



**Item No. 6**

**Meeting Date**

**Wednesday 16<sup>th</sup> April 2025**

**Glasgow City  
Integration Joint Board  
Finance, Audit and Scrutiny Committee**

**Report By:** Chief Internal Auditor for the Integration Joint Board

**Contact:** Duncan Black

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**Repairs and Maintenance Charges**

**Purpose of Report:**

To present to the Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee details of the internal audit work undertaken in relation to Property Repairs and Maintenance Charges.

**Background/Engagement:**

The Integration Joint Board is required to comply with Article 7 of the Local Authority Accounts (Scotland) Regulations 2014. The regulations require a local authority to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.

**Governance Route:**

The matters contained within this paper have been previously considered by the following group(s) as part of its development.

- HSCP Senior Management Team ☐
- Council Corporate Management Team ☐
- Health Board Corporate Management Team ☐
- Council Committee ☐
- Update requested by IJB ☐
- Other ☐
- Not Applicable ☒

**Recommendations:**

The IJB Finance, Audit and Scrutiny Committee is asked to:

- a) note the content of the report.

<b>Relevance to Integration Joint Board Strategic Plan:</b>
To provide assurance on various aspects of the Strategic Plan.

### Implications for Health and Social Care Partnership:

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	n/a
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<b>Personnel:</b>	There are no direct implications for staff as a result of the content of this paper.
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<b>Carers:</b>	There are no direct implications for carers as a result of the content of this paper.
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<b>Provider Organisations:</b>	There are no direct implications for provider organisations as a result of the content of this paper.
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<b>Equalities:</b>	n/a
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<b>Fairer Scotland Compliance:</b>	n/a
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<b>Financial:</b>	There are several audit recommendations relating to finance processes and/or financial information.
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<b>Legal:</b>	<p>The IJB will be compliant with:</p> <ul style="list-style-type: none"> <li>– The Integrated Resource Advisory Group guidance in relation to audit provision.</li> <li>– The Local Authority Accounts (Scotland) Regulations 2014.</li> </ul>
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<b>Economic Impact:</b>	There is no direct wider economic impact within the city as a result of this report.
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<b>Sustainability:</b>	There are no direct sustainability implications as a result of the content of this paper.
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<b>Sustainable Procurement and Article 19:</b>	There are no direct sustainable procurement and Article 19 implications as a result of the content of this paper.
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<b>Risk Implications:</b>	Internal Audit facilitates the reduction of risks identified during the audit process.
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<b>Implications for Glasgow City Council:</b>	The Internal Auditors of Glasgow City Council will continue to report to the Council on operational matters relating to Social Care services.
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<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	The Internal Auditors of the NHSGGC will continue to report to the NHS Board on operational matters relating to NHS services.
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## 1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of homelessness accommodation repairs and maintenance arrangements within the Glasgow City Health and Social Care Partnership (HSCP) on behalf of the Glasgow City Integration Joint Board (IJB).
- 1.2 The HSCP Property Strategy 2023-26, approved by the IJB, sets out how the HSCP's property assets will support delivery of services in line with the direction set by the IJB's Strategic Plan 2023-26 by ensuring that the estate, including temporary homeless accommodation, is fit for purpose.
- 1.3 The maintenance and repair of the HSCP's estate needs to be achieved against a backdrop of inflationary pressures, budget constraints, and savings targets. Therefore, robust management is required to ensure repairs and maintenance are completed to the expected standard, in a timely and efficient manner, and that costs are controlled and monitored to protect public funds.
- 1.4 The HSCP's estate comprises Glasgow City Council (the Council) buildings and leased accommodation, and NHS Greater Glasgow and Clyde (NHSGGC) buildings. The estate consists of various property types, including office, clinical and residential. Our review focused on the arrangements for repairs and maintenance charges relating to homelessness accommodation which primarily consists of temporary furnished flats across the city.
- 1.5 The HSCP's Homelessness Property Team (Property Team) has responsibility for the management of homelessness accommodation, supported by the Homelessness Finance Team (Finance Team). Repairs and maintenance work identified for homelessness accommodation is arranged and undertaken by City Building (Glasgow) LLP (CBG) or one of its subcontractors.
- 1.6 Properties identified as homelessness accommodation are in high demand and required at short notice meaning a quick turnaround time between tenants is vital. When a property is vacated it is inspected by the Property Team and CBG to identify the work required to ensure that the accommodation is suitable for re-let at the earliest opportunity.
- 1.7 The purpose of the audit was to ensure there are sufficient and appropriate controls in place for the management of repairs and maintenance charges in relation to homelessness accommodation. The audit included a review of the key controls in the following areas:
  - Documented procedures, and guidelines, including roles and responsibilities and the Schedule of Rates.
  - Communication arrangements.
  - Agreement and instruction of work.
  - Approval and reconciliation of work completed.
  - Invoice receipt, review, and payment.
  - Contract management and escalation processes.

## 2 Audit Opinion

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

## 3 Main Findings

- 3.1 Discussions with HSCP management prompted the inclusion of this review in the IJB audit plan, and during our early fieldwork discussions with officers for this audit, it was clear that several issues in the current arrangements had already been identified. Management has been actively working towards potential solutions and implementing interim processes to help manage and mitigate the identified risks (incorrect charging, unauthorised works). The main issue for management was the availability and usefulness of management information from CBG to allow effective monitoring and reconciliations which we will cover further in paragraphs 3.11 to 3.14.
- 3.2 Many of the issues discussed in this report relate to, and/or are controlled by, CBG. The Internal Audit Team also provide the same Internal Audit service to CBG and are finalising a review of the Performance Arrangements at CBG. The findings from this IJB review will feed into the CBG review and will support the recommendations made in the action plan of this report (section four).
- 3.3 From our review we found that there is no Service Level Agreement (SLA) between the HSCP and CBG for the services provided in relation to homelessness accommodation, and that there are no documented procedures setting out the processes to be followed and outlining the roles and responsibilities of all parties involved.
- 3.4 A Schedule of Rates (SoR) is used by CBG and this outlines set costs for labour, material and services. Although available to them previously, for several years the HSCP has not had access to a copy of the SoR which includes the costs and is not provided with subsequent pricing updates.
- Identification and Instruction of Work**
- 3.5 Currently, CBG and the Property Team agree the work to be undertaken during the inspection with a rough estimated cost provided for this work at the time and only very high-level details of the work to be undertaken is recorded. Following the inspection an estimate is available on Servitor (CBG's repairs management system), however, the HSCP cannot run reports from the system to collate this information meaning

each job must be manually checked and the information manually extracted. This estimate is updated as the job progresses to reflect any additional work meaning that it is difficult to monitor final costs against the estimate. We also found that there is no formal change control process.

- 3.6 To help mitigate against the lack of sufficiently detailed information from CBG, the Property Team maintain a record of all jobs, estimates, and final costs, where possible. We were advised that this is a wholly manual process and that the Property Team invest significant amounts of time attempting to maintain the record. Given the Council is a 50% owner of CBG, there is a real opportunity to generate efficiencies by reviewing the end-to-end workflow. Internal Audit will raise this separately with CBG and Council management. Also, from review of the records, we found that only partial information is recorded - estimates are only recorded for work to the fabric of the property and not fixtures and fittings (i.e. replacement flooring) despite the cost of these items being known.
- 3.7 The processes to be followed and the authorisation limits for reviewing and approving repairs and maintenance work have not been outlined in local procedural documentation or the HSCP's Scheme of Delegation. Whilst we were advised that there are some authorisation processes in place for higher value requests (>£1,500), these are not documented or evidenced. The impact of the expenditure on the available budget is also not considered as part of the review/authorisation process, although we do acknowledge the statutory and time critical nature of the service being provided and that acceptable living standards must be met.

### Monitoring and Completion of Works

- 3.8 The Property Team creates the initial job request on Servitor and CBG will then use sub-codes for the various trades and works required. Although the Property and Finance Teams can view the jobs within Servitor, they are unable to easily tie back the subcodes to the overarching code.
- 3.9 We undertook analysis of the information held in the Property Team's manual record and found that from 308 completed work instructions recorded between January and December 2024 the final cost (for building fabric work) was above the estimate in 137 cases (44%), and in 47 (15%) of these cases the final cost for building fabric work was more than double the estimate. Management advised that this is due to further essential work being identified after the job started. CBG email the Property Team to advise of variations to the work, however, this information is not easily identifiable from Servitor to facilitate monitoring and there is no system audit trail of amendments within the system. In its current format the manual record is not an effective control for monitoring repairs.
- 3.10 There is no formal sign-off process for completed work, for example a checklist against the initial scope of works. A member of the Property Team visits the accommodation with a CBG representative to check that the works have been completed to the required standard. At this point, if verbal agreement is given by the Property Team, CBG will update Servitor to mark the work as complete and the HSCP will be automatically billed for the work through Servitor and an interface with the financial system (SAP) used by the Council

and CBG; this means that no approval is required by the HSCP before the funds are transferred to CBG.

### **Billing and Reconciliations**

- 3.11 Charges for all repairs and maintenance work are consolidated by CBG before being automatically billed to the HSCP (automated ledger entries). Although CBG provide some management information reports these are not sufficient to identify the work that has been completed and the associated job numbers which would allow comparison against the limited information (not a complete/up to date record of all works) held in the Property Team's manual record.
- 3.12 Also, as noted in paragraph 3.4, neither the Property Team nor the Finance Team have a copy of the SoR on which the charges are raised to allow them to verify that the correct rates are being applied.
- 3.13 Currently, the Finance Team is unable to undertake any meaningful reconciliations and is unable to verify the charges against the scope of work agreed by the Property Team. This is caused by (1) insufficient information on Servitor and in management reports from Servitor, (2) automated and consolidated billing, and (3) no access to SoR costs as a reference point to confirm charges.
- 3.14 The Finance Team has recognised the lack of meaningful reconciliations as a risk and has been in contact with CBG Finance staff for assistance, however, to date, the situation is not resolved. The Finance Team is undertaking a monthly

check to compare the billing to the CBG list of completed jobs, and this has identified inconsistencies in the charges being applied by CBG for areas where standardised charging rates are expected for the same items/SoR codes (for example, storage costs). The Finance Team are investigating some of these cases with CBG, however, this approach can only be applied to certain charges (non-variable) meaning that the team has not been able to determine the full extent of the anomalies occurring.

### **Contract Management**

- 3.15 A representative from the Property Team attends monthly meetings with CBG to discuss property management issues however details of the discussions and actions agreed are not recorded. Finance issues are not discussed at this meeting and there is no designated point of contact within CBG for discussing finance-related issues.
- 3.16 Formal escalation processes have not been established or documented and performance information related to the process is also not gathered for monitoring or discussion with CBG.

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

Priority	Definition	Total
<b>High</b>	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	5
<b>Medium</b>	Less critically important controls absent, not being operated as designed or could be improved.	2
<b>Low</b>	Lower-level controls absent, not being operated as designed or could be improved.	0
<b>Service Improvement</b>	Opportunities for business improvement and/or efficiencies have been identified.	0

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

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

3.20 It is recommended that the Chief Internal Auditor submits a further report to the IJB Finance, Audit and Scrutiny Committee on the implementation of the actions contained in the attached Action Plan.

## 4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> There are appropriate documented procedures and roles and responsibilities are clearly understood.				
1	<p>We found that key documentation and governance arrangements are not in place for the services provided by CBG to the HSCP in respect of homelessness accommodation; this includes the following issues:</p> <ul style="list-style-type: none"> <li>There is no SLA and the roles and responsibilities of those involved in the process are not documented (both HSCP and CBG officers).</li> <li>Performance expectations and timelines have not been agreed and documented.</li> <li>Formal escalation routes have not been defined.</li> <li>The HSCP is not provided with the SoRs and pricing updates.</li> <li>The documented procedures used by the Finance team does not encompass all aspects of the process or roles and responsibilities.</li> <li>There are no documented procedures outlining the processes to be followed by the Property Team.</li> </ul> <p>We were advised that a Standard Operating Procedure is currently being developed to document the roles, responsibilities and</p>	<p>Management should ensure that:</p> <ul style="list-style-type: none"> <li>An SLA (or equivalent) is created and agreed with respect to the services provided by CBG. This should address the first four bullet points noted in the observation and outline key roles and responsibilities.</li> <li>Documented procedures, outlining the Property and Finance Teams processes, are created and updated respectively, and shared with all relevant parties.</li> </ul>	Medium	<p><b>Response:</b> Accepted.</p> <p><b>Officer Responsible for Implementation:</b> Head of Homelessness &amp; Complex Needs</p> <p><b>Timescales for Implementation:</b> 31 July 2025</p>



processes of the Property Team, however, this has not yet been finalised.

Current arrangements increase the risk that the HSCP is not provided with the service it expects and is unable to effectively manage the arrangements and/or that roles, responsibilities and processes are not fully understood or consistently followed by all parties involved in the process.

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Charges relating to repairs and maintenance work are appropriately documented and communicated to HSCP staff.				
2	<p>We found that during the initial property inspection only a high-level summary of the work required is recorded and a rough estimate of costs, based on discussions with the Property Team, is provided verbally by CBG. CBG do not follow this up with a formal estimate to provide a detailed breakdown of scope, timelines and anticipated cost and the estimate only relates to work on the fabric of the property.</p> <p>We reviewed the data provided by the Property Team in relation to estimated and actual costs and found that in the 308 completed cases between January and December 2024 the final cost for building fabric work was:</p> <ul style="list-style-type: none"> <li>• More than the estimate in 137 cases (44%).</li> <li>• Less than the estimate in 171 cases (56%).</li> <li>• At least double the estimate in 47 cases (15%).</li> </ul> <p>The combined estimates for all cases totalled £254.5k with the final costs totalling £299.0k, representing a 17.5% increase from estimate.</p> <p>The current arrangements limit the HSCP's ability to effectively track and monitor repairs and maintenance charges, increasing the risk that charging errors/incorrect billing is not identified and investigated.</p>	Management should liaise with CBG to agree and implement a process for CBG to provide formal detailed estimates for all requested work orders or better system access/management information so that HSCP staff can easily access a complete breakdown of costs, scope of work and timelines, without manual look up and extraction of information.	High	<p><b>Response:</b> Accepted.</p> <p><b>Officer Responsible for Implementation:</b> Head of Homelessness &amp; Complex Needs</p> <p><b>Timescales for Implementation:</b> 30 September 2026</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Requests for repairs and maintenance are subject to appropriate review and approval.				
3	<p>The arrangements for the review and approval of repairs and maintenance requests have not been agreed or documented and the Scheme of Delegation does not document the authorisation limits for the Property Team.</p> <p>Although we were informed that a manager from the Property Team will review any request where the verbal estimated cost is £1,500 or greater, no evidence of this review is retained. We identified that this figure only reflected the repairs costs for the property and excluded costs such as flooring, furniture, property cleaning etc. that may be required as part of the re-let process.</p> <p>We were advised that the purpose of the Property Team manager's review is to assess the reasonableness of the repairs and maintenance request. However, it is unclear what criteria the requests are being assessed against as the standard of repair expected to be met to allow a property to be re-let has not been documented. The availability of funding and impact on the budget is not considered as part of this process.</p> <p>Without appropriate review and approval arrangements in place, there is a risk that spending is uncontrolled which may lead to ineffective use of resources, budget overspends and undetected fraud and/or error.</p>	<p>Management should develop and implement a procedure for the review and approval of repairs and maintenance requests, this should include outlining the:</p> <ul style="list-style-type: none"> <li>• Authorisation processes and expenditure limits for the Property Team and the requirement to highlight any budgetary concerns to the budget holder/escalated to senior management.</li> <li>• Criteria against which repairs requests should be assessed to ensure required standards are met while also managing expenditure.</li> </ul>	High	<p><b>Response:</b> Accepted.</p> <p>More detail required on criteria and standards as this is dependent on discussions CBG.</p> <p><b>Officer Responsible for Implementation:</b> Head of Homelessness &amp; Complex Needs</p> <p><b>Timescales for Implementation:</b> 30 September 2025</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Management information is available to support the HSCP to effectively monitor the status of repairs and maintenance requests.				
4	<p>The HSCP's ability to effectively track and monitor the status of work requests submitted to CBG and to monitor performance is limited due to the following:</p> <ul style="list-style-type: none"> <li>Jobs created by CBG on Servitor often result in multiple sub-job codes, none of which are easily tied to the original job code tracked by the HSCP.</li> <li>Updates and details of charges can be viewed on the system the system however the Property and Finance Teams are unable to run or extract reports.</li> <li>There is no formal change control process inhibiting the ability to easily identify variations or additional works that have been added by CBG to ensure that these are valid/agreed.</li> </ul> <p>The HSCP relies heavily on the management information being provided by CBG. However, the reports provided do not include sufficiently detailed information to allow tracking of the status of jobs submitted and of charging/billing. For example, they are unable to easily identify what orders have still to be completed, the charges raised for completed jobs and completed work that has not yet been billed.</p> <p>The manual spreadsheet introduced by the Property Team to help support the monitoring of jobs and associated costs is also not</p>	<p>Management should liaise with CBG to ensure that the required management information to allow effective monitoring can be accessed by the relevant teams.</p> <p>If the information is not currently available on the system, management should liaise with CBG to agree, develop and establish changes in the processes and/or systems that will provide useful and robust management information.</p> <p>In the interim, management should introduce a formal change/variation process that meets the needs of both the HSCP and CBG.</p>	High	<p><b>Response:</b> Accepted.</p> <p>Aligned to recommendation two.</p> <p><b>Officer Responsible for Implementation:</b> Head of Homelessness &amp; Complex Needs</p> <p><b>Timescales for Implementation:</b> 30 September 2026</p>

sufficiently detailed to allow this to be undertaken effectively and the task is labour intensive. In its current format the manual record is not an effective control for monitoring repairs.

Current arrangements increase the risk that (1) budget monitoring and probable outturns are undermined, and (2) areas of slippage and/or incorrect charging are not identified promptly, and appropriate action taken.

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> The closure of jobs is effectively controlled and monitored.				
5	<p>Following the completion of all/part of the repairs and maintenance works requested, the Property Team will visit the property with a CBG representative to confirm the satisfactory completion of works; either after individual elements of work have been completed or once all work for the property is finished. CBG will then mark the work as completed on Servitor.</p> <p>A post inspection report is not completed, and there is no formal sign off process to show that the Property Team agree with the closure of the job. The HSCP do not receive any notification to advise them that a job has been marked as completed on Servitor or to confirm the full extent and cost of works that have been completed and due to be charged. The jobs marked as complete are auto billed on a weekly basis and an interface is completed between Servitor and SAP resulting in the funds being transferred to CBG. The level of information provided is not sufficient to allow interrogation of the charges.</p> <p>The absence of clear information regarding job closures and related charges affects the HSCP's ability to effectively track and monitor repairs and maintenance charges, increasing the risk that financial data used for monitoring and decision-making purposes is not robust and cannot be relied upon.</p>	Management should liaise with CBG to develop and implement a formal sign off process for the completion of repairs and maintenance jobs. As part of this process, CBG should provide the Property Team with a full breakdown of work completed and the final associated costs for each job.	High	<p><b>Response:</b> Accepted.</p> <p><b>Officer Responsible for Implementation:</b> Head of Homelessness &amp; Complex Needs</p> <p><b>Timescales for Implementation:</b> 30 September 2025</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Billing arrangements are robust and effective reconciliation processes are in place.				
6	<p>The Finance Team's ability to complete meaningful reconciliation is impacted by the lack of relevant and robust management information available from the Servitor System/CBG, specifically:</p> <ul style="list-style-type: none"> <li>The monthly report provided to the Finance Team by CBG only covers certain aspects of the work being billed such as storage and furniture costs while excluding charges for areas such as fabric works.</li> <li>The auto billing process, and consolidation of repairs and maintenance charges by CBG makes it difficult for the Property and Finance Teams to drill down and identify the details of the charges and trace these to the scope and cost of works that were agreed by the Property Team.</li> <li>The teams are unable to view the level of unbilled orders to assist them in the projection of future costs (particularly relevant as the estimates provided are unreliable).</li> <li>As the HSCP do not have a copy of the Schedule of Rates upon which charges are raised, they are unable to check that the charges are being levied correctly (also see recommendation one).</li> </ul> <p>From the limited checking process the Finance Team can complete, variations in charging</p>	<p>Following completion of recommendation four, management should establish a robust process of reconciliation where the costs levied by CBG are reconciled back to (1) the scope and cost of works (including any variations to cost) agreed by the Property Team and (2) the SAP system.</p>	High	<p><b>Response:</b> Accepted.</p> <p>Aligned to recommendation five.</p> <p><b>Officer Responsible for Implementation:</b> Head of Homelessness &amp; Complex Needs</p> <p><b>Timescales for Implementation:</b> 30 September 2026</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>rates being applied by CBG have been identified for items that should have consistent costs. For example, charges being levied for the storage of belongings for homeless clients were found to vary between clients and time periods with no reasonable explanation provided by CBG. Although such variances are being followed up by the Finance Team, details of variances they identify, along with actions taken to investigate them are not fully recorded.</p> <p>This increases the risk of over-charging and misalignment between charges and agreed upon rates; the absence of access to vital data undermines the HSCP's ability to maintain appropriate and effective financial oversight.</p>			



No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> There are effective contract management and escalation arrangements.				
7	<p>The Property Team manager has monthly meetings with CBG to discuss property management issues however, there is no formal record of the meetings or any actions arising from the discussions. The Finance Team is not part of these discussions, and they do not have a designated point of contact within CBG with whom they can discuss issues or concerns. Formal escalation processes have not been agreed or documented (also see recommendation one).</p> <p>Performance information relating to repairs and maintenance charges is not collated for discussion with CBG. For example, the monitoring of final costs against estimated costs or the timelines for completion of works. Formal escalation processes have also not been agreed and documented.</p> <p>This increases the risk that the issues identified within the repairs and maintenance charging process are not discussed and resolved in a timely manner.</p>	<p>Management should liaise with CBG to establish a main point of contact and regular meetings for finance discussions. A record of both the property and finance meetings with CBG should be maintained and action points followed up.</p> <p>As part of recommendation four, once appropriate management and performance information is available it should be used to facilitate discussions held with CBG.</p>	Medium	<p><b>Response:</b> Accepted.</p> <p><b>Officer Responsible for Implementation:</b> Senior Finance Manager</p> <p><b>Timescales for Implementation:</b> 30 September 2026</p>