daily Occurrence Book (DOB) which is used to log all activities and incidents. The supervisor should complete the first section on commencement of duty and record the names of all Security Officers on duty.</p> <p>We were unable to confirm whether a DOB is completed on a daily basis at each of the sites as evidence of this was not provided. It was noted that the OSM team does not check this on a periodic basis. The DOB is only reviewed by the OSM team if a member of the public raises a compliant in respect of the security team on site.</p> <p>The OSM team conducts spot checks on each site during the month to confirm that Security Officers are present at each site as per the staff rota and are undertaking their roles as per the Assignment Instructions. However, the outcome of these spot checks is not formally recorded</p>	<p>Where the DOB is not reviewed and monitored by the OSM team, there is risk of the OSM team being unaware of activities and incidents having occurred. This in turn can lead to the DOB becoming a tick box exercise used by the team, rather than as an effective monitoring system.</p> <p>Where the outcome of spot checks is not recorded, there is risk of the OSM team being unable to demonstrate that checks were completed and whether any issues were identified.</p>	<p>The OSM team should ensure that spot checks are undertaken on a periodic basis on each site and check at the least the following:</p> <ul style="list-style-type: none"> • The daily completion of DOB; • The Security Officers present at each site as per staff rota; and • Security Officers are undertaking their roles as per the Assignment Instructions. <p>Outcome of the spot checks should be formally recorded.</p>
Management Response			
<p>We are in the process of procuring finger print logging in systems to ensure that the security team are onsite and, on their shift, as per the rota, the management team do currently undertake spot checks, however not formally recorded, an inspection form will be devised and will be completed and filed for future audits.</p>			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities Management			15 November 2021

8. Workforce Deployment and Performance Management – Performance Monitoring

Priority	Issue	Risk	Recommendation
Medium	For permanent staff, their performance is monitored via the Council's annual performance management process. However, this is on an annual basis and there is no other mechanism in place to continually monitor staff performance in to order to identify areas of concern.	Where performance is not continually monitored, there is risk of underperformance not being highlighted and addressed in a timely manner.	The OSM team should ensure that a formal performance monitoring system is implemented to allow for continual review of staff performance and development. Where underperformance is identified, action should be identified and taken in a timely manner.
Management Response			
<p>The council have appraisals which are undertaken with the directly employed team – these are recorded and send across to P&T as part of the process. (IBC)</p> <p>Where shortfalls are identified then action is taken to rectify these as soon as possible.</p>			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities Management			16 December 2021

9. Monitoring – Formal Cost Benefit Analysis




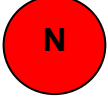
Priority	Issue	Risk	Recommendation
Medium	<p>The OSM team are required to undertake a cost benefit analysis prior to the use of agency staff to determine whether the roles can be fulfilled by permanent staff. However due to the need for rapid turnover for requests for the provision of security staff during the coronavirus pandemic, these exercises were not completed during the past 12 months.</p> <p>Additionally, whilst we were informed that cost benefit analysis has been completed previously, it is not formally recorded and retained for future purposes.</p>	<p>Where a cost benefit analysis is not completed and/or formally recorded, there is risk that agency staff may be used instead of permanent staff even though this may not be a more financially effective solution.</p>	<p>The OSM team should ensure that a cost benefit exercise is completed prior to requesting the use of agency workers to determine if the role can be undertaken by a permanent member of staff.</p> <p>The cost benefit exercise should be recorded and retained by the team for future reference.</p>
Management Response			
<p>A full cost review has taken place and it has been deemed that directly employing the agency positions is more beneficial to the council, by paying the current LEAN team additional hours it would not be cost beneficial due to their current terms of employment.</p> <p>For short term cover it is deemed that agency is more suitable from a cost perspective.</p>			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities Management			16 December 2021

10. Monitoring – Agency Workers

Priority	Issue	Risk	Recommendation
Medium	Whilst the OSM team can obtain a list of agency staff used from the contractor, there is currently no formal monitoring system in place detailing the number of agency staff being used, the length of their use or that they all hold the relevant qualifications.	Where a monitoring system for agency workers is not in place, there is risk that an increase in usage is not identified to confirm that it is appropriate.	The OSM team should put in place a monitoring spreadsheet that outlines each agency worker that is currently in use by the Security team and how long they are being used for.
Management Response			
This information is held with the contractor on the system under each assignment. The FM team also have a copy of the rota going back to pre-2019 which does detail the name of the agency worker and from which length of service details can be gained.			
Responsible Officer			Deadline
Ray Rahman – Head of Facilities Management			16 December 2021

Appendix 2: Definition of Assurance Opinions and Recommendation Priorities

In order to help put the audit opinion and recommendation priority ratings in context the following tables detail the current ratings used by Internal Audit.

Rating	Description
	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and no material errors or weaknesses were found.
	While there is a basically sound system, there are weaknesses and/or omissions which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
	Weaknesses and / or omissions in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

Priority	Description
High	Recommendation addresses fundamental weaknesses, which seriously compromise the effective accomplishment of the system's objectives. Risks presented by the control weaknesses could be damaging in the short term. The management action required should be implemented as soon as possible, certainly within 0-3 months.
Medium	Recommendation addresses serious weakness, which affect the reliance to be placed on the system. Risks presented by control weaknesses could be damaging in the medium term. Management action is required within 0-6 months.
Low	Recommendation addresses minor weaknesses or suggests a desirable improvement. Risks presented by control weaknesses are unlikely and inconsequential. Management action is recommended to address concerns within 0-9 months.

Appendix 3: Audit Scope, Limitations & Inherent Risks

This audit was a full risk based review of the arrangements for Operational Security Management and included the following areas:

Ref	Audit Area – Description	Comments on Coverage / Area Objectives
1	Policy and Procedures	All staff act consistently in compliance with management requirements and the processes are conducted in an economic, efficient and effective manner. Organisational structures and processes are fully documented and are fit for purpose.
2	Operational Risk Assessments	Security Risk Assessments address threats and operational issues in accordance with a clear framework. There is ongoing monitoring to ensure risks remain appropriate and action plans are robust.
3	Use of Agency Staff	Contracts are in place with relevant agencies and terms agreed by both parties. The contract details the requirements for the provision of security services. Checks are undertaken to ensure that agency staff used to provide security are from the approved list of providers. Timesheets are checked and authorised by appropriate staff.
4	Skills of Security Officers and Training	Staff delivering services (including permanent and agency staff) hold relevant qualifications and have been appropriately vetted. Staff are provided with sufficient support and training to allow them to discharge their responsibilities effectively and safely. Any skills or training gaps are identified and addressed. New staff receive appropriate induction prior to being allocated to a site.
5	Workforce Deployment and Performance Management	Staff are deployed as per service requirements and monitored for effectiveness ensuring that sites are not solely manned by agency staff. Mechanisms are in place for management to have oversight of security officers present at each site. The quality of staff is monitored with any issues being addressed in a timely manner.
6	Monitoring	Agency staff are used when necessary and to cover absence of permanent staff. Use of agency staff is monitored and cost benefit exercise undertaken to determine whether the roles can be fulfilled by permanent staff.

Ref	Audit Area – Description	Comments on Coverage / Area Objectives
7	Budgetary Control	The service is delivered within the agreed budget. Any overspend or irregularities are identified, and prompt corrective action is taken.

Limitations to the Scope of the Audit

The following limitations to the scope of the audit were agreed when planning the audit:

- The work will be undertaken using a risk-based approach and testing will be on a sample basis to verify compliance;
- The records maintained by third parties to the Council will not be reviewed and are outside of the scope of this audit; and
- The audit review does not provide absolute assurance that material error, loss or fraud does not exist.

Inherent Risks

The risks listed below are **potential** inherent risks which are common for any organisation of this type:

- Governance arrangements do not address security risks;
- Overdependency on agency staff leading to budget overspend;
- Security officers are not adequately trained and equipped to discharge their duties effectively;
- Security officers. are not deployed effectively to sites; and
- Inefficiencies in the provision of security service is not identified and addressed.

Appendix 4: Timetable and Distribution List

Stage	Date
End of Fieldwork	18/05/2021
Draft Report Issued	10/08/2021
Responses Received	05/11/2021
Final Report Issued	16/12/2021

Audit Team
Kanta Patel - Client Engagement Manager
Benjamin Ferguson - Auditor
Client Sponsor
David McNulty – Assistant Director Operations
Joanne Woodward – Interim Director for the Economy / Acting Strategic Director

Report Distribution List
David McNulty – Assistant Director Operations
Mark Finch – Head of Soft Services
Ray Rahman – Facilities Manager

We take responsibility to LBHF for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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