Glasgow City Council Internal Audit Section
Committee Summary
Corporate Review: Purchase Cards (Procurement Expenditure Analysis)

Item 8(d)

19th August 2026

1 Introduction

1.1 As part of the agreed Internal Audit plan, we have undertaken a review of Purchase Card usage to obtain assurance that formal procurement routes are being adhered to, and these are not being bypassed through the use of purchase cards.

1.2 Purchase Cards (P-cards) are charge cards, allowing for goods and services to be purchased without the need for petty cash. Purchases should only be made using P-cards if no other procurement route is available, such as ordering through PECOS using contracted suppliers. All services within the Council were included within the review.

1.3 P-card spending levels for 2025/26 varied across the different services as illustrated below:

Service Area	Total P-card spend (£)
Health and Social Care Partnership (HSCP)	1,505,362*
Education Services (ES)	240,838
Neighbourhoods, Regeneration and Sustainability (NRS)	64,961
Chief Executive's Department (CED)	34,611
Financial Services - Catering and Facilities Management (CFM)	3,600

**excludes homelessness*

1.4 The scope of the audit was to obtain assurance that P-card usage was restricted to appropriate use and that opportunities to pursue formal procurement routes are optimised. The audit included a review of the key controls in the following areas:

- Roles and responsibilities.
- Documented policies, procedures and guidelines.
- Training and awareness.
- Alignment of transactions to Council procurement procedures.
- Monitoring and reporting.
- Exception handling and escalation procedures.

1.5 This review was limited to the areas outlined above. A previous review of the arrangements in place for the issue and usage of P-cards by council employees was reported to the Finance and Audit Scrutiny Committee in September 2025.

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 five recommendations which management should address.

3 Main Findings

3.1 Some key controls are in place and generally operating effectively. We found that a contract register has been developed by the Corporate Procurement Unit (CPU) to provide details of current CPU managed contracts in place across all Council services. This register documents areas where contracts are in place and should be used and is subject to regular review and update by the CPU.

3.2 P-card training materials are available to all Council officers within the Glasgow Online Learning and Development (GOLD) platform and highlight that P-cards should not be used to bypass appropriate procurement routes, and signposts officers to their relevant procurement teams for further information.

3.3 However, our audit testing found some areas where improvements should be made. Although the HSCP (as the biggest user) have robust service specific guidance, procedures and training materials, which are available to all users, this was not found for other services reviewed. Online training is available for users, however completion is only monitored by ES and HSCP and arrangements for the completion of refresher training have not been adopted across services. Whilst we found through discussion that roles and responsibilities were understood by those involved in the process, the aforementioned GOLD training available is light touch and does not provide adequate detail on the processes to be followed or roles and responsibilities for all parties involved. Additionally, we noted that embedded links contained within the training material were no longer active.

3.4 Whilst the CPU contracts register was found to be presented in a clear, easy-to-navigate format, we identified issues around staff being able to access the register where officers do not have access to the Council's corporate intranet, and a lack of awareness that the information was available on the Council website.

3.5 To complete our sample testing we focused on identifying areas of higher value spend / frequency being incurred by services on P-cards. This resulted in the review of a total of 28 expenditure areas, split across the services as follows.

- HSCP- 15

- ES- 4
- NRS- 4
- CED- 3
- CFM- 2

3.6 For the sample selected, we met with the responsible officers from each service and reviewed supporting documentation in place. Through discussion, we were able to confirm that whilst P-card usage across the areas reviewed was generally restricted to supplies / services not currently covered by existing contracts, this was not always the case. Within the sample, there were incidences where purchases were made when another procurement route was available; we were advised of the reasons for these, such as emergency situations (which would constitute reasonable use), but we found that there was no consistent documentation to record explanations or rationale for these purchases.

3.7 We found that, within the HSCP, expenditure is largely being pre-approved by the P-card authoriser before being processed and documented guidance has been developed to support this. We were able to evidence this through our sample testing. Other services reviewed do not have a documented pre-approval process and we found that available online training did not provide sufficient information on the pre-approval process to P-card holders.

3.8 From review, we found that the current format of P-card transaction data held does not support the identification and evaluation of P-card expenditure patterns to identify instances where spend had been incurred outside of existing contractual arrangements or to support the identification of potential contract opportunities. Although transactions are processed through an online portal, this does not provide sufficient reporting functionality to support detailed analysis of spending patterns.

3.9 There is no standardised corporate approach for the recording of P-card transaction data, and each service area was found to be adopting its own record keeping arrangements which vary in the level of detail recorded and, with the exception of the HSCP, do not provide sufficient detail around the reasons for the spend and why P-card was used. Whilst we understand that a request has been made to implement changes to P-card recording and reporting within the Enterprise Resource Planning (ERP) project this has not yet been agreed.

3.10 As the two highest volume P-card users, ES and the HSCP have operational processes to identify and follow up cases where a P-card may have been used to bypass an approved procurement route. This was not in place for any of the other services reviewed, albeit we recognise that the level of expenditure in these areas is much lower than ES and the HSCP. Furthermore, with the exception of the HSCP, the lack of detailed record keeping held by services in relation to P-card transaction data limits effective data monitoring at management level. Service-wide monitoring, used to identify areas of non-compliance and potential contract opportunities only takes place within the HSCP.

3.11 Without any standardised approach to the monitoring of P-card spend, there is no opportunity for corporate oversight to identify areas where aggregate spend across the organisation may meet or exceed thresholds where the CPU would typically be involved. Spend Opportunity Analysis Reports (SOAR) issued for completion by the CPU in respect of non-contracted spend exclude P-card spend due to the limitations of ledger reports, with all P-card spend recorded under a single vendor code within the financial ledger.

3.12 An action plan is provided at section four outlining our observations, risks and recommendations. We have made five 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.	4
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

3.13 The audit has been undertaken in accordance with the Global Internal Audit Standards in the UK public sector.

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

3.15 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 training arrangements are in place.				
1	P-card GOLD training is available to both P-card holders and authorisers with management within each service having responsibility for determining who will complete the training and any refresher training. The training materials available to officers highlight that P-cards should not be used to bypass appropriate procurement routes. P-cards should only be issued to those who have successfully completed the GOLD training. However, only ES and the HSCP have arrangements in place to monitor completion by officers to ensure that this is being complied with. Record keeping arrangements were not in place within the other services to demonstrate who had completed the training and that this was being monitored. Through discussion with services, we identified that it was common practice for P-card holders and authorisers to have only received training at the point of issue, with some training dating back several years. Whilst the online training material does highlight that P-cards should not be used	Corporate Human Resources Organisational Development (CHR OD) should work with Services to review and update the GOLD course to ensure that it is fit for purpose. Service Management should develop any supplementary guidance which is required to support any specific operational needs within the service. Completion of the P-card training should be monitored by all services via reports from GOLD / SAP and areas of non-compliance identified and followed up as required. Refresher courses should be undertaken on a periodic basis.	**Medium**	**Response:** Accepted CHR OD - We will work in partnership with the services to review and update the purchase card training materials on GOLD. HSCP – We will review the GOLD Course to identify any required updates and ensure that procurement rules are clearly highlighted within the content, liaising with CHR OD to communicate and implement all agreed changes. We will remind staff of their responsibilities to complete refresher training on an annual basis. Compliance will be closely monitored and failure to complete the required training will result in P-cards being withdrawn until the training is complete. ES - We will link in with CHR whilst they carry out the review. Refresher training will be considered where there are any changes in the P-card processes and procedures in

No.	Observation and Risk	Recommendation	Priority	Management Response
	to bypass existing procurement routes, we identified that the training materials do not explicitly state that it is the P-card holder's responsibility to check existing procurement routes prior to making a purchase or provide guidance on how to do this. We also noted that the materials do not provide reference on how to obtain procurement advice. We found that embedded links had been included within the training materials at the request of the HSCP to signpost to their own procedures and guidance. However, these links were out of date and did not allow access to the files being referenced. Inconsistency and gaps in training requirements, increases the risk that P-card users and authorisers may not fully understand or adhere to corporate procurement requirements.			relation to P-cards to ensure compliance and awareness of their responsibilities. CFM - We will ensure that the two members of staff and the approver will complete the GOLD training, updated GOLD course and ongoing refresher training as required. NRS - We will engage with CHR OD to review and update the GOLD course and develop any supporting guidance for any specific operational needs. We will also ensure that all P-card users complete the required training and that refresher courses are undertaken on a periodic basis. We will monitor completion through GOLD/SAP reports and follow up any areas of non-compliance. CED - We will work with Customer and Business Services (CBS) as part of the proposed review and update of GOLD to ensure that the content remains relevant and fit for purpose. CED does not currently have a significant P-card user base and therefore it is not envisaged that supplementary guidance would be required beyond the corporate

No.	Observation and Risk	Recommendation	Priority	Management Response
				training and procedures however the service will consider whether any is required and develop this where appropriate. All CED P-card users will complete training and refresher courses. **Officer Responsible for Implementation:** HSCP - Senior Officer, Financial Compliance Team ES - Education Support Manager CFM - Operations Manager/Senior Operations Manager NRS - Head of Finance and Transformation CED – Senior Web Officer **Timescales for Implementation:** 30 September 2026 31 December 2026 for training and monitoring arrangements within services.

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: An accessible procurement guidance repository is available to staff across all services.				
2	The CPU maintains a list of CPU managed contracts currently in place across the Council within a "contract register", and this is available through the Council's Corporate Intranet site. However, we found that no reference or links to the CPU managed contract registers or the GCC Procurement Toolkit are included in the current training documents to provide easy access. Although updates on supplier contracts are issued periodically to ES officers, we were advised that ES staff based within schools and other Education establishments are unable to access the online CPU register or any associated guidance as they do not have access to the corporate intranet site where this information is stored. The officers we met with were also not aware the information was available on the Council's website. This increases the risk that P-card transactions are processed for areas where a contract already exists.	CPU Management should review and update the Procurement Toolkit/ GOLD training documents to ensure that this provides appropriate direct access to the CPU managed contract register. ES Management in conjunction with the CPU should review the current arrangements for providing contract register information to ES staff and make the CPU links available on an accessible platform.	**Medium**	**Response:** Accepted ES - A request will be made for the CPU Contract Awarded Page to be added to Glasgow Online. CPU - The GOLD training course will be updated to incorporate contract register and engage with ES to allow the contract register to be embedded with ES intranet site. **Officer Responsible for Implementation:** ES - Education Support Manager CPU - Procurement Development Manager **Timescales for Implementation:** 31 October 2026

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Arrangements are in place to ensure existing procurement routes are checked prior to transaction approval.				
3	A documented pre-approval process has been established within the HSCP where P-card spend is reviewed against existing contracts prior to transactions being approved. During our sample testing, we found evidence that the HSCP were adhering to these arrangements, however the HSCP also advised that there were some permitted circumstances where pre-approval would not be applied (e.g. emergency purchases). However, we found that arrangements for the pre-approval of P-card spend by the authoriser are not in place within the other services reviewed. We also identified that while the corporate P-card authoriser training states that pre-approval is required prior to making transactions, this is not captured within P-card user training. As a result, P-card spend is only reviewed retrospectively within these services. This increases the risk that services cannot optimise opportunities for redirecting potential P-card spend through other existing and more appropriate procurement routes and may result in increased levels of non-compliance.	Service management should determine if the implementation of a pre-approval process should be adopted within the service for P-card transactions, considering, where appropriate, any de minimis level that should be applied.	**Medium**	**Response:** Accepted ES - We will consider the recommendation as part of its ongoing review of P-card governance arrangements. NRS - We will establish a pre-approval process for P-card transactions within NRS, taking account of any appropriate de minimis levels and agreed exceptions to the pre-approval process. CED - Purchases primarily relate to Digital Services or other small purchases which require immediate payment and are not covered under and/or would not meet the threshold for contracts. We will review the departmental register to ensure supporting records remain accurate. CFM – This has been considered but wouldn't be suitable for CFM as we only purchase ad hoc items in response to civil emergencies out-with business hours. However, we will continue to monitor the spend HSCP - Not applicable

No.	Observation and Risk	Recommendation	Priority	Management Response
				Officer Responsible for Implementation: ES - Education Support Manager NRS - Head of Governance, Performance and Business Support CED - Senior Web Officer **Timescales for Implementation:** ES - 31 August 2026 NRS - 31 October 2026 CED – 31 December 2026

Key Control: Appropriate record keeping and monitoring arrangements are in place.				
4	We found that the HSCP has implemented a template for the recording of establishment P-card transactions which supported service level monitoring of P-card spend, and we were able to confirm that this was being used to identify instances where alternative procurement routes were repeatedly bypassed and appropriate corrective action was taken. However, although we were able to substantiate the nature and purpose of the spend for the areas we reviewed, within the other services we found that the record keeping arrangements in place were not sufficient to allow any meaningful analysis of expenditure and suppliers. The reason for using the P-card for the purchase was not documented and summaries of spend levels across individual retailers was also not maintained. With the exception of the HSCP, we found that services do not monitor P-card spend, beyond individual transactions, to allow them to identify and follow up areas of non-compliance or where existing procurement routes have been bypassed. Escalation arrangements for dealing with such cases have not been agreed or documented.	Each service should: • review the arrangements in place for maintaining an audit trail of transactions within their area and ensure that P-card users are providing appropriate evidence (with sufficient detail) of transactions and that this is retained and can be subject to management and external scrutiny. • consider and implement an appropriate level of monitoring, taking into account the level of P-card use within their service.	**Medium**	**Response:** Accepted ES - A number of education establishments have created their own template to record P-card spend, noting the reason and spend value. However, we will create and disseminate a standardised template to all establishments with P-cards holders. The Education Support Manager currently carries out random spot checks to ensure correct process is being followed and appropriate action is taken re non-compliance, however, we will request a P-card transaction report to monitor all spend and identify opportunities to reduce non-compliance. CFM - we will implement a proforma to document detail of spend. NRS - NRS will review current arrangements for maintaining an audit trail of transactions and introduce a process for monitoring and recording P-card transactions. This will help ensure compliance with appropriate procurement routes, confirm that P-card users provide suitable supporting evidence for transactions, and

The lack of uniformity, and appropriate detail on P-card spending limits the opportunity for identifying and addressing areas where P-cards are being used to bypass procurement channels and increases the risk that non-compliance is not being identified and addressed.			ensure records are available for management review and external scrutiny. CED - Existing arrangements will be reviewed as part of the implementation of this recommendation to ensure they remain appropriate and consistent. For the small number of other P-card transactions undertaken each year, arrangements for the retention of supporting documentation will be formalised. HSCP - Not applicable **Officer Responsible for Implementation:** ES - Education Support Manager CFM - CFM Operations Manager NRS - Head of Governance, Performance and Business Support CED – Senior Web Officer **Timescales for Implementation:** ES - 31 August 2026

	CFM - 31 August 2026 NRS - 30 November 2026 CED - 31 December 2026

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: There is appropriate corporate oversight of purchase card spend.				
5	There is no central oversight to identify areas of P-card spend that may appear insignificant at an individual departmental level but, when viewed aggregately across the organisation, could reveal trends or highlight opportunities for further investigation. Although the CPU issues quarterly Spend Opportunity Analysis Reports (SOAR) to all services, all P-card transactions are excluded due to the limitations of recording on the current financial ledger. Requests have been made to the Enterprise Resource Planning (ERP) team to consider this issue for development within the new system; at the time of audit, discussions were ongoing between the ERP team and the system consultants. As a result of the limited oversight of P-card usage, there is an increased risk that opportunities to aggregate demand, establish new contracts, or identify gaps in supply arrangements are not being identified.	Service management should continue to liaise with the ERP team to consider if this functionality will be within the capabilities of the new system.	**Low**	**Response:** Accepted HSCP - We will continue to liaise with the ERP Workstream on a quarterly basis to monitor progress and receive updates relating to p-card reporting. ES - We would welcome improved reporting and will continue to contribute to the ERP rollout programme. CFM - not applicable due to nature and volume of transactions NRS - We agree with the recommendation and will continue to liaise with the ERP team to confirm whether this functionality can be supported within the new system. CED - Not applicable given the low usage within the service. **Officer Responsible for Implementation:** HSCP - Principal Officer, Financial Compliance Team

No.	Observation and Risk	Recommendation	Priority	Management Response
				ES - Education Support Manager NRS - Head of Finance and Transformation **Timescales for Implementation:** All Services: Ongoing in line with programme implementation plans.