ITEM No …8……..

REPORT TO: **SCRUTINY AND AUDIT COMMITTEE - 24 JUNE 2026**

REPORT ON: **2025/26 INTERNAL AUDIT ANNUAL REPORT**

REPORT BY: **CHIEF INTERNAL AUDITOR**

REPORT NO: **110-2026**

1. PURPOSE OF REPORT

1.1. To submit the Chief Internal Auditor's Annual Report for 2025/26 to Members of the Scrutiny and Audit Committee. This report provides an independent annual internal audit conclusion on the overall adequacy and effectiveness of the organisation's governance, risk management and control framework and a summary of the key activities of the Council's Internal Audit Service during the period from which the conclusion is derived. It also provides all the information that the Global Internal Audit Standards as adjusted for the UK Public Sector (GIAS (UK Public Sector) require to be reported to those charged with governance.

2. RECOMMENDATIONS

2.1. Members of the Committee are asked to consider and note the contents of this report.

3. FINANCIAL IMPLICATIONS

3.1. None.

4. BACKGROUND

4.1. The Local Authority Accounts (Scotland) Regulations 2014, which became effective in October 2014 state that "a local authority must operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing". In this context, recognised standards, and practices for 2025/26 are deemed to be those set out in GIAS (UK Public Sector) which came into force on 1 April 2025.This comprises three documents:

- The Global Internal Audit Standards (GIAS) - issued in January 2024 https://www.theiia.org/en/standards/2024-standards/global-internal-audit-standards/
- The Application Note; Global Internal Audit Standards in the UK Public Sector – issued December 2024, https://www.cipfa.org/policy-and-guidance/standards/global-internal-audit-standards-in-the-uk-public-sector and
- CIPFA's Code of Practice on the Governance of Internal Audit (the CIPFA Governance Code), issued February 2025 CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government

4.2. The December 2024 Application note for Global Internal Audit Standards in the UK Public Sector require the Chief Audit Executive to prepare an overall conclusion at least annually "in support of wider governance reporting … … … encompass(ing) governance, risk management and control". The results of quality assessments against the Global Internal Audit Standards as applied in the UK Public Sector and Local Government, and related action plans to address any non-compliance must also be reported.

4.3. The attached report fulfils the annual reporting requirements outlined above and includes performance information in relation to internal audit. It summarises the conclusions and key findings from the internal audit work undertaken during the year ended 31 March 2026, and up to 4 June 2026 relating to the year ended 31 March 2026.

4.4. It should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the whole system of internal control.

4.5. The conclusions relate solely to the Council and do not include other bodies included in the group accounts.

5. CONCLUSION AND CONFORMANCE WITH INTERNAL AUDIT STANDARDS (GIAS (UK Public Sector))

5.1. The conclusion provided for 2025/26 is

"Based on the audit work completed this year, and supported by other information about arrangements available to me, I have concluded that the Council's framework of risk management, governance and internal control is generally effective but with some control areas requiring strengthening, particularly in relation to control design, consistency of application, some older systems and monitoring effectiveness."

5.2. The Council's Internal Audit Service conforms with the requirements of the GIAS (UK Public Sector).

5.3. In addition to the key conclusions noted above the report at Appendix 1 also includes detail on the following areas that GIAS (UK Public Sector) requires to be reported.

- There were no limitations of scope placed on audit work by management during 2025/26.
- The staff members involved in each 2025/26 internal audit review were independent of the area under review and their objectivity was not compromised in any way.
- Performance indicators showed reasonable delivery of service and general conformance with the GIAS (UK Public Sector). A suitable Quality Assurance and Improvement Programme (QAIP) is in place with a related action plan to ensure continuous improvement is achieved.

6. POLICY IMPLICATIONS

6.1. This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services, or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

7. CONSULTATIONS

7.1. The Council Leadership Team have been consulted in the preparation of this report.

8. BACKGROUND PAPERS

8.1. None.

CATHIE WYLLIE, CHIEF INTERNAL AUDITOR **DATE: 4 JUNE 2026**

2025/26 INTERNAL AUDIT ANNUAL REPORT AND CONCLUSION

To the Members of Dundee City Council, Chief Executive and Executive Director of Corporate Services

As Chief Internal Auditor of Dundee City Council, I am pleased to present my annual report and conclusion for the year ended 31 March 2026. The report does not include assurances on group activities.

1. PURPOSE OF REPORT

1.1. To provide:-

- An independent annual internal audit conclusion on the overall adequacy and effectiveness of the organisation's governance, risk management and control framework.

- Information about the Council's Internal Audit Service's operations during the 2025/26 financial year as required by the Global Internal Audit Standards as adapted for the UK Public Sector (GIAS (UK Public Sector)).

2. CONCLUSION

2.0. In my professional judgement as Chief Internal Auditor, notwithstanding the impact to completing work due to delays in receiving information from services, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. The evidence gathered meets professional audit standards and is sufficient to provide senior management with the proof of the conclusions derived from the internal audit.

2.1. Based on the audit work completed this year, and supported by other information about arrangements available to me, I have concluded that the Council's framework of risk management, governance and internal control is generally effective but with some control areas requiring strengthening, particularly in relation to control design, consistency of application, some older systems and monitoring effectiveness.

2.2. While a majority of reviews resulted in Substantial or Comprehensive Assurance, a number of Limited and No Assurance opinions in operational and financial areas highlight that there are some areas without robust and fully effective control frameworks. These weaknesses will be addressed once action plans are implemented fully.

2.3. My conclusion is that risk management and corporate governance arrangements within the Council are adequate and effective.

Basis of Conclusion

2.4. My evaluation of the framework of governance, risk management and control has been informed by a number of sources, including the following:

- Audit work undertaken by the Internal Audit Service and Azets.
- The work of the Corporate Fraud Team.
- Matters arising from previous reviews and the extent of follow-up action taken.
- The assessment of risk carried out during preparation of the 2025/26 internal audit plans.
- Knowledge of the Council's culture, governance, risk management and performance monitoring arrangements, including significant changes to objectives and/or systems, gained from reading reports, attendance at meetings and formal and informal discussions with Council officers.
- The Self-assessment Checklists completed by Executive Directors/Heads of Service (including the DH&SCP Checklist) providing formal assurances in respect of the general control environment within individual services for the year to 31 March 2026.
- Reports issued by the Council's External Auditor, together with relevant reports from other external review and inspection bodies.

2.5. There were no limitations of scope placed on audit work by management during 2025/26.

3. RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT

Scope and Responsibilities - Management

3.1. It is the Council's Chief Officers' responsibility to establish and maintain a sound internal control system. The internal control system comprises the whole network of systems and processes established to provide reasonable assurance that organisational objectives will be achieved, with particular reference to:

- risk management
- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- safeguards against losses, including those arising from fraud, irregularity, or corruption
- the integrity and reliability of information and data

3.2. The existence of an Internal Audit Service does not diminish the responsibility of management to ensure that resources are utilised appropriately, in a manner and on the activities intended, and governance, risk management and control arrangements are sufficient to address the risks that their services are exposed to.

3.3. A sound control environment reduces, but cannot eliminate, the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances. It therefore provides reasonable but not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud or breaches of laws or regulations. Accordingly, the Council is continually seeking to improve the adequacy and effectiveness of its control environment.

Scope and Responsibilities - Internal Audit

3.4. Internal Audit assists management by examining, evaluating, and reporting on the controls in order to provide an independent assessment of the adequacy of the internal control system. To achieve this, Internal Audit should:

- analyse the internal control system and establish a review programme.
- identify and evaluate the controls which are established to achieve objectives in the most economic and efficient manner.
- report findings and conclusions and, where appropriate, make recommendations for improvement.
- provide a conclusion on the reliability of the controls in the system under review.
- provide an assurance based on the evaluation of the internal control system within the organisation as a whole.

3.5. The main areas of audit conducted in the year, with a summary of the more material findings, are outlined throughout the remainder of this report.

4. INTERNAL AUDIT ARRANGEMENTS

4.1. GIAS (UK Public Sector) defines Internal Audit as "an independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes."

Structure and Resources

4.2. During 2025/26, the Internal Audit Service was independent of all of the activities it audited. The Principal Auditor, who has been acting up into elements of the Senior Manager - Internal Audit post has responsibility for Insurance and Risk Management. Since line management responsibility for both these functions does not sit with the Chief Internal Auditor an independent view of risk management is able to be undertaken for the conclusion in this report.

4.3. The Internal Audit Service sits within Corporate Finance, within the Corporate Services Directorate. There have been no changes in the Internal Audit team members during 2025/26.

- The arrangement with Angus Council to provide the Chief Audit Executive role required by Internal Audit Standards has continued, with 2.5 days per week provided through a secondment arrangement.
- The Principal Auditor acts up into the Senior Manager - Internal Audit role to provide line management of Risk Management and Insurance functions and assist the Chief Internal Auditor in their role. Reduced resources in risk management in 2025/26 has impacted the Principal Auditor's available time for audit work.
- Azets has provided IT and general audit support during 2025/26 under a contract awarded in December 2023 for four years until 2026/27.

4.4. The internal audit resource provided from the structure shown below is adequate to allow the organisation to provide an Internal Audit service that conforms with GIAS (UK Public Sector).

Internal Audit	2025/26 FTE Establishment	March 2026 In post	2024/25 FTE Establishment	March 2025 In post
Auditor	2	2	2	2
Senior Auditor	1	1	1	1
Principal Auditor / Senior Manager - Internal Audit	1	1	1	1
Chief Internal Auditor	0.5	0.5	0.5	0.5
Total	4.5	4.5	4.5	4.5
External resource	Contract with external provider	Contract with Azets from December 2023	Contract with external provider	Contract with Azets from December 2023

5. SUMMARY OF INTERNAL AUDIT ACTIVITY 2025/26

Audit Planning

5.1. The annual internal audit plan is designed to provide the Scrutiny and Audit Committee and management with assurance that the Council's internal control system is effective in managing the key risks and value for money is being achieved. The planning process includes all of the Council's activities and systems for consideration and the items included in the plan are informed by a risk assessment, that is linked to the Council's Corporate and Service Risk Registers.

5.2. The work is planned to have a reasonable expectation of detecting significant control weaknesses. However, Internal Audit can never guarantee to detect all fraud or other irregularities and cannot be held responsible for internal control failures.

5.3. The plan for the 2025/26 financial year was reviewed and approved by the Scrutiny and Audit Committee on 23 April 2025 (Article VIII Report No 128-2025 refers). In line with recognised good practice, the Internal Audit Plan was prepared on the best information available at that time.

5.4. Due to reduced resources in previous periods there were still a significant number of incomplete audits carried forward at June 2025. All but one of these have now been reported. To address the recurring backlog we removed a number of audits from the 2025/26 plan and included some of these in the 2026/27 plan, thereby bringing the number of audits to be delivered in 2026/27 back to a manageable number.

5.5. Revisions to the plan during the year to take account of changing circumstances and to avoid duplication of work were reported to the Scrutiny and Audit Committee as they arose. No items were added to the plan. The following items were removed from the plan.

Deferred to 2026/27 audit plan	Not taken forward
Information Governance (progress of GDPR Action Plan) Dundee IJB - Implementation and Monitoring of Directions Energy Management and Billing DWP Appointeeships Employability Services	Performance Reporting Asset Management

Audit Reporting

5.6. The factual accuracy of all internal audit reports is agreed with management and recommendations made are discussed and action to be taken agreed. It is management's responsibility to ensure that proper consideration is given to internal audit reports and that appropriate action is taken to implement the agreed action plans. I am required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. Significant matters (including non-compliance with audit recommendations if applicable) arising from internal audit work are reported to relevant Executive Directors, the Chief Executive, the Council Leadership Team (CLT) and the Council's Scrutiny and Audit Committee.

5.7. To confirm that management is discharging its responsibility in terms of implementing audit recommendations within the agreed timescales, Internal Audit undertakes follow-up work and progress reviews. The outcomes from this work are reported to the Risk and Assurance Board, relevant officers, CLT and the Scrutiny and Audit Committee as required. In previous years services were able to revise implementation dates. The implementation of internal audit recommendations is monitored via the Council's performance management system, Pentana.

5.8. During the year, the Internal Audit service has continued to improve information for services from Pentana to help with managing open actions. Discharge of audit actions is discussed further in section 7 below.

6. PLAN ACHIEVEMENT

6.1. The 2025/26 Internal Audit Plan included internal audit and advisory assignments at a corporate and service level across the organisation. It also included an allocation of audit days for following up progress with implementation of agreed audit actions, finalisation of audit assignments that commenced in the previous financial year, the provision of advice and guidance to services. Time was also allocated to finalise the External Quality Assessment of PSIAS compliance and to implement our action plan to ensure compliance with the new GIAS (UK Public Sector) internal audit standards. The range of areas covered within the plan continues to reflect the wide landscape and nature of internal audit work and focuses on evaluating, and contributing towards the improvement of the organisation's governance, risk management and control frameworks.

6.2. The audit work reported during 2025/26 identified that many of the expected controls are in place and operating satisfactorily, with a number of areas of good practice identified. There is also scope for improvement in several areas. A range of recommendations and action plans have been developed in consultation with management which, once successfully implemented, will improve the Council's governance, risk management and control framework.

6.3. The finalised reports are noted in Appendix A along with the overall conclusion and the number of recommendations made. This shows a total of 18 (2024/25 -19) internal audit reports have been finalised since the last Annual Report was issued. These included a total of 97 (2024/25 - 86) recommendations. Of these two (2024/25 none) were categorised as critical, 35 High (2024/25 19), 43 as medium (2024/25 53), and the remaining 17 as low (2024/25 14). One of these critical actions remains open at 1 June 2026.

6.4. Analysis of the overall audit conclusion in each of the reports issued on behalf of Dundee City Council highlighted that 5% (2024/25 - 0%) of the areas reported upon were considered to be well controlled (comprehensive), 43% (2023/24 - 74%) were adequately controlled (substantial), 33% (2023/24 - 26%) required improvement (limited assurance) and 5% (2023/24 - 0%) required significant improvement (no assurance). 14% (2024/25 0%) were advisory and therefore did not provide an assurance conclusion.

6.5. In 2025/26 there was one area assessed as "No Assurance" (2024/25 - none). This was Cash Handling at Claverhouse. The actions agreed were addressed immediately and are now all implemented.

6.6. Seven areas were assessed as "Limited Assurance." (2024/25 - five). Action plans have been agreed and are in the process of being implemented to address the weaknesses identified. These areas were:

- SLAs with External Bodies. The five agreed actions are open at 1 June 2026.
- Capital Planning and Monitoring. One of two actions has been implemented at 1 June 2026.
- MOSAIC system payments. Seven actions have been implemented. One of the three remaining actions at 1 June 2026 is critical.
- Housing Stock (External Wall Insultation) The two actions agreed remain open.
- Cash Handling East Cash Office: Both agreed actions are closed.
- Purchasing outwith Civica - Fleet Purchasing (Tranman) All five agreed actions remain open.
- Purchasing outwith Civica - GVA. All six agreed actions remain open.

6.7. Reasonable progress has been made in progressing actions agreed for areas with Limited assurance in previous years. Actions for three audits reported in 2024/25 are all implemented. There are two audits reported in 2024/25 with actions still open and two audits reported in 2023/24 that still require actions to be cleared.

- Microsoft Office 365. Six actions have been closed with one remaining open.
- User Access Management. Four actions have been closed with one remaining open.
- General Ledger. At June 2026 three recommendations had been closed with four actions in progress.
- Financial Sustainability LACD. This was agreed in June 2024 and has recommendations for both the Council and LACD. The Council has two critical and two high priority recommendations all of which remain open at 1 June 2026. The Council commissioned a strategic review of LACD through external consultants, which reported in September of 2025. Interim reviews of the LACD service agreement and management fee have been carried out, and a joint working group established to implement the action plan arising from the consultant's report. Due dates have been updated to March 2027.

6.8. At 1 June 2026 only one audit carried forward from previous years at June 2025 is unfinished (2024/25 four) and this has been reported in draft. Seven items from the 2025/26 plan are also incomplete at June 2026. All are significantly progressed with draft reports issued for four of these. None of the information I have from un-reported work would alter my conclusion.

7. DISCHARGE OF AUDIT RECOMMENDATIONS

7.1. Services agree actions in response to internal audit recommendations. The Pentana system is used to record and manage the actions. The numbers of open actions in Pentana at 1 June 2026 are set out below. The figures at June 2026 include four Dundee Health and Social Care Partnership actions; the HSCP actions were not included in the 2024/25 figures.

Audit Year	**Critical**	**High**	**Medium**	**Low**	**Total 01/06/26**	**Total 05/06/25**
	No.	**No.**	**No.**	**No.**	**No.**	
2017/18		1			1	1
2019/20		1			1	0
2020/21					0	2

2021/22		2		1	3	3
2022/23	2	10	3	2	17	17
2023/24		4	12	1	17	30
2024/25	1	7	22	8	38	6
2025/26			4	2	6	-
Total 01 June 2026	**3**	**25**	**41**	**14**	**83**	**-**
Total 05 June 2025	**2**	**19**	**27**	**11**	**-**	**59**

7.2. For audits finalised during the 2023/24 audit year, a revised scoring system was introduced to better align with reporting of levels of risk. The revised scoring system uses the four point priority scale set out in the above table as opposed to the previous three point scale of Critical, Significant, or Routine. For reporting purposes outstanding actions from previous years graded as "significant" have been included as "high priority" actions, and "routine" as "low priority."

7.3. Actions are agreed as signed off in Pentana on an on-going basis. Areas assessed as Limited or No Assurance are considered for a full-scale follow-up or re-audit earlier than would otherwise have been the case on an individually assessed risk basis.

7.4. The number of open actions has increased from 59 at the same point last year, to 83. This is partially due to there being more reports finalised this year but there are also a significant number of old actions that remain open. Following discussions at CLT and Risk and Assurance Board early in 2026 a number of older actions were cleared, but this momentum needs to be maintained to ensure that identified risks are being addressed and to reduce the number of open actions from earlier years in particular.

7.5. Reminders from Pentana about overdue actions are automatically generated and sent to action owners monthly. Information about open actions is presented to each Risk and Assurance Board meeting for discussion and reported to each Scrutiny and Audit Committee.

8. GOVERNANCE

8.1. The governance framework comprises the systems, processes, culture, and values by which the activities of the Council are directed and controlled and through which they are accountable to, engage with, and where appropriate, lead the community. It enables the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate cost-effective services.

8.2. The Council has a Local Code of Corporate Governance which is reviewed each year and aligns with good practice. Compliance with the Code is assessed and confirmed by Executive Directors through signed self-assessment checklists and statements regarding implementation of the code in their areas during the year. Any areas for improvement are identified and noted in the Annual Governance Statement and an action plan is agreed to address the areas. A review of the statements showed that whilst there are areas for improvement none of these is a fundamental issue that makes the overall governance arrangements inadequate.

8.3. All actions agreed following an Internal Audit reviewing these arrangements last year have been implemented, with changes made to enhance the recording process for the checklists and assurance statements and to streamline the content of the Code to make it shorter and more concise.

8.4. In addition to reviewing the statements I and the Acting Senior Manager Internal Audit have attended a variety of officer groups during the year which review and monitor compliance with key elements of the governance structure, and no significant areas have been identified through these groups other than those already noted in the Governance Statement. These groups generally have attendees and remits that cover relevant key areas and would allow any issues to be raised and discussed if necessary.

8.5. Audit work that has considered governance identified good practice and strong, well established arrangements in a number of areas. Some areas for improvement were also identified in frameworks that had not been updated for some time and in relation to some areas where there was a lack of clarity of roles and oversight responsibilities. Action is in progress to address these.

8.6. On that basis my conclusion is that corporate governance arrangements within the Council are adequate and effective.

9. RISK MANAGEMENT

9.1. Risk management is a fundamental element of good governance and decision making in any organisation. The Council's risk management arrangements are intended to support the identification, documentation, scrutiny, and management of both current and emerging risks.

9.2. The Council has a Corporate Risk Register and risk registers for all services. Pentana, the Council's corporate performance management system, is used to record, review, monitor, and report on risks on an on-going basis.

9.3. Risks are regularly discussed at both operational and strategic levels through established governance forums, including the Risk and Assurance Board (RaAB) and the Council Leadership Team (CLT). These forums play a central role in overseeing the Corporate Risk Register (CRR) and ensuring ongoing scrutiny and challenge of risk positions.

9.4. Risk management arrangements within the Council were reviewed by Azets during 2024/25. The audit, which provided Substantial Assurance over the area, was reported to the June 2025 Scrutiny Committee. The audit included an action plan which is currently being implemented. Zurich Resilience Solutions have been involved in helping take forward Risk Management and have facilitated a workshop with officers during the year to review the identified Corporate Risks and contribute to a review and update of the Corporate Risk Register. Recorded risks and scores were both reviewed, and a number of new risks identified.

9.5. The RaAB has been overseeing progress with the actions agreed to strengthen consistency and completeness within service risk registers and has been highlighting when reviews have gone past their scheduled dates so that these can be progressed.

9.6. On that basis my conclusion is that risk management arrangements within the Council are adequate and effective.

10. PERFORMANCE INDICATORS

10.1. Quality assurance arrangements within the Internal Audit section are covered in the Audit Manual and encompass a robust day to day quality system and file review process.

10.2. In February 2026, following a review the Scrutiny and Audit Committee approved the performance measures and indicators noted below for Internal Audit. (Article V Report 27-2026 refers).

10.3. The measures show a good standard of compliance with regulation and guidance and an improving position in delivery of the audit plan.

Conformance with Internal Audit Standards and Quality Assurance and Improvement Programme (QAIP)

10.4. Self-assessment of conformance with Internal Audit Standards is undertaken annually, with an external quality assurance review (EQA) required every five years. Public Sector Internal Audit Standards (PSIAS) were in place until 31 March 2025. Global Internal Audit Standards, as amended for UK Public Sector, applied from 1 April 2026.

10.5. The last EQA, considering compliance with PSIAS, was undertaken through the peer review process agreed by the Scottish Local Authority Chief Internal Auditors Group (SLACIAG). The review commenced in late 2023 and was reported to Scrutiny and Audit Committee in November 2025. The review concluded "... ... the external assessment is that Dundee City Council's Internal Audit Service **fully conforms** with the PSIAS in twelve areas and **generally conforms** in two." An action plan was agreed and is substantially completed. The remaining actions are now included in the QAIP action plan.

10.6. In March 2026 CIPFA published a self-assessment tool to allow organisations to record a self-assessment against GIAS (UK Public Sector). The Internal Audit Service has used this checklist to undertake a self-assessment of conformance with GIAS (UK Public Sector) during April/May 2026. The conclusion is that the Internal Audit Service is generally compliant in all areas (Appendix C). A small number of routine actions have been included in the QAIP action plan (Appendix C)

Advisory (previously consultancy) projects in the plan

10.7. 2025/26 plan – one; 2024/25 plan - two; 2023/24 - none. All three of these have been reported in 2025/26.

10.8. Advisory projects are always considered during the planning process, and it may be decided to swap an assurance project for an advisory one during scoping of the work. The number included will vary depending on the needs of the services at the time. Ongoing advice is provided to services on an ad hoc basis as required by them.

Internal Feedback and Indicators

10.9. As part of the continuous improvement process within the Internal Audit Service, client feedback questionnaires are issued at the conclusion of each planned audit review. Feedback from this process is used, where appropriate, to improve the quality of the Internal Audit Service going forward. During 2025/26, 15 (2024/25 ten) completed client feedback questionnaires were received. Responses were very positive across four feedback categories. 85% (2024/25 98%) of responses agreed or strongly agreed with statements that the Audit Approach, Communication and Conduct, Timing, and Audit Report were satisfactory. 12 of the returned questionnaires indicated that the review was beneficial to the client's area of responsibility.

Other External Assessment

10.10. The internal audit arrangements are assessed on an annual basis by the Council's External Auditor, which is a team from Audit Scotland. As part of this assessment, the External Auditor considers the activities of internal audit, principally to obtain an understanding of the work carried out and determine the extent to which assurance can be placed on its work. This approach helps to minimise duplication of effort and unnecessary disruption to Council services. External Audit has not identified any specific work they will place reliance on. No actions for Internal Audit have been identified in their reporting during 2025/26.

Compliance with CIPFA's statement on the role of the Head of Internal Audit in public service organisations

10.11. This is now covered in the CIPFA self-assessment tool under Domain IIIA: Governing the Internal Audit Function - The responsibilities of the CAE. See Appendix C. The self-assessment is that the CAE generally conforms with requirements.

Scrutiny and Audit Committee review of Internal Audit

10.12. At its self-assessment meeting on 15 May 2026 the committee members considered Internal Audit effectiveness and expressed strong overall confidence in it. Internal Audit was viewed as independent, risk-focused, and providing clear, valuable assurance through effective engagement. Members noted capacity pressures and supported a prioritised audit programme alongside continued progress towards full compliance with the revised Internal Audit Standards.

Update on Internal Audit Strategy measures

10.13. All short-term priorities achieved and progress underway for medium-term strategies to meet targets See Appendix C for detail.

APPENDIX 1

Audit Plan Delivery

	Audits in plan	Audits B/F in June	Audits postponed or deleted	Audits added	**Total audits as adjusted in year**	Audits C/F at June	**Audits reported in year**	**Audits in draft at June**	**%age of adjusted plan delivered to final stage**	**%age of adjusted plan delivered at least to draft report stage**	**B/F complete or removed at June**	**B/f but then c/f**	**%age B/F completed in the year**
2025/26	22	11	7	0	**26**	8	**18**	**5***	69.2	88.5	**10**	1	90.9
2024/25	15	17	5	3	**30**	11	**19**	**4**	63.3	76.7	**13**	4	76.5
2023/24	21	14	7	0	**28**	17	**11**	**4**	39.3	53.6	**14**	0	**100**
Target									65%	80%			100%

- These are included in four reports as two audits have been reported together

10.14. Performance in 2023/24 and 2024/25 was negatively impacted by vacancies in the team. The support contract was used to deliver some general audit work in 2024/25 contributing to the number of audits reported in the year.

10.15. In 2025/26 the percentage of the adjusted plan reported in year is above the target, the percentage completed to draft report stage is higher than previous years and exceeds the target, showing that the delivery overall in 2025/26 has improved on previous years.

10.16. One audit brought forward in 2025/26 remains at draft report stage at June 2026. The start of this audit was delayed during the planning stage whilst legal responsibilities were clarified.

10.17. The following indicators were agreed but we do not have the data to report these for 2025/26. Systems have been put in place to collect this for 2026/27.

- **CIPFA Directors of Finance section efficiency indicator**
  This shows the %age of productive hours discharged in comparison to planned productive hours.

- **The number of instances of additional advice**
  This indicator will demonstrate the extent of internal audit's advisory activity with services beyond assurances and advice included in the formal reports.

CATHIE WYLLIE **DATE: 4 JUNE 2025**
CHIEF INTERNAL AUDITOR

APPENDIX A

Summary of Findings from Internal Audit Reports issued since June 2023

Report No	Area Reviewed and Assurance Level	Recommendations				
		Total No	Importance			
			C	H	M	L
2023/13^	Social Work Contracts and Payments	**3**	-	1	2	-
2023/02	SLAs with External Bodies	**5**	-	1	4	-
2023/14	Section 75 Planning Obligations (Contractor)	**5**	-	1	3	1*
2023/11	Young People in Residential Care - Missing Persons Processes	**7**	-	-	5	2
2024/02	Partnership Working - Dundee Alcohol and Drugs Partnership	**0**	-	-	-	-
2024/07	Capital Planning and Monitoring	**2**	-	1	1	-
2024/18	MOSAIC system payments	**10**	1	5	4	-*
2024/14	Multi Agency Safeguarding Hub (MASH) Intake processes	**4**	-	-	2	2
2024/15	Climate Strategy and Delivery Plans	**4**	-	-	3	1
2024/20^	Housing Stock (External Wall Insultation)	**2**	-	-	1	1*
	Housing Stock (External Wall Insultation)	**2**	1	1	-	-
2025/01^	Cash Handling Claverhouse	**4**	-	4	-	-
	Cash Handling East Cash Office	**2**	-	2	-	-
	Cash Handling General	**2**	-	-	1	1
2025/03^	HRA Budgetary Control	**4**	-	-	3	1
2025/05^	Artificial Intelligence (AI) adoption	**14**	-	10	4	-
2025/15 ^	Homelessness Clearance	**4**	-	-	2	2
2025/16	Immigration Sponsorship and Visas	**5**	-	-	1	4*
2024/21	Parking Meter Procurement	**7**	**-**	**5**	**2**	**-**
2024/19	Purchasing outwith Civica - Fleet Purchasing (Tranman)	**5**	**-**	**2**	**2**	**1**
2024/22	Purchasing outwith Civica - GVA	**6**	**-**	**2**	**3**	**1**
	Total agreed actions 2025/26	**97**	**2**	**35**	**43**	**17**
	Total agreed actions 2024/25	**86**	**-**	**19**	**53**	**14**
	Total 2023/24	**59**	**3**	**21**	**18**	**17**

* The service also had other actions in progress at the time of the audit
^Submitted to June 2026 Scrutiny Committee (*Report 108-2026)*

Definitions of Assurance Levels

Comprehensive Assurance	The system of controls is essentially sound and supports the achievement of objectives and management of risk. Controls are consistently applied. Some improvement in relatively minor areas may be identified.
Substantial Assurance	Systems of control are generally sound, however there are instances in which controls can be strengthened, or where controls have not been effectively applied giving rise to increased risk.
Limited Assurance	Some satisfactory elements of control are present; however, weaknesses exist in the system of control, and / or their application, which give rise to significant risk.
No Assurance	Minimal or no satisfactory elements of control are present. Major weaknesses or gaps exist in the system of control, and/or the implementation of established controls, resulting in areas of unmanaged risk.
Advisory	No assurance level is provided as the report is advisory

Definitions of Action Priorities

Critical	**Very High risk exposure to potentially major negative impact** on resources, security, records, compliance, or reputation from absence of or failure of a fundamental control. Immediate attention is required.
High	**High risk exposure to potentially significant negative impact** on resources, security, records, compliance, or reputation from absence of or non-compliance with a key control. Prompt attention is required.
Medium	**Moderate risk exposure to potentially medium negative impact** on resources, security, records, compliance or reputation from absence or non-compliance with an important supporting control, or isolated non-compliance with a key control. Attention is required within a reasonable timescale.
Low	**Low risk exposure to potentially minor negative impact** on resources, security, records, compliance, or reputation from absence of or non-compliance with a lower-level control**, or areas without risk exposure but which are inefficient, or inconsistent with best practice.** Attention is required within a reasonable timescale.

2025/26 Audits carried forward at June 2026

The following audits were incomplete at 4 June 2026 and will be carried forward to report in 2026/27.

Eleven audits were carried forward in June 2025.

Assignment	Progress at June 2026
Payroll continuous auditing	Planning
Self-Directed Support	In Progress
Council Tax and Non-Domestic Rates refunds	In Progress
Service Cyber Incident Readiness (contractor)	Revised draft report issued 8/5/26, combined with Business Continuity Planning
Treasury Management (large value transactions)	Draft report issued 1/5/26
Cyber Security supply chain management (contractor)	Draft report issued 5/5/26
Business Continuity Planning	Draft report issued 8/5/26, combined with Service Cyber Incident Readiness
Schools Administrative Support	Draft report issued 8/5/26

Dundee City Council CHANGING FOR THE FUTURE

Appendix C Summary of Internal Audit Quality Assurance Assessments and Related Action Plans

Internal Audit Standards require disclosure of the outcome of our regular internal and external quality assessments. The tables below summarise:

- The outcome of the internal quality self-assessment undertaken in May 2026 against the Global Internal Audit Standards as applicable in UK local Government organisations (GIAS (UK Public Sector)), using the CIPFA Assessment Toolkit.
- The last External Quality Assessment (EQA) against the Public Sector Internal Audit Standards (PSIAS) reported to Scrutiny & Audit Committee in December 2025.
- An update on the EQA actions reported to S&A December 2025. Nine actions are complete and three are partially complete. The partially complete actions have been transferred to the QAIP action plan.
- An update on the improvement actions in place as a result of self-assessment against the standards.
- The GIAS (UK Public Sector) implementation plan, all actions now complete.
- Current position regarding the Internal Audit Strategy implementation - all short-term priorities achieved and progress underway for medium-term strategies.

SELF-ASSESSMENT AGAINST THE GLOBAL INTERNAL AUDIT STANDARDS AS APPLICABLE IN UK LOCAL GOVERNMENT USING THE CIPFA CONFORMANCE ASSESSMENT TOOLKIT

Review undertaken in May 2026 All Standards and Principles assessed as Generally Conforms
Key from CIPFA Conformance Assessment Toolkit

Generally Conforms	**Partially Conforms**	**Does not conform**

GIAS (UK Public Sector) Domain	Reference and Topic Area	Responsibility of	Assessment	Actions identified/Comments
Domain I: purpose of Internal Audit	**GIAS Domain I Purpose of Internal Audit**	CAE and Internal Auditors	**Generally Conforms**	None
Domain II: Ethics and Professionalism	**Principle 1 Demonstrate Integrity** Standards 1.1 Honesty: and professional courage 1.2 Organisation's ethical expectations 1.3 Legal and ethical behaviour	CAE and Internal Auditors	**Generally Conforms**	None

	Principle 2 Maintains Objectivity Standards: 2.1 Individual objectivity 2.2 Safeguarding objectivity 2.3 Disclosing impairments to objectivity	CAE and Internal Auditors	**Generally Conforms**	None
	Principle 3 Demonstrate Competency Standards: 3.1 Competency 3.2 Continuing professional development	CAE and Internal Auditors	**Generally Conforms**	None
	Principle 4 Exercise due professional Care Standards: 4.1 Conformance with the GIAS in the UK Public Sector 4.2 Due professional care 4.3 Professional scepticism	CAE and Internal Auditors	**Generally Conforms**	None
	Principle 5 Maintain Confidentiality Standards: 5.1 Use of information 5.2 Protection of information	CAE and Internal Auditors	**Generally Conforms**	None
Domain IIIA: Governing the Internal Audit Function - The responsibilities of the CAE	**Principle 6 Authorised by the Audit Committee** Standards: 6.1 Internal audit mandate 6.2 Internal audit charter 6.3 Audit committee and senior management support	CAE	**Generally Conforms**	None
	Principle 7 Positioned Independently Standards: 7.1 Organisational independence 7.2 CAE qualifications	CAE	**Generally Conforms**	None
	Principle 8: Overseen by the Audit Committee Standards: 8.1 Audit committee interaction 8.2 Resource 8.3 Quality 8.4 External quality assessment	CAE	**Generally Conforms**	QAIP action plan in place
CIPFA Code of Practice for the Governance of Internal Audit in the UK Local Government	**Section 1 Providing Authority for Internal Audit** 1.1 Internal audit's mandate 1.2 Internal audit's charter 1.3 Support for internal audit	Authority (senior management and audit committee)	**Generally Conforms**	Meeting without senior management present planned but still to happen at April 2026

	Section 2 Positioning Internal Audit Independently 2.1 Organisational independence 2.2 Qualifications of the CAE	Authority (senior management and audit committee)	**Generally Conforms**	None
	Section 3 Oversight of Internal Audit 3.1 Audit committee interaction 3.2 Resources 3.3 Quality 3.4 External quality assessment	Authority (senior management and audit committee)	**Generally Conforms**	None
Domain IV: Manging the internal audit Function	**Principle 9 Plan Strategically** Standards: 9.1 Understand governance, risk management and control processes 9.2 Internal audit strategy 9.3 Methodologies 9.4 Internal audit plan 9.5 Co-ordination and reliance	CAE	**Generally Conforms**	Value for Money training to be included in training plan - added to QAIP action plan.
	Principle 10 Manage Resources Standards: 10.1 Financial resource management 10.2 Human resource management 10.3 Technological resources	CAE	**Generally Conforms**	Internal Audit Strategy has objectives for medium-term delivery re improved technology use.
	Principle 11 Communicate Effectively Standards: 11.1 Building relationships and communicating with stakeholders 11.2 Effective communication 11.3 Communicating results 11.4 Errors and omissions 11.5 Communicating the acceptance of risks	CAE	**Generally Conforms**	None
	Principle 12 Enhance Quality Standards 12.1 Internal quality assessment 12.2 Performance measures 12.3 Oversee and improve engagement performance	CAE	**Generally Conforms**	None

Domain V - Performing Internal Audit Service	**Principle 13 Plan Engagement Effectively** Standards 13.1 Engagement communication 13.2 Engagement risk assessment 13.3 Engagement objectives and scope 13.4 Evaluation criteria 13.5 Engagement resources 13.6 Work programme	CAE and internal auditors	**Generally Conforms**	None
	Principle 14 Conduct Engagement Work Standards: 14.1 Gathering information for analyses and evaluation 14.2 Analyses and potential engagement findings 14.3 Evaluation of findings 14.4 Recommendations and action plans 14.5 Engagement conclusion 14.6 Engagement documentation	Internal auditors	**Generally Conforms**	Root cause analysis training to be provided through SLACIAG in May 2026. Following that to cascade and then revisit how this is recorded in files. This is in QAIP, transferred from GIAS action plan.
	Principle 15 Communicate Engagement Results and Monitor Action Plans **Standards:** 15.1 Final engagement communications 15.2 Confirming the implementation of recommendations or action plans	CAE and internal auditors	**Generally Conforms**	None
Application Note	**9 General context for the UK Public Sector** 9A Ethics and standards in public life 9B Handling information 9C Value for money 9D The role of regulators	CAE and internal auditors	**Generally Conforms**	None
	10 UK public sector-specific interpretations and requirements Standards: 10A Resources 10B Overall conclusions and annual reporting 10C CAE qualifications 10D Selecting independent assessor	CAE	**Generally Conforms**	Procedures to address topical requirements to be developed - added to QAIP action plan

	12 Compliance with the requirements of the Topical Requirements			

EXTERNAL QUALITY ASSESSMENT SUMMARY OF CONFORMANCE WITH THE PSIAS - Reported December 2025

Reference	Assessment Area	Fully Conforms	Generally Conforms	Partially Conforms	Does Not Conform
Section A	**Definition of Internal Auditing**				
Section B	**Code of Ethics**				
Section C	**Attribute Standards**				
1000	**Purpose, Authority and Responsibility**				
1100	**Independence and Objectivity**				
1200	**Proficiency and Due Professional Care**				
1300	**Quality Assurance and Improvement Programme**				
Section D	**Performance Standards**				
2000	**Managing the Internal Audit Activity**				
2100	**Nature of Work**				
2200	**Engagement Planning**				
2300	**Performing the Engagement**				
2400	**Communicating Results**				

2500	**Monitoring Progress**				
2600	**Communicating the Acceptance of Risks**				

EQA action plan progress

Nine actions are complete. One action is a duplicate of, an action already in the QAIP action plan. Two routine actions are not complete and have been transferred to the QAIP action plan at 2 June 2026

No.	Para	Recommendation	Management Response	Responsible Officer / Agreed Completion Date
1.	6.1.2 6.1.3 6.2.6	We recommend that the Charter is revisited as some areas for improvement were identified as part of the External Quality Assessment	The Charter was reviewed as part of preparation for GIAS (UK Public Sector) and is compliant with its requirements, including several of those listed. The new Mandate and Charter were discussed with the Corporate Leadership Team and the Scrutiny Committee before finalisation in April 2025. The good practice points not already in the April 2025 Charter will be considered at the next review of the Mandate and Charter.	Chief Audit Executive 30 April 2026 **Complete**
2.	6.2.2	A protocol should be developed for exempt or private Internal Audit reports to be presented at Scrutiny Committee.	Agreed. This protocol will be developed ahead of the next Scrutiny Committee meeting.	Head of Democratic and Legal Services 31 December 2025 **Complete**
3.	6.2.3	The Scrutiny Committee would benefit from a review (also consider a name change to reflect the importance of audit aspects which should be non political).	A review was undertaken in 2023/24 and a revised Terms of Reference, compliant with the CIPFA 2022 guidance, for audit committees are awaiting finalisation of the whole Standing Orders and Schemes of Delegation for the Council. A name change to Scrutiny and Audit Committee was made.	Head of Democratic and Legal Services 30 September 2025 **Complete**
4.	6.2.7	A structured approach could be implemented to ensure annual returns are submitted by all team members, covering extra mural employment, independence, and any actual or perceived conflicts of interest (even nil returns).	We will move to declarations for each individual audit from September 2025.	Chief Audit Executive 28 November 2025 **Complete**

5.	6.3.4	The introduction of a longer-term plan would help to mitigate workforce related risks and manage any shortfall in resource should it arise. A detailed medium to longer term work force plan would assist with planning as the Chief Audit Executive or Acting Internal Audit Senior Manager could monitor.	We have a workplan covering the whole of the current annual plan, which is updated when the new plan is agreed in April each year. This is regularly monitored and action taken where required to keep delivery of the plan on track. Revised career grade structure is designed to aid recruitment if required, and the Azets contract is designed to provide additional resource at short notice should it be needed. The current Strategy does not envisage any change in workforce resource requirement therefore if there is any change in the current team it will be evaluated and a suitable plan enacted as required. This will be recorded in a section within the Audit Manual - under heading of Workforce Planning	**In place at August 2025.** Chief Audit Executive will be recorded in the Manual by 31 December 2025. **Complete**
6.	6.3.6	It is important that there is written evidence of the Chief Audit Executive's knowledge, skills, and other competencies to carry out their professional responsibilities at Dundee City Council, applying due professional care the same as team members. This could be covered via the expansion of the Secondment Agreement for transparency.	This will be reviewed in preparation for the end of the current secondment in 2026	Executive Director Corporate Services 31 October 2025 Update 16/4/26 This will be reviewed as part of the on-boarding of the new CIA in July 2026 Transferred to QAIP action plan
7.	6.4.2	The Council's senior management team should consider the proportionality of the current review process, particularly after the draft report has been agreed with the Service.	This will be reviewed. This was discussed with senior management and no change to be made	Executive Director Corporate Services 31 December 2025 **Complete**
8.	6.4.4	Consideration should be given to establishing a performance measurement framework (such as key performance indicators). The Chief Audit Executive should discuss with the Committee to confirm what further information could be provided to benefit transparency and accountability. This could include benchmarking with other similar sized local authorities.	This action has been identified in our GIAS (UK Public Sector) implementation action plan and will be taken forward there.	Chief Audit Executive 31 December 2025 **Complete**

9.	7.1.3	The Chief Audit Executive should continue to explore options on how assurance mapping could be effectively used at Dundee City Council as an assurance map identifies the various ways in which management and those charged with Governance receive assurance about achievement of objectives, service delivery, and risk. A fully populated assurance map can identify gaps in assurance and areas where more assurance is gathered than is required, thereby releasing resources for other activity.	Assurance mapping is a council-wide activity. This has been taken as far as it can be at this time by Internal Audit itself. Revised CIPFA guidance is due to be published. Our action plan already notes it will be reviewed, and any required changes identified within 3 months of publication.	Chief Audit Executive, within 3 months of revised CIPFA guidance Review position June 2026 **In QAIP action plan**
10.	7.4.2 7.4.7	The Audit Manual needs updated.	This is currently in progress as part of the GIAS (UK Public Sector) action plan.	Chief Audit Executive 31 December 2025
11.	7.4.3	An Audit File Checklist needs to be developed.	This is currently in progress as part of the Manual update at recommendation 10 above. Revised checklist in place	Chief Audit Executive 31 December 2025 **Complete**
12.	7.4.4	Internal Audit files should be subject to a review ensuring compliance with the retention and disposal process. Files outwith the retention period should be disposed of in terms of the policy in place.	Agreed.	Acting Senior Manager Internal Audit 31 March 2026 **Partially complete** - transferred to QAIP action plan 2 June 2026

Key to Grading of Recommendations Priority:

	Critical
	Significant
	Routine

Quality Assurance and Improvement Programme - Self-Assessment Action Plan

The following table provides an update on items carried forward from last year and new items added during the year, including those transferred from the EQA action plan.

Ref.No.	Action	Priority	Position/Update June 2026	Manager Responsible	Date to be Completed

QAIP 1	Review CIPFA guidance on Assurance Mapping when it is published	3	**To do** Awaiting guidance. No change for last year	CIA	Within 3 months of publication
	Monitoring Actions Provide services with guidance for updating progress with actions in Pentana	3	**Complete** Guidance provided through Risk and Assurance Board and CLT	CIA	December 2025 Complete
	Governance Review the new CIPFA Guidance for Audit Committees and update remit and practices as appropriate	2	**Complete** Revised Terms of Reference in place and self-assessed as compliant with the code	CIA/Head of Legal and Democratic Services	August 2025 Complete
	Implement objectives from the IA Strategy April 2025	2	**In Progress** The Strategy includes actions for short- and medium-term activity during 2025 to 2028. See updated plan below - **delivery on track**	CIA	April 2028
	Complete GIAS (UK Public Sector) implementation action plan	2	**Complete** Progress reported to Scrutiny and Audit throughout 2025/26. Actions all now complete and noted below.	CIA	May 2026 Complete
From EQA June 2026	It is important that there is written evidence of the Chief Audit Executive's knowledge, skills, and other competencies to carry out their professional responsibilities at Dundee City Council, applying due professional care the same as team members. This could be covered via the expansion of the Secondment Agreement for transparency	3	**To do** This will be reviewed as part of the on-boarding of the new CIA in July 2026	Executive Director Corporate Services	31 October 2025 New target July 2026

From EQA June 2026	Internal Audit files should be subject to a review ensuring compliance with the retention and disposal process. Files outwith the retention period should be disposed of in terms of the policy in place	3	**Partially complete**	Acting Senior Manager Internal Audit	31 March 2026 New target December 2026
QAIP2	Root Cause analysis approach/evidence methodology to be reviewed following SLACIAG training in May 2026	2	**In progress**	CIA	31 December 2026
QAIP3	Include Value for Money training in 2026/27 programme	2	**To do** Programme to be developed	CIA	31 December 2026
QAIP4	Develop approach for addressing Topical Requirements of GIAS (UK Public Sector)	2	**To do** Approach to be developed	CIA	31 December 2026

Key to Grading of Recommendations Priority:

1	Critical
2	Requires addressing
3	Good Practice
4	Value for Money

GIAS (UK PUBLIC SECTOR) IMPLEMENTATION ACTION PLAN

Ref.No.	Action	Priority	Position/Update June 2026	Manager Responsible	Date to be Completed
GIAS 1	Implement GIAS (UK Public Sector) action plan	1	**Complete**	CIA	30 June 2026
GIAS 2	Review requirements of the CIPFA Code on Governance of Internal Audit, raise with CLT, S&A members and CGOG and identify actions required for compliance	1	**Complete**	CIA	31 December 2025
GIAS 3	Create Strategy and Mandate and Charter documents, consult team, CLT, and S&A Committee and take to April S&A committee	1	Both documents consulted with team and CLT and presented to April 2025 S&A meeting and Mandate and Charter approved **Complete**	CIA	22 April 2025
GIAS 4	Ensure audit planning covers all required aspects of GIAS UK (Public Sector)	1	Planning requirements of the GIAS (UK Public Sector) reviewed and incorporated into planning for the 2025/26 annual internal audit plan **Complete**	CIA	24 March 2025
GIAS 5	Review IA Manual checklists and update as necessary for areas where GIAS (UK Public Sector) say procedures are required or we think it would be beneficial. Include EQA procedure.	2	Manual updated **Complete**	CIA	30 September 2025, revised 31 March 2026
GIAS 6	Create training log for whole IA team Standards 3.1; 3.2	2	Log created and instructions issued to team re completion **Complete**	CIA	30 June 2025
GIAS 7	Undertake skills/knowledge audit in IA team against core competencies/knowledge areas and consider training needs thereafter. Review job descriptions/people specs to ensure fully compliant. Standard 3.1	1	IIA competency framework reviewed and matched to career grade structure. CIPFA competency framework followed up on but not yet developed to align with GIAS UKPS. IIA framework adapted and issued to team for completion during May 2026 **Complete**	CIA	31 August 2025, revised 31 May 2026
GIAS 8	Develop approach to Root Cause Analysis, undertake training in team and apply in audits. Standard 11.3	2	Training held in November 2025 and interim approach agreed. To be reviewed in 6 months. Action closed as training is now to be provided through SLACIAG in May 2026. New action opened to address review of that in QAIP action plan **Complete**	CIA	31 August 2025 revised 30 June 2026

GIAS 9	Review Internal Audit KPIs and update if necessary, creating new data capture mechanisms if needed. Standard 12.2	2	Team involved in review. Review completed and KPIs/measures agreed by CLT and S&A February 2026 **Complete**	CIA	30 September 2026 revised 27 February 2026
GIAS 10	Identify ethics training for IA team. Standard 3.2	1	In-house training material developed for in person Team meeting arranged for joint training with Angus team 10 November 2025 **Complete**	CIA	31 December 2025
GIAS 11	Review GIAS (UK Public Sector) mandated training and deliver training. Also training on updates to manual if required	2	SLACIAG conference in June provided training for those who attended. Documentation shared with all members of the team. Further session on AI training provided through SLACIAG for all. Other SLACIAG training scheduled in 2026 on cyber security, root cause analysis and audit of major contracts. **Complete**	CIA	31 December 2025
GIAS 12	Review annual report content to ensure compliance. Also consider what S&A committee should be asked to do with the report	1	Review complete and checklist prepared for use in preparing annual report **Complete**	CIA	16 May 2026
GIAS 13	Review stakeholder feedback form and update if required (Standard 1.1)	2	This was reviewed as part of the performance measures work and confirmed current questionnaire covers areas the GIAS suggests **Complete**	CIA	31 August 2025
GIAS 14	Review new Corporate arrangements for appraisals and adapt if necessary to implement requirements of Standard 1.1; 5.2	2	Reviewed as part of the skills matrix review **Complete**	CIA	31 May 2026
GIAS 15	Undertake annual self- assessment of conformance with GIAS (UK Public Sector)	1	CIPFA toolkit used to review conformance in May 2026 and results reported in Annual Report **Complete**	CIA	31 May 2026

Key to Grading of Recommendations Priority:

1	Critical
2	Requires addressing
3	Good Practice
4	Value for Money

INTERNAL AUDIT STRATEGY IMPLEMENTATION

Strategic priority	Impact/Outcome	Measure	Update June 2026
Short-term - by June 2026			
Implement revised GIAS (UK Public Sector), applicable from 1 April 2025	Review/update procedures and documents, including Strategy, Mandate, Charter, Annual Plan and Annual Conclusion Maintain regulatory/statutory compliance	Full compliance with GIAS (UKPS) assessed in annual self-assessments and external Quality Assessments every 5 years, where resources make this level of compliance possible, or general compliance where resources make full compliance unreasonable.	GIAS (UK Public Sector) action plan implemented (Appendix C) Annual self-assessment in May 2026 confirmed conformance with new standards with minor actions to be addressed in 2026/27(See Assessment and QAIP action plan in Appendix C above). No external review of compliance with GIAS (UK Public Sector) in 2025/26 **Delivered as far as possible**
Continue close internal audit collaboration between Angus Council and Dundee City Council	Sharing of information Joint development of procedures	Joint working	Joint in-house training held in November 2025. Some GIAS (UK Public Sector) development and checklists shared between councils Audit briefs and programmes shared where applicable **Delivered**
Review of strategic arrangement for sharing CAE post between Angus and Dundee ahead of end of current agreement in December 2026	Reduce uncertainty for team members Maintain continuity of service delivery Compliance with GIAS (UKPS) requirements re CAE	Plan in place prior to end of current arrangement Smooth transition to new arrangement	Review in 2025 agreed to continue arrangement. Shared recruitment undertaken for CAE post in early 2026 and new CAE will come into shared post 1 July 2026 following retiral of current CAE on 30 June. No gap in cover re GIAS (UK Public Sector) requirements and arrangements in place to facilitate a smooth handover. **Delivered**
Medium-term -Over next 2 to 3 years			
Develop digital audit activity	Provision of relevant, useful, real-time/continuous audit assurances	Number of areas where digital/continuous audit is applied and reported regularly to management and audit committee	Development to use Power BI is underway facilitated by Azets. **On track to deliver**

Explore use of AI (Artificial Intelligence)	To improve efficiency and effectiveness of audit work	Options appraisal of potential AI use and implementation where deemed to provide an improvement on current processes	Some training on this has been provided by SLACIAG but limited exploration or use to date **Further work to do**
Implement workforce plan to maintain and increase knowledge and skills available to deliver the required services, including specialist areas identified in GIAS (UKPS)	Well informed team members who can audit/investigate areas of significant risk Identification of specialist areas where cost/benefit indicates external support is most effective option	All team members achieve Continuous Professional Development (CPD) requirements Exam pass and career grade progression where applicable Support contract work integrated with annual internal audit plan where required	Work on this is on-going. CPD requirements met by qualified staff. Career grade progression related to experience in place. IIA skills matrix has been adapted to our career grade structure and is in use by Internal Audit Team. Counter Fraud team has begun process to identify a similar skills matrix for them. Support contract audits included in annual audit plan. All IT related in 2025/26. The current support contract will end in 2027 **On Track to deliver**
Performance of joint audits where practical and if Council systems become more aligned or shared	Efficiencies in audit time spent	Number of joint audits performed compared to the number of aligned and shared services assessed as high risk areas	No joint audits have been possible to date within the Councils. One audit within the IJBs, undertaken on behalf of FTF in both Angus and Dundee has taken place using a shared brief (developed in Angus) and audit programme (developed in Dundee City). This work was also undertaken by the IJB auditor for Perth and Kinross. **Further work to do**