

Section 102 report: Glasgow City Council

Item 5

Meeting date:
14 August 2025

Controller of Audit

Purpose

1. This paper introduces the Controller of Audit report on 'Senior officer exit packages' at Glasgow City Council, produced following the 2023/24 audit of the council. The paper also provides background and procedural information to assist the Commission in its consideration of the report.

Recommendations

2. The Commission is invited to:

- Consider the Controller of Audit report
- Approve the proposed publication arrangements
- Decide how it wishes to proceed.

Background

3. The 2023/24 Annual Audit Report (AAR) for Glasgow City Council was considered by the council's City Administration Committee on 8 May 2025, and is [publicly available](#). The appointed auditor issued a qualified audit opinion on the accounts in relation to the council's financial statements for the council and its group in respect of two City Building group entries for a second year.

4. The auditor also identified several risks, and a total of 30 recommendations remained open at the time of drafting the report. Progress in addressing these will be monitored by auditors and through a Best Value report on the council, which as previously discussed with the Commission is intended to be brought in August 2026.

5. The auditor also raised significant matters in the AAR in relation to the scrutiny, governance and transparency of decision making in respect of the exit of five senior officers in a three-year period between 2021 and 2024. I have decided to use the reporting powers available to me under section 102(1) of the Local Government (Scotland) Act 1973 to bring these matters to the attention of the Accounts Commission.

6. The report draws heavily on the independent review undertaken by Brodies LLP, as well as on the work reported by the appointed auditor in

the 2023/24 AAR. Auditors have not undertaken primary evidence gathering such as interviews with current or former officials of Glasgow City Council. It is noted that the parties who exited the council as part of the restructure of the Chief Executive's Department were not interviewed, and not all had the opportunity to give evidence to the Brodies investigation.

7. The report highlights that the Brodies LLP independent investigation report states: "We did not find any evidence allowing us to conclude that any recipient of any severance/retirement package, or any other officer, acted improperly." The Controller of Audit report has sought to focus on the underlying learning for the council and other local government bodies.

The Controller of Audit report

8. This report is made by the Controller of Audit to the Accounts Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).

9. The legislation enables the Controller of Audit to make reports to the Commission with respect to:

- the accounts of local authorities audited under the Act;
- any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
- the performance by a local authority of their statutory duties in relation to best value and community planning.

10. The Controller of Audit report was sent to Glasgow City Council on 6 August 2025, the same date it was issued to the Commission. The council has been advised that it is obliged to supply a copy of the report to each member of the council and to make additional copies available for public inspection. The council will also forward copies of the report to the former senior officials concerned. Once the Controller of Audit's report is sent to the council it is effectively in the public domain.

Procedure

11. The Commission will note that this report is made under the same legislation as the recent reports on best value. The process outlined below is therefore the same.

12. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do (in any order) all, any or none of the following:

- direct the Controller of Audit to carry out further investigations

- hold a hearing
- state its findings.

13. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.

14. Members of the audit team will be present at the Commission meeting and will be available to answer questions on the evidence and judgements presented in the statutory report. This is done in the public part of the Commission meeting.

15. The Commission will then decide in private how it wishes to proceed. The Commission is obliged to inform the council of this decision shortly after the Commission meeting – this is done on its behalf by the Director to the Commission – before making its decision public.

16. The council is required by statute to do the following:

- consider any findings of the Commission within three months of receiving them
- publish in a newspaper circulating in the local area a notice stating the time and place of the meeting, indicating that it is to consider the findings of the Commission and describing the nature of those findings (at least seven clear days before the meeting)
- after the council has met, notify the Commission of any decisions made, and publish in a newspaper circulating in the local area a notice containing a summary, approved by the Commission, of the council's decision.

17. The Commission asks the council for a meeting, preferably in the period between the Commission publishing its report and full council considering it, to do the following:

- discuss what the council thinks of the Commission's decision and its findings (if applicable), and what the council will do in response to the Commission's report
- confirm any next steps, and review the audit process.

Publication arrangements

18. The report is due to be published on 4 September 2025, with the previous day being held for any media interviews. Publication of the report will be accompanied by the usual news release and media activity. It is anticipated that the Deputy Chair will front the media for this report.

Conclusion

19. The Commission is invited to:

- Consider the Controller of Audit report
- Approve the proposed publication arrangements
- Decide how it wishes to proceed.