

Glasgow City Region Cabinet

Report by Head of Audit and Inspection, Glasgow City Council

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INTERNAL AUDIT PLAN 2025/26

Purpose of Report:

To present to the Cabinet the internal audit plan for 2025/26 for the Glasgow City Region Cabinet.

Recommendations:

Members are asked to agree to the implementation of the Audit Plan for 2025/26.

1. BACKGROUND

- 1.1 Following agreement, the Glasgow and Clyde Valley Local Authorities entered into a City Deal with both the UK and Scottish Governments. The eight Local Authority Leaders agreed to establish a Joint Committee constituted under Section 57 of the Local Government (Scotland) Act 1973. The Joint Committee is known as “the Glasgow City Region Cabinet” (“the Cabinet”) and was constituted on the 19 January 2015.
- 1.2 Cabinet has agreed the appointment of Glasgow City Council’s Internal Audit department to provide the Internal Audit function. The Head of Audit and Inspection prepares an annual internal audit plan which is subject to consideration and approval by the Cabinet. Internal Audit complies with the new Global Internal Audit Standards (GIAS). The audit plan has been prepared and will be undertaken in accordance with the Standards.
- 1.3 In developing the internal audit plan, we have:
- consulted relevant senior officers of the Glasgow City Region (“the City Region”) Project Management Office,
 - considered the risks affecting the Cabinet,
 - considered both internal and external factors affecting the City Region’s programme, and
 - considered previous audit findings.
- 1.4 The Global Internal Audit Standards (GIAS) require that the audit plan should be kept under review to reflect any changing priorities and emerging risks. We will therefore ensure the plan remains relevant and reflects any changes to the inherent risks which may impact on the Cabinet. The Cabinet will be asked to approve any material adjustments to the audit plan.

2. INTERNAL AUDIT PLAN 2025/26

- 2.1 The areas included in the Internal Audit Plan for 2025/26 are:
- Fair Work First – Real Living Wage
 - Investment Zones
 - Clyde Mission Heat Decarbonisation
 - Follow ups audits and provision of support to officers.
- Further details on each of the above proposed reviews is contained within Appendix 1.
- 2.2 Internal Audit will issue reports on audit findings, highlighting control weaknesses, together with recommendations for improvement. Any significant area of control weakness will be reported specifically in the Annual Governance Statement.
- 2.3 Audits which examine systems and processes operated by Glasgow City Council but which may be used or relied upon to deliver objectives of the City Region Cabinet will be reported to the Council’s Finance and Audit Scrutiny Committee. Audit findings which may impact on the Cabinet will be considered when developing the Cabinet Annual Governance Statement.

- 2.4 Where appropriate, we will place reliance on the work undertaken by the Internal Audit section of each member Local Authority. Any significant issue that could impact on the ability of an Authority to deliver a project under its control will be considered for inclusion in the Annual Governance Statement. Internal Audit will also continue to host an audit support group. This group will include representatives from each Local Authority Internal Audit section and will facilitate the sharing of audit knowledge, information and best practice.

3. DIRECT AUDIT OUTPUTS IN 2025/26

- 3.1 The main output of Internal Audit in 2025/26 will be the Head of Audit and Inspection's Annual Governance Statement. This will be reported to the Cabinet and will provide assurance to Members of the Cabinet and senior officers on issues of control related to the delivery of the objectives of the City Region Cabinet.
- 3.2 The annual statement will be based principally on the work undertaken by Internal Audit during the year. In 2025/26, 53 days will be available to carry out this work. Internal Audit will continually review the risks and operating environment of the Cabinet during the course of the year and may tailor this planned work accordingly.
- 3.3 The indicative fee for the cost of this audit work during 2025/26 is £24,200.

4. 2024/25 UPDATE

- 4.1 There were three elements in the 2024/25 audit plan. The current status of each is:
- Shared Prosperity Fund, Regional Project Compliance – fieldwork is complete, and the report will be presented to Cabinet in May 2025;
 - Financial Monitoring phase 2 – report is anticipated to be presented to Cabinet in August 2025;
 - Gateway Readiness Review – work by Internal Audit was in a critical friend capacity and was undertaken in February 2025. Further information will be included in the IA Annual Report 2024/25, which will be presented to Cabinet in August 2025.

5. RECOMMENDATION

- 5.1 The Cabinet is asked to agree to the implementation of the Internal Audit Plan for 2025/26.

Appendix 1

Glasgow City Region Cabinet – Audit Plan 2025/26

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)
Governance	Fair Work First - Real Living Wage We will examine compliance with the Scottish Government's Fair Work First updated guidance in respect of the Real Living Wage. The updated guidance relates to new grant conditions that must be considered by both the PMO and the eight MA's. We will review the arrangements in place to ensure that all relevant officers are aware of the new guidance and are complying with the requirements set out by PMO in respect of Fair Work First requirements and the Assurance Framework.	n/a
Governance	Investment Zones GCR 'Investment Zones' are due to be rolled out in 2025/26. Work is currently ongoing by the PMO to prepare for this. The PMO have requested that Internal Audit act as a "critical friend" to provide support and guidance on the required governance arrangements for the new funding stream. Timing of this piece of work will be agreed with the GCR PMO.	Risk 0007 - Public Sector/Partner Funding Availability.
Governance	Clyde Mission Heat Decarbonisation We will examine the governance arrangements in place in relation to the new Scottish Government funding for Clyde Mission Heat Decarbonisation initiative that is being administered by the GCR PMO. The plans are at an early stage, therefore, the review will consider that these initial stages of work are being managed appropriately and in line with the Assurance Framework.	Risk 0013 – Sustainability. Efficient use of Natural Resources. Climate Change.
Follow up	We will undertake an audit of the progress made against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the Cabinet.	n/a