



Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Head of Audit and Inspection

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Item 3

28th January 2026

INTERNAL AUDIT – SUMMARY REPORT

Purpose of Report:

To advise members of the main findings of the following audit reports issued recently, together with a summary of action taken:

- Corporate Review – Stock Management
- Chief Executives – Glasgow Communities Fund Monitoring Arrangements
- Health and Social Care Partnership – Payroll Verification
- Neighbourhoods, Regeneration and Sustainability – Alarm Receiving Centre
- Neighbourhoods, Regeneration and Sustainability – Payroll Verification

The audits undertaken in this period provide assurance linked to the Grand Challenges and Missions within the Council Strategic Plan 2022-2027, including Grand Challenge 4, Mission 3 – Enable staff to deliver a sustainable and innovative council structure that delivers value for money.

Note:

In most cases one of four opinions is expressed:

- The control environment is satisfactory i.e. audit testing found no concerns with the control environment.
- A reasonable level of assurance can be placed upon the control environment i.e. audit testing found no major weaknesses in the control environment but some improvements could be made.
- A limited level of assurance can be placed upon the control environment i.e. improvements are necessary to ensure the control environment is fit for purpose.
- The control environment is unsatisfactory i.e. significant improvements are required before any reliance can be placed upon the control environment.

Recommendations:

The Committee is asked to:

1. Note the content of the reports, and
2. Instruct the Head of Audit & Inspection to provide follow up reports showing progress towards achievement of the Action Plans arising from the audits undertaken.

Ward No(s):

Citywide:

Local member(s) advised: Yes No consulted: Yes No

1 High Level Summary

- 1.1 The attached Internal Audit Update Summary provides the Finance and Audit Scrutiny Committee with an overview of the work undertaken by Internal Audit during the period 10 November 2025 and 16 January 2026, as part of the agreed Internal Audit Plan
- 1.2 The report summarises the findings of each of the audits completed during that time, highlights any recommendations made, and the audit opinion in light of the findings of the audit activity.
- 1.3 The detailed audit reports are available separately, together with agreed plans for addressing the recommendations.

2 Key Findings

- 2.1 Internal Audit is an independent appraisal function within the Council. Its work is based on an annual audit plan which is prepared after a risk assessment of all potential audit issues identified by Internal Audit and Service Directors and takes account of the work of the Council's external auditor, Ernst and Young.
- 2.2 During the period between 10 November 2025 and 16 January 2026, five reviews have been completed and summary information for each review is provided below. The full reports are provided as appendices to this report.

2.3 Corporate Review – Stock Management

	High	Medium	Low	Service Improvement
Number of recommendations	1	5	0	0

The purpose of the audit was to ensure there are sufficient and appropriate controls in place covering the management of stock at Council sites. The scope of the audit included a review of key controls in the following areas:

- Roles and responsibilities
- Documented policies, procedures, and guidelines
- Staff training
- Security and storage arrangements
- Stock records
- Issue of stock
- Stock-take arrangements
- Management of stock levels.

Based on the audit work carried out, a limited level of assurance can be placed upon the control environment.

The recommendations relate to (1) developing/updating stock control procedures, (2) investigating the feasibility of having a single stock management system, (3) for 2 sites, reviewing the audit trail for stock items, (4) agreeing and documenting the processes for slow moving stock, (5) improving the arrangements for stock counts, and (6) where possible introducing segregation of duties.

2.4 Chief Executives – Glasgow Communities Fund – Monitoring Arrangements

	High	Medium	Low	Service Improvement
Number of recommendations	0	0	1	0

This audit was undertaken to gain assurance that the monitoring framework for the Glasgow Communities Fund has been implemented, is effective, and is being followed.

The scope of the audit included a review of the key controls in the following areas:

- Roles and responsibilities.
- Documented framework, procedures and guidelines for monitoring.
- Training and communication arrangements.
- Documentation held, both that supplied by the grant recipients and that prepared by monitoring officers.
- Monitoring and progress visits.

Based on the work carried, a reasonable level of assurance can be placed upon the control environment.

The recommendation relates to the documenting, communicating and ongoing maintenance of the Performance Monitoring Framework.

2.5 Health and Social Care Partnership – Payroll Verification

	High	Medium	Low	Service Improvement
Number of recommendations	0	2	0	0

The audit was undertaken to verify:

- That only current Council employees were being paid.
- The accuracy of employee's core pay and hours.
- That appropriate steps had been taken to correct payroll records and recover overpayments as necessary.

Based on the work carried, a reasonable level of assurance can be placed upon the control environment.

The recommendations relate to (1) ensuring that HR changes are notified timeously and that paperwork is submitted in support and (2) the implementation of a process for the review and removal of SAP records, when external (i.e. NHS) staff leave post.

2.6 Neighbourhoods, Regeneration and Sustainability – Alarm Receiving Centre

	High	Medium	Low	Service Improvement
Number of recommendations	0	1	1	2

The audit was undertaken to provide an assessment of the Alarm Receiving Centre's (ARC) compliance with the British Standards (BS) (5979:2007, 9518:2021 (where relevant), 7858:2019, 8484:2016 Clause 7 and BS EN ISO9001:2015), and to gain assurance that, for a sample of the BS requirements, ARC management can provide evidence of compliance.

The scope of the reviews included:

- BS5979: Section 5 – Construction and Facilities.
- BS5979: Section 6 – Operation of an ARC.
- BS5979: Section 7 – Records.
- BS5979: Section 8 – Contingency Plan.
- BS7858: Screening of individuals working in a secure environment.
- ISO9001:2015 – Quality Management Systems.
- Ensuring that any outstanding audit recommendations have been implemented.

Based on the work carried, a reasonable level of assurance can be placed upon the control environment.

The recommendations relate to (1) compliance with retention periods for screening files, and (2) providing staff with an overview of the use of specific equipment.

2.7 Neighbourhoods, Regeneration and Sustainability – Payroll Verification

	High	Medium	Low	Service Improvement
Number of recommendations	0	1	0	0

The audit was undertaken to verify:

- That only current Council employees were being paid.
- The accuracy of employee's core pay and hours.

- That appropriate steps had been taken to correct payroll records and recover overpayments as necessary.

Based on the work carried, a reasonable level of assurance can be placed upon the control environment.

The recommendation relates to the timely submission of employee changes, ensuring that these are actioned correctly and timeously.

2.8 The full reports for the above reviews have been included as separate papers within the agenda.

3 Recommendations

The Committee is asked to:

- Note the content of the reports, and
- Instruct the Head of Audit & Inspection to provide follow up reports showing progress towards achievement of the Action Plans arising from the audits undertaken.