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Item 5

7th May 2024

Glasgow City Region Cabinet

Report by Head of Audit and Inspection, Glasgow City Council

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INTERNAL AUDIT PLAN 2024/25

Purpose of Report:

To present to the Cabinet the internal audit plan for 2024/25 for the Glasgow City Region Cabinet.

Recommendations:

Members are asked to agree to the implementation of the Audit Plan for 2024/25.

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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 Public Sector Internal Audit Standards, with an external quality assessment undertaken in 2020/21 which confirmed this. 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 City Deal Project Management Office,
 - considered the risks affecting the Cabinet,
 - considered both internal and external factors affecting the City Deal programme, and
 - considered previous audit findings.
- 1.4 The Public Sector Internal Audit Standards 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 2024/25

- 2.1 The areas included in the Internal Audit Plan for 2024/25 are:

- Financial Monitoring phase 2
- Shared Prosperity Fund (SPF) Regional Project Compliance
- Gateway Readiness Review
- 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 used or relied upon to deliver the City Deal 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

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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 2024/25

- 3.1 The main output of Internal Audit in 2024/25 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 City Deal.
- 3.2 The annual statement will be based principally on the work undertaken by Internal Audit during the year. In 2024/25, 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 2024/25 is £23,300.

4. 2023/24 UPDATE

- 4.1 There were three elements in the 2023/24 audit plan. The current status of each is:
 - Relationship Management and Stakeholder Engagement – fieldwork is complete and the report will be presented to Cabinet in May 2023;
 - Financial Monitoring phase 1 – fieldwork is complete and the report will be presented to Cabinet in May 2023;
 - SPF Assurance Framework Compliance – report is anticipated to be presented to Cabinet in August 2024.

5. RECOMMENDATION

- 5.1 The Cabinet is asked to agree to the implementation of the Internal Audit Plan for 2024/25.

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Appendix 1

Glasgow City Region Cabinet – Audit Plan 2024/25

Assurance Area	Planned Internal Audit Activity
Governance	SPF Regional Project Compliance We will examine compliance with the SPF Terms & Conditions and the Grant award letter issued by the Region PMO. We will also check that monitoring is being undertaken as expected and that the project objectives are being met and any cost imposed by the 3rd parties is reasonable. These projects are being managed by the Region PMO as opposed to by the member authorities directly.
Governance	Gateway Readiness Review The GCR is subject to a 2nd Gateway Review. Similar to the previous review, the PMO have requested that Internal Audit act as a “critical friend” and assists in reviewing collated evidence to flag/detect any issues prior to completion of the review. Timing of this piece of work will be agreed with the GCR PMO to ensure this aligns with Gateway Review submission dates.
Governance	Financial Monitoring phase 2 We will undertake a review of the remaining MA’s financial monitoring at a local and project level. We will also consider the current financial pressure that all Local Authorities are under and the impact these and other external factors are having on City Deal projects.
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.