

Glasgow City Council Internal Audit Section

Committee Summary

Financial Services – Corporate Treasury Management

Item 3(c)

22nd October 2025

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1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of the Corporate Treasury Management function.
- 1.2 The Treasury Management function sits within the Corporate Finance section of Financial Services and is responsible for ensuring that the Council's cash flow is adequately planned so that sufficient cash is available when required. The Treasury Management Strategy and Annual Investment Strategy is presented to the Finance and Audit Scrutiny Committee (FASC) each year for noting. Thereafter the strategy is presented to the City Administration Committee (CAC) for approval.
- 1.3 The purpose of the audit was to gain assurance that the Treasury Management function continues to operate in accordance with the relevant policies, procedures and controls to ensure delivery of the Strategy, and that proper governance of the Treasury Management function is in place. The scope of the audit included a review of the key controls in the following areas:
 - Legislative or regulatory requirements.
 - Working arrangements to maintain the integrity of the control environment.
 - Segregation of duties between employees responsible for authorising, instructing, recording and receiving confirmation of Treasury Management transactions.
 - Loan repayments, deposits and interest.
 - Preparation and authorisation of bank reconciliations and other financial transactions.
 - Recording of Treasury transactions in bank accounts, financial ledger and other subsidiary records.
 - The controls to prevent and detect unauthorised transactions.
 - The Treasury Management Strategy and Annual Investment Strategy, approval requirements and adherence to these.

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 the key controls are in place and operating effectively. The Treasury Management Strategy and Annual Investment Strategy 2025/26 have been reported to FASC and approved by CAC with mid-year reviews of the 2024/25 Strategy presented to FASC in November 2024. A range of documented policies and procedures are in place which cover the Treasury Management function, and we confirmed that all relevant staff have access to these.
- 3.2 We were advised that there has been no change to any legislative or regulatory requirements that are applicable to the Treasury Management function within 2024/25 or at the time of the audit fieldwork in Q2 2025/26.
- 3.3 Through discussion with the Treasury Management team, we noted that transactions must be approved by two authorisers, and a rota is in place to ensure that this is always possible. We were also advised that the approvals of transactions are held electronically. We conducted sample testing of transactions made between July 2024 and July 2025 to confirm that the approval process had been followed. In all cases we confirmed that the transaction had been approved by two officers. In addition, there are adequate system controls in place to prevent unauthorised input and approval of transactions.
- 3.4 We confirmed that processes are in place to ensure loan repayments, deposits and interest are correct and are recalled on the due date, this involves daily borrowing assessments undertaken by the Treasury team. Furthermore, arrangements are in place between the Treasury team and the Ledger Control & Banking team to ensure that an accurate figure for daily borrowing and lending is calculated and that any discrepancies are investigated.
- 3.5 The Ledger Control & Banking team complete four weekly bank reconciliations and we confirmed that these are completed and checked by separate officers. In addition, the Treasury Management team complete reconciliations between the loans fund and the financial ledger to ensure that all transactions are recorded correctly, these are approved by a manager not involved in the preparation.
- 3.6 The audit has been undertaken in accordance with the relevant Internal Audit Standards.

- 3.7 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.8 It is recommended that Committee notes the content of this report.