



Contract audit of security and stewarding

Committee Audit and Standards

Date of meeting 30 August 2019

Date of report 21 August 2019

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings of a contract audit of security and stewarding. This engagement is included in the annual Internal Audit plan for 2019/20.

2. Background

Security and stewarding service provision

SPT services and facilities are managed through three functional areas namely bus, subway and corporate. Subway is subject to stringent and specifically defined levels of security governed by the Department for Transport's Land Transport Security Division (TRANSEC). Bus stations, whilst not explicitly governed in this manner, follow the same principles as Subway as they exhibit similar risks and passenger needs that require to be managed.

Public safety and security whilst transiting through SPT's bus and subway networks is of paramount importance. SPT has developed its security strategy to mitigate this threat by providing a Security Industry Authority (SIA) approved, high profile, visible, uniformed resource. Security guarding is recognised as being an essential service for SPT and the travelling public. The quality of guarding service must be exemplary as guards will be interfacing and communicating with members of the public.

In addition, SPT deploy stewards at subway and bus stations during large scale events that are beyond day to day operation of the service (i.e. football matches or major events).

SPT employs the services of an external contractor to provide security and stewarding across the whole SPT estate to ensure the safety and security of both customers and employees.

Contract award

Following a Scotland Excel competitive tendering exercise, the Operations committee at its meeting of 4 May 2018 approved award of contract for provision of both Security guarding and stewarding services to MITIE Security Ltd for a 5 year period from 30 May 2018.

The objective of this engagement was to review and evaluate the contract monitoring arrangements in place for the security and stewarding of SPT properties and site locations.

This engagement tested elements of the internal controls and mitigation against SPT 6: Security, as identified in the Corporate Risk register.

3. Outline of findings

Engagement testing (June 2019) found that contract management arrangements were in line with Chartered Institute of Public Finance and Accountancy (CIPFA) good practice guidelines.

The engagement identified a requirement to enhance performance management and administration arrangements. There are areas for improvement, and these areas have been addressed by four recommendations. Customer Services and Subway management have agreed to implement these recommendations, which are currently being actioned.

4. Conclusions

The Audit and Assurance team has undertaken a contract audit of security and stewarding. Four recommendations have been agreed from this engagement.

Key controls exist and are applied consistently and effectively in the majority of areas tested in this engagement. Reasonable assurance can be taken from the internal controls in place.

5. Committee action

The committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendations to a meeting in approximately six months.

6. Consequences

| | |
|-------------------------|-----------------------------------|
| Policy consequences | <i>None.</i> |
| Legal consequences | <i>None.</i> |
| Financial consequences | <i>None.</i> |
| Personnel consequences | <i>None.</i> |
| Equalities consequences | <i>None.</i> |
| Risk consequences | <i>As detailed in the report.</i> |

Name Valerie Davidson

Name Gordon Maclennan

Title Assistant Chief Executive

Title Chief Executive

For further information, please contact Iain McNicol, Audit and Assurance Manager on 0141 333 3195.

Agreed action plan: Contract audit of security and stewarding

| No. | Recommendation | Priority | Action Proposed | Lead Officer | Due date |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------|
| 1 | <p><u>Key Performance Indicators</u></p> <p>The Contracts Manager in conjunction with stakeholders should review the methodology applied for monitoring performance.</p> <p>The service provider has an online management tool which should be explored as this may provide statistical information to enhance performance monitoring arrangements.</p> | Low | <p>The Contract Manager will remind stakeholders that they are able to log on to the MITIE online performance management system. Available information will be reviewed for usefulness.</p> <p>Customer Standards and Subway management have scheduled training on the MITIE online management tool (MITSM).</p> | Contracts Manager | September 2019 |
| 2 | <p><u>Digital system(s) access</u></p> <p>It would be prudent for Subway and Customer Standards management to carry out a validation check on current MITIE personnel (and leavers) who have SPT digital system(s) access, for adequacy using the principle of least privilege.</p> <p>In addition the process of advising Digital of MITIE personnel changes which impact on system(s) access should be reviewed for adequacy.</p> <p>Digital system access request(s) should, where appropriate, identify the category of the user (i.e. contractor) to allow ease of retrieval and management of external users.</p> | Medium | <p>Subway and Customer Standards Management are progressing validation checks on current MITIE personnel (and leavers) who have SPT Digital system access, for adequacy using the principle of least privilege.</p> <p>A request has been made to Digital to review functionality which allows request for creation of external users i.e. contractors (<i>'Create a new external user'</i>).</p> | Customer Services and Security Manager / Operations & Security Manager (Subway) | August 2019 |

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| 3 | <p><u>Invoice administration</u></p> <p>Verbal request(s) for additional MITIE services should be confirmed in writing (by email). Back up emails should be retained as evidence of the request(s).</p> <p>Retention period for back up emails should be formalised and documented.</p> | Medium | <p>Agreed, verbal requests will be confirmed by email and retained as evidence of the request(s).</p> <p>Retention periods will be documented.</p> | Operations & Security Manager (Subway) | August 2019 |
| 4 | <p><u>Broomloan depot gatehouse</u></p> <p>Subway management should review and enhance the arrangements for the key safe and temporary storage of contractor passes.</p> | Medium | <p>Arrangements will be reviewed and enhanced. A digital key safe will be installed and contractor passes will be stored in a lockable receptacle.</p> | Operations & Security Manager (Subway) | August 2019 |

High: A fundamental control that should be addressed as soon as possible;

Medium: An important control that should be addressed within three months;

Low: An issue which is not fundamental but should be addressed within six months to improve the overall control environment.