Glasgow City Council Internal Audit Section
Committee Summary
Digital Services – Council use of M365

Item 5(b)

17th September 2025

1 Introduction

1.1 As part of the agreed Internal Audit plan we have carried out a review of the Council's use of Microsoft 365 (M365).

1.2 The M365 suite of services is used within the Council primarily for productivity applications including Word, Outlook, and Teams. Other applications and services are available as part of the Council's current M365 licence including SharePoint and OneDrive, which are being used for specific purposes within the Council.

1.3 It is important that the Council has the appropriate governance in place to consider factors such as value for money, information security, resilience, and the user experience when deciding which M365 services to deploy.

1.4 The Digital Workplace programme is being progressed by Digital Services to review the applications and services the Council currently pays for as part of its M365 subscription to optimise how these can be used, as well as considering the other services that can be delivered as part of the M365 suite.

1.5 The scope of the audit was to ensure there are sufficient and appropriate controls in place covering the deployment and management of M365 products and that these are operating effectively. The scope of the audit included:

- Reviewing the governance arrangements for the deployment of M365 applications and services.
- Confirming the roles and responsibilities of the project team are defined and are understood.
- Confirming the documented policies, procedures and guidelines to be developed, where appropriate, for the use of M365 applications and services before they are deployed.
- Reviewing the training and communication arrangements that have been considered and developed, where appropriate, before the deployment of M365 applications and services.
- Confirming decision making processes have been defined and understood including go/no go decisions.
- Reviewing the assurances received from the Council's IT supplier that the M365 configuration is aligned with the Council's needs and information security best practises.
- Assessing that value for money, resilience and information security concerns have been considered before new M365 applications and services are deployed.

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 A draft Digital Workplace governance framework has been developed that includes terms of reference for three governance forums relating to the monitoring and deployment of M365 applications and services. These are the Digital Workplace Steering Group, the Digital Workplace Champions Network and the Digital Workplace Technical Delivery Meeting. The Digital Workplace programme's aim is to maximise value from the Council's existing investment in digital technology.

3.2 Internal audit has reviewed the draft governance framework and while some minor recommendations have been made, appropriate governance forums have been developed and Digital Services has confirmed the framework is ready for implementation.

3.3 The programme is being implemented using an agile approach of four weekly sprints. A roadmap will support communication with service areas and ALEOs with at least six months of predicted future activity documented.

3.4 Stakeholder engagement analysis has been undertaken which has identified three categories of stakeholder relating to their required level of engagement with the programme. The governance framework also documents that the programme roadmap will be developed with consideration of feedback from the Champions Network, which is intended to include membership from all Council services and ALEOs. A high-level communications plan has been developed including provision of learning materials and application specific user guidance, with detailed communications activity to be considered as part of each four weekly sprint.

3.5 The M365 Product Owner is responsible for ensuring the relevant Managed Service Provider (in this case CGI) is undertaking the required monitoring and maintenance of the tenancy. The Product Owner is also responsible for monitoring the realisation of benefits. Escalation routes have been documented in the governance framework as well as the programme documentation that is to be maintained.

3.6 Under the draft framework the Digital Workplace Steering Group has the authority to approve changes to the M365

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Master Apps List. This will require a quorum of the Steering Group members and an actions and decisions log is to be maintained.

3.7 While the first phase of the project relates to optimising the use of the Council's current M365 licence and will not require a business case, we have been advised that where additional investment is required a business case will be developed. However, we note that this process is not currently documented in the Digital Workplace governance framework.

3.8 The governance framework notes that each application available to staff will have an associated Council-specific guidance document. However, while some guidance is available, the workplan includes further work to consolidate and expand these materials.

3.9 The Digital Workplace Project Manager advised that a network has been identified to be used for approvals of changes to Teams/SharePoint sites. The required forms and training are yet to be implemented, pending approval of the Governance Framework.

3.10 One of the Council's Managed Service Providers (MSP) produced a high-level design (HLD) in 2023 and a review of the Council's tenancy has been completed by the Council's M365 product owner. Discussions are ongoing between both parties to agree revised expectations and processes.

3.11 While M365 has some built in resilience, additional functionality can be purchased and this is kept under review by Digital Services.

3.12 We were informed that, as part of the Digital Workplace programme, usage and compliance information will be monitored by the M365 Product Owner, including licensing arrangements which will then to be reviewed by the Steering Group. However, this arrangement is not yet in place. There is also currently no monitoring at a corporate level of external sharing.

3.13 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

3.14 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.

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

3.16　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: Appropriate governance arrangements are in place for the deployment of M365 applications and services.				
1	A draft governance framework has been developed. Internal audit has reviewed the draft governance framework and while some recommendations have been noted below, appropriate governance forums have been developed and Digital Services has confirmed the framework is ready for implementation. The Digital Workplace Project Manager advised that a network has been identified to be used for approvals of changes to Teams/SharePoint sites. However, the required forms and training are yet to be implemented. We were advised that a business case would have to be developed for any services introduced as part of the Digital Workplace Programme that require additional investment. However, this is not currently documented in the Governance Framework. If the appropriate governance is not in place there is an increased risk that applications are used by Council staff in a	Management should ensure that the arrangements noted in the draft governance framework are approved and implemented. Digital Services should work with services and ALEOs to launch the Digital Workplace Champions Network and provide guidance to relevant networks for approvals of changes to Teams/SharePoint sites. Management should formally document the arrangements for approving services introduced as part of the Digital Workplace Programme that require additional investment.	**Medium**	**Response:** Accepted. The team requested Internal Audit's review of the draft Governance Framework prior to go-live and these minor changes will be incorporated and the approval sought, with implementation to follow. **Officer Responsible for Implementation:** Head of Digital Services **Timescales for Implementation:** 30 September 2025

No.	Observation and Risk	Recommendation	Priority	Management Response
	manner that impacts the Council's information security and integrity.			

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: The Council has received appropriate assurances that the M365 configuration is aligned to its needs and best practice.				
2	One of the Council's Managed Service Providers (MSP) produced a High Level Design (HLD) for M365 in 2023 and a review of the Council's tenancy has been completed by the Council's M365 product owner. Discussions are ongoing between the Council and the relevant MSP to agree ongoing expectations and processes. While M365 has some built in resilience, additional functionality can be purchased and this is kept under review by Digital Services. If appropriate arrangements/assurance is not in place regarding the M365 configuration, there is an increased risk that this may not be optimal for the Council or could expose the Council to information security risks.	Management should ensure the ongoing discussions with the relevant Managed Service Provider to ensure that expectations and process are understood are promptly concluded. The current M365 configuration should be baselined and agreed, following this, changes should be approved through the established change management process.	**Medium**	**Response:** Accepted. A request has been submitted to the MSP for changes to be made to M365 processes and permissions **Officer Responsible for Implementation:** Head of Digital Services **Timescales for Implementation:** 30 September 2025