

GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

COMMITTEE SUMMARY

Item 6(a)

3rd August 2022

Title of the Audit: Corporate Review – Fees and Charges

1. Introduction

1.1 As part of the agreed Internal Audit plan, we have undertaken a review of fees and charges levied for Council services. Each year Neighbourhoods, Regeneration and Sustainability (NRS) publish an annual Book of Charges, detailing the agreed fees for the various services, permits etc. which citizens and businesses may require. Additionally, other Council Services apply fees and charges for a range of service provision e.g. licences, nursery places, and care homes. Charges may be subject to annual or other regular review.

1.2 In some cases, service users are required to pay upfront at the point of requesting the service such as over the internet or phone, and for other services, they are invoiced at a later date. Depending on the service and charging policy, some fees and charges are coded into various Council systems to ensure these reflect agreed rates and users are charged accurately. For others, invoices are manually generated.

1.3 The purpose of the audit was to gain assurance that fees and charges for Council services are maintained on all relevant systems to reflect current approved rates, and that service users are charged accurately. The scope of the audit included a review of:

- A sample of service fees and charges and a sample of payments;
- Systems and documents in use advising service users and staff of the latest fees and charges;

- Arrangements for updating systems and documentation in respect of any adjustments to fees and charges;
- Discounts and refunds;
- Audit trails;
- The treatment of VAT, and
- Record keeping arrangements.

2. Audit Opinion

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

3. Main Findings

3.1 We are pleased to report that key controls are in place and generally operating effectively. We selected a sample of fees and charges across the Chief Executive's Department (CED), Educations Services (EDS), Neighbourhoods, Regeneration and Sustainability (NRS), and Social Work Services (SWS) as follows:

- CED – various licences
- EDS – Knightswood Dance School, Education Improvement Service training materials and courses, Blairvadach Outdoor Centre

GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

COMMITTEE SUMMARY

Title of the Audit: Corporate Review – Fees and Charges

- NRS – wedding photography, burials, filming, resident parking permits, skip hire
- SWS – meals service, alarms, transport, older people's day care centres

3.2 We found that there was evidence that fees and charges had been approved by senior management, and where applicable e.g. in SWS, by the relevant committee. Where fees and charges are hard coded into systems to prompt upfront payment or automatically generate invoices, we found that for our sample, this was done correctly and at the start of the financial year. Where invoices are generated manually, we confirmed that officers consulted the latest approved list of charges. In all cases in our sample, service users were charged the correct rate.

3.3 We noted that in all cases reviewed, there was an established process for adding amended charges to systems and that this ensured segregation of duties. Furthermore, we confirmed that while not a common occurrence, arrangements for applying discounts or refunds for the fees and charges in our sample required approval by a separate manager. There were a small number of refunds in our sample of cases, and these had been approved by a manager and for justifiable reasons.

3.4 We were advised that the application of VAT is done in consultation with the Council's VAT Officer. Based on our sample, where VAT was applicable, this was charged at the correct rate and shown and accounted for separately on invoices and the ledger.

3.5 However we found one area for improvement. The Council website has not been updated with the correct rates for school lets fees, and the 2019/20 rates are still online. And although we confirmed that bookings were charged correctly at the current year's fees, this means that service users cannot easily access current rates.

3.6 An action plan is provided at section four outlining our observations, risks and recommendations. We have made one recommendation for improvement. The priority of the recommendation is:

GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

COMMITTEE SUMMARY

Title of the Audit: Corporate Review – Fees and Charges

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.	0
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

- 3.7 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.8 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.9 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.

GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

COMMITTEE SUMMARY

Title of the Audit: Corporate Review – Fees and Charges

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Fees and charges for Council services are published and reflect current approved prices.				
1	<p>The charging policy for school let fees currently published on the Council's website is out of date and reflects the charges for 2019/20.</p> <p>This increases the risk that service users cannot easily access the current year's rates.</p>	<p>The School Let fee charging policy should be updated on the Council website to reflect current year charges.</p> <p>Thereafter arrangements should be put in place to ensure future changes to fees are reflected on the website as applicable.</p>	Low	<p>Response:</p> <p>Accepted</p> <p>Officer Responsible for Implementation:</p> <p>Education Services – Service Development Officer</p> <p>Timescale for Implementation:</p> <p>June 2022</p>