

Glasgow City Council Internal Audit Section

Committee Summary

Neighbourhoods, Regeneration and Sustainability – Fees & Charges

1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of the fees and charges levied by Neighbourhoods, Regeneration and Sustainability (NRS) for Council services.
- 1.2 Each year NRS publish a Book of Charges, detailing the agreed fees for the various services, permits, etc., which citizens and businesses may require, for examples charges for Bereavements and Cremations, Events or Garden Waste Permits.
- 1.3 In some cases, service users may be required to pay upfront at the point of requesting the service, such as via the Council website or phone, whereas for other services an invoice will be issued once the service has been provided. Depending on the service area the fees and charges are managed through the relevant Council systems with set prices listed which are updated to reflect agreed rates to ensure service users are charged accurately.
- 1.4 The purpose of this audit was to gain assurance that fees and charges for NRS services are maintained on all relevant systems to reflect the current approved rates, and that service users are thereafter correctly charged. The audit included a review of the key controls in the following areas:
 - Pricing structures and approval of prices, including publication of prices.
 - Documented policies, procedures and guidelines.
 - Collection of income, including segregation of duties.
 - Arrangements for discounts.
 - Reporting arrangements in relation to income.
 - Reconciliation arrangements.
- 1.5 We selected the following service areas for review:
 - Garden Waste Permit (Brown Bin Permit)
 - Bulk Waste Uplift
 - Skip Hire
 - Pest Control
 - Environmental Levy
 - Electric Vehicle Charging
 - Taxi Annual Inspections
 - Pre-Planning (households)
 - Cremations
 - Security Charges

2 Audit Opinion

- 2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and two recommendations which management should address.

3 Main Findings

- 3.1 The NRS Book of Charges for 2024/25 was appropriately approved by senior management and published on the Council website where it is available to members of staff and the public. Additionally, where VAT was applicable, we found through our sample testing that this was charged at the correct rate and was accounted for separately on invoices and in the financial ledger.
- 3.2 We found that for all service areas reviewed discounts were not permitted, but where applicable, services do offer refunds under certain circumstances. In the main, we were satisfied that eligible refunds were dealt with in accordance with procedures. However, of the 26 refunds reviewed we found one instance, within Environmental Levy charging where the refund was approved verbally rather than being approved via email or through another documented channel to allow an adequate audit trail to be maintained.
- 3.3 We noted that operational reconciliation processes or other mitigating controls were in place which helps to reduce the risk of errors.
- 3.4 We selected a sample of 10 NRS service areas for review and noted that all areas were accurately listed in the Book of Charges. However, on the Book of Charges section of the Council website there was a minor inaccuracy in the description for Bulk Uplift (this related to wording for one element of the bulk waste collection) which has since been updated to the correct terminology. This had no effect on the charging for this area.
- 3.5 Additionally, for the 10 service areas we found three different charging methods are in operation. Five service areas use Pay360, and for Electric Vehicle charging, income is collected by an external provider, Charge Place Scotland, and paid to the Council. We found that there are adequate controls in place for both of these charging methods, including service reconciliations and pre-payment for services provided. For the remaining four service areas, charges are billed via manual invoicing through the SAP system.
- 3.6 We reviewed a sample of 43 charges from the selected service areas. From the samples reviewed, we noted four cases where there was an undercharge in service areas using

the manual invoicing system. One undercharge was due to a SAP material code being missed from the updated charges, resulting in an immaterial loss over two financial years, which has since been updated. We also identified three undercharging errors within Security, which occurred due to the 2023/24 charging sheet being used for the majority of the 2024/25 financial year.

- 3.7 An action plan is provided at section four outlining our observations, risks and recommendations. We have made two recommendations for improvement. The priority of each 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.	2
Low	Lower level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.8 The audit has been undertaken in accordance with the relevant Internal Audit standards.

- 3.9 We would like to thank officers involved in this audit for their cooperation and assistance.

- 3.10 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: Fees and charged are correctly coded into all relevant systems to ensure that service users are charged accurately.				
1	Through sample testing of 43 charges, we identified four occasions where there was an undercharge. - The previous year's (2023/24) charging template was used for Security Charges for Quarters 2, 3 and 4. This resulted in an undercharge in each quarter. We were advised that the total undercharge was £1,821. - One case where the SAP material code set for Skip Hire had been missed in the inflationary price adjustment exercise resulting in a minor pricing undercharge (under £100) over two financial years. This is a manual process and we were advised was due to human error, and the coding was updated by staff when the issue was highlighted during the audit fieldwork. If adequate arrangements are not in place to ensure that systems are appropriately updated to reflect current charging rates,	NRS management should ensure that, going forward, when updating the financial system adequate secondary checks are undertaken to ensure the charges are correct. NRS management should also ensure that for any supporting documentation used to automatically calculate invoicing charges that this is updated when required, and up to date versions used at all times.	Medium	Response: NRS management will ensure adequate secondary checks are undertaken to ensure charges are correct. NRS management will also ensure that any supporting documentation used to automatically calculate invoicing charges are updated with up to date versions used at all times. Officer Responsible for Implementation: Finance Manager Timescales for Implementation: 30 November 2025

No.	Observation and Risk	Recommendation	Priority	Management Response
	applicants may not be charged the correct amount which could result in a loss of income to the Council.			

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Only authorised officers can approve refunds and an adequate audit trail is maintained.				
2	We found one case in the 26 refunds reviewed where the approval could not be sufficiently evidenced. We were advised that the refund had been approved verbally by the authorised officer and therefore there was no supporting documentation or formal record to support this decision. A lack of an adequate audit trail to demonstrate approval increases the risk that refunds have been incorrectly processed and without the appropriate officer authorisation.	NRS management should ensure that all refund authorisations are formally documented, and evidence retained to ensure that an adequate audit trail is maintained.	Medium	Response: NRS Management will ensure that all refund authorisations are formally documented and evidence retained to ensure that an adequate audit trail is maintained. Officer Responsible for Implementation: Group Manager Neighbourhood Liaison & Events Timescales for Implementation: 30 November 2025