

REPORT TO: SCRUTINY COMMITTEE - 25 JUNE 2025

REPORT ON: 2024/25 INTERNAL AUDIT ANNUAL REPORT

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 179-2025

1. PURPOSE OF REPORT

- 1.1. To submit the Chief Internal Auditor's Annual Report for 2024/25 to Members of the Scrutiny Committee. This report provides an independent annual internal audit opinion 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 opinion is derived. It also provides all the information that the Public Sector Internal Audit Standards (PSIAS) 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 terms of reference of the Scrutiny Committee, as detailed in Report No 274-2014 (Policy and Resources Committee 10 November 2014, Article V), includes consideration of the strategy, plan, and performance of the Council's Internal Audit Service. In addition, the Committee is also required to consider internal audit reports and seek assurance that appropriate action has been taken, monitor the implementation of internal audit recommendations agreed with management and receive the Annual Report of the Chief Internal Auditor.
- 4.2. The Public Sector Internal Audit Standards (PSIAS), which came into effect on 1 April 2013 (updated 1 April 2017), apply to all internal audit service providers within the public sector and set out the requirements in respect of professional standards for these services. Professional Standard 2450, Overall Opinions, states that "the chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement". In the context of Dundee City Council, the "chief audit executive" is the Chief Internal Auditor.
- 4.3. The PSIAS also states a range of other information that the annual report prepared by the chief audit executive must incorporate. These have been included in the report at Appendix 1 and the key issues have been summarised in Section 5 below.
- 4.4. 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 2024/25 are deemed to be those set out in the PSIAS. The Regulations require that the local authority must from time to time assess the efficiency and effectiveness of its internal auditing service, in accordance with the standards, the findings from which must be considered as part of the review of the effectiveness of its system of internal control.

4.5. New Global Internal Audit Standards (UK Public Sector) (GIAS (UP Public Sector) Replace PSIAS from 1 April 2025. Preparation to implement these has taken place during 2024/25 but the PSIAS still applied for the year to 31 March 2025.

4.6. The Internal Audit Annual Report for the 2024/25 financial year, which is attached for consideration by Elected Members, has been prepared on the basis of the requirements outlined above.

5. OPINION AND CONFORMANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

5.1. The opinion provided for 2024/25 is

“... .. that reasonable assurance can be placed upon the adequacy and effectiveness of the Council’s framework of governance, risk management and control for the year to 31 March 2025.”

5.2. The Council’s Internal Audit Service conforms with the PSIAS except for one minor non-conformance. The non-conformance relates to the timing of the external review that PSIAS requires to be undertaken at least every five years. The next external assessment was due to take place in 2022/23 within a compliant timeframe through the peer review process agreed by the Scottish Local Authority Chief Internal Auditors Group (SLACIAG). The reviewer has delayed completion of the review meaning it is more than five years since the last review. A draft report is now being considered and should be reported to the next Scrutiny Committee meeting.

5.3. In addition to the key conclusions noted above the report at Appendix 1 also includes detail on the following areas that PSIAS requires to be reported.

- There were no limitations of scope placed on audit work by management during 2024/25.
- The staff members involved in each 2024/25 internal audit review were independent of the area under review and their objectivity was not compromised in any way.
- Performance indicators showed conformance with the PSIAS. 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: 9 JUNE 2025

2024/25 INTERNAL AUDIT ANNUAL REPORT AND OPINION

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 opinion for the year ended 31 March 2025. The report does not include assurances on group activities.

1. PURPOSE OF REPORT

1.1. To provide:-

- An independent annual internal audit opinion 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 2024/25 financial year as required by the Public Sector Internal Audit Standards (PSIAS), including to summarise the key activities and highlight any matters of significance that have arisen as a result of the audit process.

2. OPINION

2.1. It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2025.

Basis of Opinion

2.2. 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 Counter 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 2024/25 and 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 2025.
- Reports issued by the Council's External Auditor, together with relevant reports from other external review and inspection bodies.

2.3. There were no limitations of scope placed on audit work by management during 2024/25.

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 an opinion 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. PSIAS defines Internal Audit as “an independent, objective assurance and consulting activity 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 risk management, control, and governance processes.”

Structure and Resources

- 4.2. During 2024/25, 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. Both areas were audited as part of the 2024/25 audit plan. To maintain independence these audits were carried out by Azets Holdings Limited. Independence is essential and helps ensure the Service provides unbiased judgements and impartial advice to management. Line management responsibility for both these functions does not sit with the Chief Internal Auditor which has allowed an independent view of risk management, taking into consideration the findings from the Azets audit, to be undertaken for the opinion 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 2024/25.
- 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.
 - Azets has provided IT and general audit support during 2024/25 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 PSIAS when it is fully staffed. This will remain the position going forward in relation to GIAS (UK Public Sector).

Internal Audit	2024/25 FTE Establishment	March 2025 In post	2023/24 FTE Establishment	March 2024 In post
Auditor	2	2	2	2
Senior Auditor	1	1	1	1
Principal Auditor	1	Acting up	1	Acting up
Senior Manager - Internal Audit (Principal Auditor acting up in both 2023/24 and 2024/25)	1	1	1	1
Chief Internal Auditor (from October 2022)	0.5	0.5	0.5	0.5
Total	5.5	4.5	5.5	4.5
External resource	Contract with Azets from December 2023	Contract with Azets from December 2023	Contract with Azets from December 2023	Contract with Azets from December 2023

5. SUMMARY OF INTERNAL AUDIT ACTIVITY 2024/25

Audit Planning

- 5.1. The annual internal audit plan is designed to provide the Scrutiny 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 2024/25 financial year was reviewed and approved by the Scrutiny Committee on 24 April 2024 (Article X Report No 108-2024 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 2024. The majority of these have been reported, with the remaining four audits being two audits at draft report stage, one in review and one in progress.
- 5.5. The plan was revised during the year to take account of changing circumstances and this was reported to the Scrutiny Committee. The main reasons for the changes were reappraisal of risks, potential for duplication with work taking place in the service, and to accommodate the timing of service reviews of procedures. The following items were removed from the plan.

Deferred to 2025/26 audit plan	Not taken forward
Asset Management Onboarding and Induction (reserve list)	Child Poverty and Fairness Action Plan End User Computing Housing - Planned and Reactive Maintenance

5.6. The following items were added to the plan, to replace other audits following reappraisal of risk, or at the request of management:

- Cyber Incident Readiness
- MOSAIC Payments
- Housing Stock (External Wall Insulation)

Audit Reporting

5.7. All internal audit reports are subject to consultation with management for consideration of factual accuracy and recommendations made. 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 Committee.

5.8. 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 these exercises are reported to the Risk and Assurance Board, relevant officers and the Scrutiny Committee as required, along with revised implementation dates where appropriate. In line with previous years, the implementation of internal audit recommendations is monitored via the Council's performance management system, Pentana.

5.9. During the year, the Internal Audit service has continued to improve information for services from Pentana to help with managing open actions.

6. PLAN ACHIEVEMENT

6.1. For 2024/25 financial year, there was a total of 668 (2023/24 415) productive audit days used for direct audit activities, an increase of approximately 60% (2023/24 decrease of 21%) on the previous year. A further 155 (2023/24 132) productive days were used on non-direct audit work including areas such as audit planning, project boards, induction, training and development, external quality assessment peer review, attendance and contribution to national groups and management of the Internal Audit function.

6.2. The 2024/25 Internal Audit Plan included internal audit assignments at a corporate and service level across the organisation. It also included an allocation of audit days for action progress reviews, finalisation of audit assignments that commenced in the previous financial year, the provision of advice and guidance to services, specific investigations and PSIAS Self-assessment and involvement in the External Quality Assessment of PSIAS compliance. 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 framework.

6.3. The audit work reported during 2024/25 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 some 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. The finalised reports are noted in Appendix A along with the overall conclusion and the number of recommendations made. This shows a total of 19 (2023/24 -11) Dundee City Council internal audit reports have been finalised since the last Annual Report was issued. A total of 86 (2023/24 - 59) recommendations were made in the reports issued on behalf of Dundee City Council. Of these none (2023/24 3) were categorised as critical, 19 High (2023/24 21), 53 as medium (2023/24 18), and the remaining 14 as low (2023/24 17).

- 6.4. Analysis of the overall audit opinion in each of the reports issued on behalf of Dundee City Council highlighted that 0% (2023/24 - 9%) of the areas reported upon were considered to be well controlled (comprehensive), 74% (2023/24 - 64%) were adequately controlled (substantial), 26% (2023/24 - 27%) required improvement (limited assurance) and 0% (2023/24 - 0%) required significant improvement (no assurance).
- 6.5. In 2024/25 there were no areas assessed as "No Assurance." Several areas were assessed as "Limited Assurance." Action plans have been agreed and are in the process of being implemented to address the weaknesses identified. These areas were:
- Staff Wellbeing/Absence Management
 - Microsoft Office 365
 - User Access Management
 - Corporate Debt Recovery
 - Safety Alarm Response Centre
- 6.6. Reasonable progress has been made in progressing actions agreed for areas with Limited assurance in previous years, although there are two audits reported last year that still require actions to be cleared.
- General Ledger: At June 2025 three recommendations had been closed. Four actions (one high, one medium, and two low priority) remain in progress.
 - Financial Sustainability LACD: This was agreed in June 2024 and has recommendations for both the Council and LACD, all of which had dates during 2025 for completion. The Council has two critical and two high priority recommendations addressing completion of a review of the Service Agreement between the Council and LACD, and development thereafter of plans to deliver this and monitor results. All the actions remain open at 9 June 2025, with end of June and September dates for completion. An external review has been commissioned by the Council and will inform completion of these actions.
- 6.7. At 9 June 2025 only two audits carried forward from previous years at June 2024 are in progress (Social work contracts and payments and Young People in Residential Care - Missing Persons Process). Draft reports have been issued for a further two (SLAs with external bodies; and Section 75 Planning Obligations). Seven items from the 2024/25 plan are also incomplete at June 2025. All are significantly progressed with draft reports issued for four of these. There are no draft reports issued with no assurance conclusions at June 2025 and none of the information I have from un-reported work would alter my opinion. Taking that into account alongside the conclusions from work done this year, including alternative sources of assurance, and previous years' results, I have concluded that I can provide an annual opinion without any limitation of scope. The assignments carried forward this year are noted in Appendix B.
- 6.8. Issues impacting on delivery of work include:
- Two new team members joined in March 2024, and had an initial period of learning about the Council and our procedures. We also had a period of maternity leave.
 - The Principal Auditor continues to act up into the Senior Managers post to support the Chief Internal Auditor's role and provide line management for Insurance and Risk Management services. Reduced resources in risk management in 2024/25 has impacted the Principal Auditor's available time for audit work.
 - Although there has been improvement this year, the impact on audit time from delays in responses from services remains an issue, but is not consistent across the Council. Delays can occur at any stage of the audit, however delays are most prevalent during agreement of audit briefs and finalisation of draft reports. All these delays impact not just the current audit, where additional time is spent re-familiarising with work to date, but also impact on the ability to move on to the next planned work.
 - Additional assignments added to the plan.

- Two activities that do not happen every year and which take up senior staff time fell into 2024/25 and impacted on time available for file review and completion of draft reports. These are ongoing involvement in our External Quality Assessment of conformance with PSIAS (every five years), and preparation for the implementation of the GIAS (UK Public Sector) which replaced PSIAS from 1 April 2025.

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 5 June 2025 are set out below:

Audit Year	Critical	High	Medium	Low	Total 05/06/25	Total 29/05/24
	No.	No.	No.	No.	No.	
2016/17	0	0	0	0	0	1
2017/18	0	1	0	0	1	1
2018/19	0	0	0	0	0	2
2019/20	0	0	0	0	0	1
2020/21	0	2	0	0	2	3
2021/22	0	3	0	0	3	16
2022/23	2	6	4	5	17	17
2023/24	0	7	18	5	30	3
2024/25	0	0	5	1	6	0
Total 05 June 2025	2	19	27	11	59	-
Total 29 May 2024	0	19	8	17	-	44

- 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, rather than through a large-scale annual progress review or specific follow-up audits as has been the case historically. 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 increase from 44 at the same point last year, to 59. This is primarily due to there being more reports finalised this year than last, and consequently more actions added. Good progress is being made in closing and progressing actions from previous years with several old actions now cleared and others being actively progressed. All Critical actions had been closed last year meaning those currently in progress are recent additions. Twenty-two of the open actions are from audits reported in previous years. This position demonstrates that mitigating action for identified weaknesses is being implemented.
- 7.5. Reminders from Pentana about overdue actions are automatically generated in Pentana and sent to action owners quarterly. Information about open actions is presented to each Risk and Assurance Board meeting for discussion and reported to each Scrutiny 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. An Internal Audit reviewing these arrangements reported during 2024/25 concluded that "The Annual Governance Statement Questionnaire and the underpinning process by which information is compiled to inform the Annual Governance Statement is well designed and delivers the necessary assurance over the requirements of relevant guidance." A number of recommendations primarily relating to opportunities for improvements which would enhance consistency and further enhance the quality of assurance obtained were made.
- 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. On that basis my opinion 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. 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 concluded:

..." that the Council has established a structured approach to risk management, underpinned by a Risk Management Policy and Strategy that sets out roles, responsibilities, and the process for assessing and managing risks. The use of a 5x5 risk scoring matrix and supporting procedural guidance reflects standard practice and provides a consistent method for assessing risk severity and likelihood.

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.

However, we have highlighted several areas for improvement, including inconsistencies in the application of risk scoring, missing mitigating actions, and the absence of target risk scores across sampled risks. Additionally, while review frequencies were generally set, there were instances where reviews were overdue or lacked sufficient commentary to justify the current position of the risk."

- 9.4. An action plan with medium and low priority actions was agreed for implementation with all but one action to be implemented by the end of December 2025, and the final action by 31 March 2026.
- 9.5. On that basis my opinion is that risk management arrangements within the Council are adequate and effective.

10. PERFORMANCE INDICATORS

PSIAS Conformance and Quality Assurance and Improvement Programme (QAIP)

- 10.1. The self-assessment of the Internal Audit Service undertaken in November 2023 for the EQA, and reviewed in April 2025, confirmed that the service operated in conformance with the PSIAS throughout 2024/25 with one minor non-conformance that is outwith our control. The non-conformance relates to the timing of the external review that PSIAS requires to be undertaken at least every five years. The EQA was initially scheduled to take place in 2022/23 within a compliant timeframe through the peer review process agreed by the Scottish Local Authority Chief Internal Auditors Group (SLACIAG). The reviewer delayed the review making it later than five years since the last review. Our self-assessment was provided in November 2023. The review has progressed since then but is not complete at June 2025 due to other commitments of the reviewer.
- 10.2. The last EQA performed for Dundee City Council, also undertaken using the SLACIAG peer review process reported in May 2018. The report concluded that "the Internal Audit activity within Dundee City Council fully conforms with 11 standards and generally conforms with the remaining 2 standards."
- 10.3. PSIAS requires the Chief Audit Executive to develop and maintains a QAIP covering all aspects of the Internal Audit Service. During 2024/25 the key elements of the QAIP were work to prepare for the implementations of the new Global Internal Audit Standards as they apply to the UK Public Sector.
- 10.4. A copy of the QAIP Action Plan, including progress updates against the actions outstanding at June 2024 is at Appendix C. It should be noted that the actions do not represent significant deviations from the PSIAS and are related to continuous improvements to keep up to date with good practice and make best use of available technology.

Internal Feedback and Indicators

- 10.5. 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 2024/25, 10 (2023/24 five) completed client feedback questionnaires were received. Responses were very positive across four feedback categories. 98% (2024/25 100%) of responses agreed or strongly agreed with statements that the Audit Approach, Communication and Conduct, Timing, and Audit Report were satisfactory. All of the returned questionnaires indicated that the review was beneficial to the client's area of responsibility.
- 10.6. Management agreed to implement 100% of the recommendations made (2023/24 100%).

Other External Assessment

- 10.7. 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 2024/25.

CATHIE WYLLIE
CHIEF INTERNAL AUDITOR

DATE: 10 JUNE 2025

Summary of Findings from Internal Audit Reports issued since June 2023

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.

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.

Report No	Area Reviewed and Assurance Level	Recommendations				
		Total No	Importance			
			C	H	M	L
2023/09	Staff Wellbeing/Absence Management	10	-	2	8	-
2023/28	Microsoft Office 365*	7	-	7	-	-
2023/17	Civica CX – Rent Accounting Module*	1	-	1	-	-
2023/29	User Access Management	5	-	1	4	-
2022/23	Health and Safety Reports	4	-	1	2	1
2023/20	Corporate Governance	7	-	-	3	4
2023/21	Corporate Debt Recovery Arrangements	4	-	2	2	-
2023/22	Financial Forecasting	5	-	1	3	1
2023/24	Health and Safety Risk Assessments and Incident Management in Schools	3	-	-	3	-
2024/25	Safety Alarm Response Centre	5	-	3	2	-
2023/03	Pentana	2	-	-	2	-
2023/10	Permanence	4	-	-	4	-
2023/08	Recruitment	1		1		
2024/03	Tay Cities Region Deal	1	-	-	1	-
2024/04	Risk Management*	9	-	-	6	3
2024/06	User Access Management Northgate*	3	-	-	2	1
2024/08	Payroll Changes in Circumstances*	7	-	-	5	2
2024/09	Purchase to Pay	4	-	-	3	1
2024/16	Insurance*	4	-	-	3	1
	Totals	86	-	19	53	14
	2024/25 Totals	59	3	21	18	17

* Submitted to June 2025 Scrutiny Committee (*Report 178-2025*)

2024/25 Audits carried forward at June 2025

The following audits were incomplete at 9 June 2025 and have been carried forward. In 2023/24 there were eighteen audits carried forward.

Assignment	Progress at June 2025	Comment
Young People in Residential Care – Missing Persons Processes (2023/11)	In Review	
Partnership Working - Dundee Alcohol and Drugs Partnership	In Review	
Section 75 Planning Obligations (2023/14)	Revised draft report issued	
SLAs with External Bodies	Draft report issued	
Social Work Contract and Payments	In progress	
MOSAIC system payments (2024/18)	In Review	
Climate Strategy and Delivery Plans (2024/15)	In review	
Housing Stock EWI (2024/20)	Revised draft report issued	
Capital Planning and Monitoring	Draft report issued	
Service Cyber Incident Readiness	Planning	
Multi Agency Safeguarding Hub (MASH) Intake processes	In Progress	

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Quality Assurance and Improvement Programme - Updated Action Plan

The following table provides an update on items carried forward from last year and new items added during the year.

Standard / Area	Action	Initial/Revised (R) Implementation Date	Progress Update	New Revised Implementation Date
2000 / Assurance Mapping	Review Cipfa Assurance mapping guidance once issued.	Within 3 months of publication	<p>Awaiting new guidance</p> <p>Cipfa has said further guidance on Assurance Mapping will be published in due course and this will be monitored for publication and then reviewed and action taken as required.</p> <p>No change since last year – guidance awaited.</p>	N/A
Monitoring actions	Review arrangements for monitoring implementation of audit actions.	December 2023 December 2024 (R)	<p>Complete June 2025</p> <p>Revised arrangements, including new reporting for services is now in place, with monthly monitoring meetings held by internal audit to review progress.</p>	N/A
Monitoring Actions	Provide services with guidance for updating progress with actions in Pentana.	December 2025	In Progress	N/A
Governance	Review the new Cipfa Guidance for Audit Committees and update remit and practices as appropriate.	<p>Initial review complete by August 2023, with actions from this implemented by June 2024</p> <p>Revised to December 2024</p>	<p>Partially complete</p> <p>Review of terms of reference for the Scrutiny Committee completed and changes incorporated into draft to come for approval at a future City Governance Committee meeting.</p>	August 2025

Standard / Area	Action	Initial/Revised (R) Implementation Date	Progress Update	New Revised Implementation Date
Over-arching	Review revised PSIAS due in 2024 following publication of revised Global Internal Audit Standards in January 2024, and update procedures and processes, as necessary.	March 2025	Complete April 2025 Review of GIAS (UK Public Sector) completed, and gap analysis undertaken. Action plan developed and reported to Scrutiny Committee in April 2025. Internal Audit Strategy in place April 2025. New Mandate and Charter approved by Scrutiny Committee April 2025.	N/A
Over-arching	Implement objectives from the IA Strategy April 2025.	April 2028	In Progress The Strategy includes actions for short- and medium-term activity during the next three years. A full update on progress will be provided in June 2026.	N/A
Over-arching	Complete GIAS (UK Public Sector) implementation action plan.	May 2026	In Progress Action plan being implemented. Latest actions due May 2026 regarding content of Annual Report for 2025/26. Updates will be brought to the Scrutiny Committee in December 2025 and June 2026.	N/A