Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Head of Audit and Inspection

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Item 8

19th August 2026

INTERNAL AUDIT – SUMMARY REPORT

Purpose of Report:

To advise members of the main findings of the following audit reports issued recently, together with a summary of action taken:

- Corporate Review – Mandatory Training and Qualifications
- Corporate Review – Credit Balances Phase 2
- Corporate Review – Procurement Compliance
- Corporate Review – Purchase Cards (Procurement Expenditure Analysis)
- Education Services – Payroll Verification
- Neighbourhoods, Regeneration and Sustainability – Capital Project Management and Governance
- Corporate Review – Scheme of Delegated Functions Compliance
- Financial Services – Review of NDR and Council Tax Changes

The audits undertaken in this period provide assurance linked to the Grand Challenges and Missions within the Council Strategic Plan 2022-2027, including Grand Challenge 4, Mission 3 – Enable staff to deliver a sustainable and innovative council structure that delivers value for money.

Note:
In most cases one of four opinions is expressed:

- The control environment is satisfactory i.e. audit testing found no concerns with the control environment.
- A reasonable level of assurance can be placed upon the control environment i.e. audit testing found no major weaknesses in the control environment but some improvements could be made.
- A limited level of assurance can be placed upon the control environment i.e. improvements are necessary to ensure the control environment is fit for purpose.
- The control environment is unsatisfactory i.e. significant improvements are required before any reliance can be placed upon the control environment.

Recommendations:
The Committee is asked to:

1. Note the content of the reports, and

2. Instruct the Head of Audit & Inspection to provide follow up reports showing progress towards achievement of the Action Plans arising from the audits undertaken.

Ward No(s):	Citywide: ☐
Local member(s) advised: Yes ☐ No ☐	consulted: Yes ☐ No ☐

1 High Level Summary

1.1 The attached Internal Audit Update Summary provides the Finance and Audit Scrutiny Committee with an overview of the work undertaken by Internal Audit during the period 6 June 2026 and 7 August 2026, as part of the agreed Internal Audit Plan.

1.2 The report summarises the findings of each of the audits completed during that time, highlights any recommendations made, and the audit opinion in light of the findings of the audit activity.

1.3 The detailed audit reports are available separately, together with agreed plans for addressing the recommendations.

2 Key Findings

2.1 Internal Audit is an independent appraisal function within the Council. Its work is based on an annual audit plan which is prepared after a risk assessment of all potential audit issues identified by Internal Audit and Service Directors and takes account of the work of the Council's external auditor, Ernst and Young.

2.2 During the period between 6 June 2026 and 7 August 2026, 8 reviews have been completed and summary information for each review is provided below. The full reports are provided as separate papers within the agenda.

2.3 Corporate Review – Mandatory Training and Qualifications

	High	**Medium**	**Low**	**Service Improvement**
Number of recommendations	3	1	0	0

The purpose of the audit was to provide assurance that arrangements are in place to ensure that compliance with mandatory qualifications, training, and memberships are effectively managed and monitored. This included driving licences; and membership of professional bodies.

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

The recommendations relate to (1) Establishing a corporate training owner to be responsible for driving better Council wide compliance and organisation around training, (2) updating the Corporate Recruitment Toolkit to include officers' roles and responsibilities for the recruitment of teachers and the arrangements for the ongoing monitoring of qualifications and memberships,

(3) establishing a processes to ensure that all staff have the required qualifications and professional memberships to undertake their role, and (4) reviewing and updating driving licence guidance to ensure that it reflects current practice and fully details the associated roles and responsibilities.

2.4 **Corporate Review – Credit Balances Phase 2**

	High	**Medium**	**Low**	**Service Improvement**
Number of recommendations	0	2	0	0

The purpose of the audit was to ensure that there are effective controls in place in respect of the management of credit balances in key systems identified as having credit balances and not captured in phase one of this review (reported to FASC in May 2025).

Based on the work carried out we found no evidence of fraud or fraudulent activities within the scope of our review. The controls in place appear to be generally effective in mitigating significant risks related to fraud. However, we have identified certain areas where enhancements could strengthen the existing control framework and two recommendations which management should address.

The recommendations relate to (1) updating procedures, and (2) reinstating a reconciliation in relation to housing repayment charges.

2.5 **Corporate Review - Procurement Compliance**

	High	**Medium**	**Low**	**Service Improvement**
Number of recommendations	0	1	1	0

The purpose of the audit was to gain assurance that procurement arrangements are in place and that these arrangements are being followed.

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.

The recommendations relate to (1) Reminding staff of the importance of complying with agreed procedures and ensuring documents are accurate, (2) the CPU Departmental Champions list is accurately maintained.

2.6 **Corporate Review – Purchase Cards (Procurement Expenditure Analysis)**

	High	Medium	Low	Service Improvement
Number of recommendations	0	4	1	0

The purpose 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.

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.

The recommendations relate to (1) reviewing and updating the GOLD course, (2) ensuring direct access to the Corporate Procurement Unit contract register, (3) determining pre-approval processes, (4) ensuring appropriate audit trails are in place of transactions and (5) liaising with the ERP team on functionality within the new Oracle system which may be of benefit going forward.

2.7 **Education Services – Payroll Verification**

	High	Medium	Low	Service Improvement
Number of recommendations	0	1	0	0

The purpose of the audit was to verify:

- That only current Council employees were being paid.
- The accuracy of employee's core pay and hours.
- That appropriate steps had been taken to correct payroll records and recover overpayments as necessary.

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 one recommendation which management should address

The recommendation relates to monitoring and managing overpayments in order to recover these and reminding managers to ensure changes are processed correctly.

2.8 **Neighbourhoods, Regeneration and Sustainability – Capital Project Management and Governance**

	High	Medium	Low	Service Improvement
Number of recommendations	0	1	0	0

The purpose of the audit was to ensure there are sufficient and appropriate controls in place covering the project management and governance arrangements.

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 one recommendation which management should address.

The recommendation relates to the identification of tolerances for the project in line with the governance structure and aligning local procedures with the Capital Project Management Toolkit.

2.9 **Corporate Review – Scheme of Delegated Functions**

	High	Medium	Low	Service Improvement
Number of recommendations	0	0	0	0

The purpose of the audit was to ensure that an up-to-date Scheme of Delegated Functions is in place and that officers are operating in compliance with the arrangements outlined therein.

Based on the audit work carried out assurance can be taken that the control environment is satisfactory.

2.10 **Financial Services – Review of NDR and Council Tax Changes**

	High	Medium	Low	Service Improvement
Number of recommendations	0	0	0	0

The purpose of the audit was to ensure that the changes to NDR and Council Tax charges for 2025/26 along with the use of Water Direct were appropriate.

Based on the audit work carried out, assurance can be taken that the control environment is satisfactory.

2.11 The full reports for the above reviews have been included as separate papers within the agenda.

3 Recommendations

The Committee is asked to:

- Note the content of the reports, and
- Instruct the Head of Audit & Inspection to provide follow up reports showing progress towards achievement of the Action Plans arising from the audits undertaken.