

Statutory report: Equal Pay in Glasgow City Council

Controller of Audit

Item 6
Meeting date: 10 August 2023

Purpose

1. The purpose of this paper is to introduce, for the Commission's consideration, the Controller of Audit's statutory report on Glasgow City Council's (GCC) further progress on implementing a new equitable pay and grading structure and funding its equal pay liabilities since 1 April 2018. This statutory report has arisen from financial disclosures for equal pay in the councils 2021/22 financial statements and it follows up on an earlier Controller of Audit report on this subject, which was considered by the Commission in 2020.

Recommendations

2. The Commission is invited to:
 - Approve the statutory report
 - Decide how it wishes to proceed.

Background

3. The Controller of Audit published a statutory report in February 2020 that provided an [update on the equal pay settlement from the 2018/19 audit of Glasgow City Council](#). In its findings on that report the Commission asked the Controller of Audit to monitor progress in this area and update the Commission on any further significant developments in the future. Due to the scale of the financial liability for equal pay in the 2021/22 financial statements the Controller of Audit has prepared this update report on GCC's further progress on implementing a new equitable pay and grading structure and funding its equal pay liabilities for the Commission's consideration.

The Controller of Audit's report

4. The Controller of Audit's report draws attention to matters identified by the appointed auditor in his 2021/22 annual audit report on GCC. The auditor issued an unqualified opinion on the financial statements, but his report did highlight a significant audit finding relating to equal pay. The auditor is satisfied with the reasonableness of the equal pay accounting estimates and disclosures in the council's 2021/22 financial statements.
5. The report is made by the Controller of Audit to the 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).
6. 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.
7. A copy of the report was sent to GCC on 2 August by the Controller of Audit. The council has been advised that it is obliged to supply a copy to each member of the council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the GCC it is effectively in the public domain.

Procedure

8. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
- direct the Controller of Audit to carry out further investigations
 - hold a hearing
 - state its findings.
9. 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.
10. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and judgements presented in the report. This is done in the public part of the Commission meeting.
11. The Commission is then expected to consider in private how it wishes to proceed. Subsequently, the Commission is obliged by statute to inform GCC of its decision, which the Commission does before making the decision public.

Conclusion

12. The Commission is invited to:
- consider the Controller of Audit's statutory report on equal pay within Glasgow City Council; and
 - decide in private how it wishes to proceed.