

Glasgow City Council Internal Audit Section

Glasgow City Region Cabinet Report

Glasgow City Region – Clyde Mission – Heat Decarbonisation Fund

Governance (Phase One)

1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of the Clyde Mission Heat Decarbonisation Fund (CM-HDF) Governance arrangements within the Glasgow City Region (GCR).
- 1.2 CM-HDF is a three-year investment programme being administered by GCR and funded by The Scottish Government (SG). Its purpose is to accelerate the replacement of fossil fuel heating systems with low and zero carbon alternatives across the Clyde Mission corridor, in line with local, regional and national policy objectives.
- 1.3 The scheme was launched on 10 December 2025 after gaining approval at cabinet on 18 November 2025. The application process is underway for eligible projects to apply for funding. At least one element of project infrastructure (e.g. generation, storage, distribution, use) must be located within the Clyde Mission corridor.
- 1.4 The scope of the audit was to ensure there are sufficient and appropriate arrangements in place covering the CM-HDF. The scope of the audit included a review of:
 - The documented policies and procedures, roles and responsibilities.
 - The governance and operational management arrangements.
 - The reporting activities to track progress and adherence to the Assurance Framework.
 - Reporting to the Scottish Government
 - Monitoring Arrangements
 - Risk Management
 - Record keeping arrangements to maintain an audit trail and ensure compliance with retention requirements.
- 1.5 A second phase of this review is included in the 2026/27 audit plan to consider the operational activities and ensure they comply with the governance arrangements.

2 Audit Opinion

- 2.1 Based on the audit work carried out assurance can be taken that the control environment is satisfactory

3 Main Findings

- 3.1 We are pleased to report that key controls are in place in relation to the governance arrangements for the CM-HDF. Through discussion and review of documentation we found that key officers are aware their roles and responsibilities.
- 3.2 From review of documentation and discussion with the Programme Manager, we found that there is a clear governance structure in place with regards to the CM-HDF. We confirmed that there are planned reporting arrangements in place to comply with the governance structure once the projects are approved and progress. Additionally, we found that the governance arrangements are provided to the applicants via an application guidance document, these are publicly available through the GCR website.
- 3.3 Through review of documentation and discussion, we found that there are clear and reasonable monitoring and reporting arrangements in place for projects and GCR. These requirements are set out in the application guidance and in the grant offer letter which will be issued to approved projects. In addition, internal documentation is in place that details the monthly monitoring and reporting arrangements and the roles and responsibilities required for both the approved projects and relevant GCR officers.
- 3.4 Through discussion with the Programme Manager and review of Internal documentation we found that arrangements are in place for consistent reporting to SG regarding CM-HDF. This includes quarterly grant claims which will be provided to the SG by GCR based on the grant claims provided by projects.
- 3.5 We were advised that there is a document retention policy of 6 years in place in line with SG requirements. All documentation relating to projects is saved in a secured drive which is only accessible by relevant officers and will be disposed of at the end of the retention period. The retention period is also in alignment with the council's data retention policy.
- 3.6 We were advised through discussion that there are risk management arrangements in place; this includes a monthly review of the risk register. However, through review of documentation we found a discrepancy in the frequency of how often the risk register would be reviewed. This has since been addressed by the Programme Manager and updated to

reflect the monthly review. We found that all other internal documentation was accurate to the intended working practices.

- 3.7 In addition, we found through review of the application guidance document that applicants are not made aware of the change control process. We were able to confirm through review of internal documentation that there is a change control process in place. We have been advised that this was an oversight and that the Programme Manager has updated the application guidance to include the change control process.

- 3.8 The audit has been undertaken in accordance with the Global Internal Audit Standards in the UK public sector.
- 3.9 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.10 It is recommended that Cabinet notes the contents of this report.