

Glasgow City Council Internal Audit Section

Committee Summary

Financial Services – Accounts Payable – Data Analysis

Item 5(e)

21st October 2026

1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of the controls in the Accounts Payable (AP) processes through the application of data analysis.
- 1.2 Customer and Business Services (CBS), part of Financial Services, process the payment of invoices on behalf of all Council Services and therefore holds large volume of data. Between April and October 2025, the period reviewed as part of the audit, there were close to 300,000 payments made by the Council. Processes that generate such significant volumes of data are well suited to the application of data analytics techniques e.g. to provide additional assurance in high-risk areas, such as duplicate payments, vendors, controls and approvals.
- 1.3 The objective of this audit was to utilise the available reports from AP to develop tests, using data analytics, that would highlight anomalies for further investigation. This highlighted areas where additional testing was required to assess the effectiveness of controls in place for the management of the various payment methods in use by the AP team. The scope of the audit included:
 - Reviewing the reports available and current system controls.
 - Considering other reports currently in use e.g. those produced as part of the National Fraud Initiative (NFI).
 - Developing tests that can be used to highlight anomalies or usual transactions.
 - Using the results to highlight any areas where the AP control environment may need to be strengthened, and
 - Considering:
 - Documented policies, procedures and guidelines.
 - Training and communication arrangements
 - Roles and responsibilities
 - Arrangements for authorisation and approval
 - Segregation of Duties
 - Reconciliation

2 Audit Opinion

- 2.1 Based on the audit work carried out, assurance can be taken that the control environment is satisfactory. The audit has identified some scope for improvement in the existing arrangements and one recommendation which management should address.

3 Main Findings

Data Analysis

- 3.1 We were provided with reports for the period April – October 2025 which we used for data analysis, and these included information regarding all the payments made across council services. In addition, we obtained a vendor report which included details of all vendors recorded on SAP and additional reports relating to council tax, clothing grants, housing benefit and education maintenance allowances.
- 3.2 We used the reports provided to carry out data analysis and generated testing based on the anomalies identified. Based on the results we selected the following areas to review:
- Duplicate Payments
 - Vendor information
 - Non-Sequential Document Numbering
 - One Time Vendor (OTV)
 - Weekend Payments

Testing

- 3.3 We are pleased to report that the key controls are in place and are generally operating effectively. Through discussion with officers, we found that the roles and responsibilities for the AP process were well understood and documented throughout the AP team. Additionally, we confirmed that AP staff receive on the job training, in conjunction with the procedures provided.
- 3.4 We found that adequate segregation of duties or system controls are in place for all processes reviewed. We confirmed that authorisation and approval processes were in place, where relevant, and were being adhered to. Furthermore, we confirmed that AP issue four weekly reports to services which enables them to perform reconciliations.
- 3.5 We can confirm from data analysis and discussion with relevant officers that there were no weekend payments processed during the six-month period reviewed. In addition, we can confirm through evidence and discussion that all documents are sequentially numbered, with no gaps identified.

- 3.6 Data analysis identified 387 payments across 29 potential vendors where the use of OTV appeared to breach the maximum number of uses allowed, per the OTV guidance. Through further inspection however we found that each of the additional instances of use could be supported via documentary evidence or justification to show that the OTV guidance had not been breached and as a result no exceptions were identified. For example, the vendors name was the same; however, from a review of evidence we confirmed the payee details were different for each payment.
- 3.7 In relation to the review of vendor information, we met with the relevant officers to discuss 20 instances where, through our data analysis, a duplicate vendor number had been identified. Through discussion and observation, we confirmed that all potential duplicates were a result of a name change and the correct process was followed in each case.
- 3.8 We identified five anomalies through our data analysis which indicated potential duplication of payments. Four of these were later found to be valid transactions whilst one, low value (£184), duplicate payment was identified and subsequently credited.
- 3.9 An action plan is provided at section four outlining our observations, risks and recommendations. We have made one recommendation for improvement. The priority of the recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	0
Low	Lower-level controls absent, not being operated as designed or could be improved.	1
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.10 The audit has been undertaken in accordance with the Global Internal Audit Standards in the UK Public Sector.
- 3.11 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.12 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: System or manual controls are in place to prevent an invoice being paid more than once.				
1	During testing of payments, we identified five instances within a one-month period which indicated a duplicate payment had been made. This was due to the same reference number, amount and vendor name being used across multiple transactions. We investigated further to determine if a duplicate payment had been made. We were provided with evidence to confirm that four of the payments were not duplicate: - One instance was in relation to a payment that had been paid twice however there was a credit on the account to reverse one of these payments prior to the audit commencing. - Three instances where similar payments appeared on the report however only one payment had been made in each case. However, one payment was identified as a genuine duplicate payment and has since been credited. Two invoices were	Education management should remind all relevant staff to review all invoices prior to approval, including checks to verify that invoices have not already been processed or paid, to reduce the risk of duplicate payments.	Low	Response: Accepted Education Services will remind all school clerical and AFAs to review all invoices prior to approval. Officer Responsible for Implementation: Education Support Manager Timescales for Implementation: 30 November 2026

No.	Observation and Risk	Recommendation	Priority	Management Response
	passed for processing by Education Services for the same order, however both had different purchase order numbers and were therefore not detected by AP controls. Following discussion with relevant officers we found that this was as a result of checks not being carried out by Education Services to confirm whether the invoice had been previously paid. Corrective action has since been taken and the £184 has been recovered. Additional work was undertaken to identify if this was a recurring error however no further duplicates were identified. There is therefore a risk that duplicate payments are processed, leading to unnecessary expenditure, inefficient use of Council resources, and potential reputational damage.			