

ITEM No ...14.....

REPORT TO: SCRUTINY COMMITTEE – 25 JUNE 2025
REPORT ON: 2024/25 SCRUTINY COMMITTEE SELF-ASSESSMENT AND ANNUAL REPORT
REPORT BY: CHIEF INTERNAL AUDITOR
REPORT NO: 180-2025

1. PURPOSE OF REPORT

This report provides a draft annual report to Council on the work undertaken by the Scrutiny and Audit Committee during 2024/25.

2. RECOMMENDATIONS

It is recommended that the Committee:

- (i) reviews the draft annual report for the year to 31 March 2025 and provide any comment;
- (ii) determines whether any amendments are required in the light of issues discussed at this meeting;
- (iii) Agrees the items for inclusion in an action plan, and
- (iv) approves the annual report and agrees to submit it to the next City Governance Committee.

4. BACKGROUND

- 4.1 Guidance published by CIPFA is accepted as best practice for local authority audit committees. The Guidance was updated in 2022 and recommends that all audit committees should “prepare an annual report that provides assurance to all those charged with governance that It fulfils its purpose and can demonstrate its impact”. (Audit Committees Practical Guidance for Local Authorities and Police 2022).
- 4.2 The Committee agreed at the meeting on 24 April to undertake a self-assessment using the CIPFA checklist supplemented with questions about knowledge and skills and to prepare an annual report following the CIPFA guidance. Report 173/2024 produced last year was the first annual report from the Scrutiny Committee.

5. CURRENT POSITION

- 5.1 The annual report at Appendix 1 has been prepared to inform Dundee City Council of the work carried out by the Scrutiny Committee during 2024/25. It notes that an action plan will be prepared following agreement of this report. Two actions have been identified and will be taken forward by officers in conjunction with committee members:
 - Consideration of how best to facilitate the self-assessment next year will be included in the action plan for the committee
 - Provision of Treasury Management training for members.

- 5.2 The report concludes:

“The Scrutiny Committee is satisfied that the Committee complies substantially with the CIPFA Position Statement and this will be improved following the update of the Committee remit planned for after the recess. The work undertaken by the Committee during 2024/25 fulfils the Committee remit and provides

reasonable assurance that the Council's control environment, risk management arrangements, and governance framework operated effectively and efficiently during 2024/25. Actions have been put in place to address any weaknesses identified and the Committee will continue to monitor completion of these actions. Significant weaknesses identified have been included in the Annual Governance Statement and Corporate Governance action plan as appropriate."

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's Leadership Team have been consulted in the preparation of this report.

8. BACKGROUND PAPERS

- 8.1. None.

CATHIE WYLLIE, CHIEF INTERNAL AUDITOR

DATE: 10 JUNE 2025

Appendix 1

Scrutiny Committee Report to Dundee City Council 2024/25

Introduction

CIPFA guidance recommends that all audit committees should “prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact.” (Audit Committees Practical Guidance for Local Authorities and Police, published by CIPFA in 2022.)

This report has been prepared to inform Dundee City Council of the work carried out by, and the impact of, the Scrutiny Committee during the period April 2024 to March 2025 and for the year to 31 March 2025. It also provides details of the Committee’s membership and attendance.

Scrutiny & Audit Committee remit

The Scrutiny Committee is a key component of the Council’s corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Scrutiny Committee is to provide independent assurance to the full Council of the adequacy of the risk management framework and the internal control environment. The Committee provides independent review of Dundee City Council’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Committee’s remit is set out in Dundee City Council’s Standing Orders. It covers all the core functions of the Committee. The remit has been reviewed and is in the process of being updated to ensure it complies with CIPFA’s 2022 guidance. It is planned to bring the revised Standing Orders to committee after the recess.

During 2024/25 the Committee meetings remained on-line.

All elements of the Committee’s remit, as detailed in the Standing Orders, have been fulfilled if applicable during the year. This has been achieved through information received from internal audit, external audit, other external scrutiny and inspection agencies, and assurances from management. Assurances about and from internal and external audit are summarised below. Other sources of information provided good assurance over the areas in the remit. Minutes of the Committee meetings were presented to Council. No reports were referred to other Committees. The City Governance Committee referred several reports to the Scrutiny Committee during the year.

Membership and Attendance

Membership of the Committee is set out in Standing Orders at 8. The Committee size is in line with the 2022 guidance recommendation. There are currently no non-elected members of the Committee.

The Committee met formally on five occasions during 2024/25 and all meetings were quorate (at least three members in attendance including a representative from the Administration and the Major Opposition Group).

Scrutiny Committee Attendance 2024/25

Member	Expected attendances	No. of meetings attended	Nominated substitute attended
Depute Lord Provost Kevin Cordell	4	3	Councillor Jimmy Black
Bailie Kevin Keenan	5	5	
Bailie Helen Wright	5	3	Councillor Georgia Cruickshank twice
Bailie Christina Roberts	5	1	Councillors Stewart Hunter Councillor Lee Mills (twice)
Bailie Fraser Macpherson	5	4	Councillor Craig Duncan
Bailie Derek Scott	5	1	
Councillor Nadia El-Nakla	5	1	Councillors Ken Lynn and Heather Anderson, Bailie Willie Sawers (twice)
Councillor Lynne Short	5	3	Councillor Heather Anderson
Councillor Jimmy Black	1	1	

At the December 2024 meeting of the Scrutiny Committee it was noted that Depute Lord Provost Kevin Cordell had resigned from the committee and that Councillor Jimmy Black would replace him from the next meeting.

The Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance, Head of Democratic and Legal Services and the Chief Internal Auditor (or their nominated substitutes) attended all Committee meetings. Other Executive Directors and senior officers also attended when required. Representatives from External Audit, Police Scotland, and Scottish Fire & Rescue Service attended meetings and spoke to their reports.

Training

A range of briefings and other training was offered to elected members during 2024/25. A training record is kept by Committee Services.

Internal Audit

The Service Leader Internal Audit continued to be seconded from Angus Council to Dundee City Council as Chief Internal Auditor on a 50:50 basis throughout 2024/25.

The Scrutiny Committee takes assurance from Internal Audit on a wide range of issues and an update report from the Chief Internal Auditor is considered at every Committee meeting. Audits reported from the 2024/25 plan, and those carried forward at June 2025, provided substantial or comprehensive assurance with five exceptions where limited assurance was provided. Action plans are being implemented and monitored with several actions closed. Two critical audit actions were outstanding at June 2025. Reports concluded with Limited Assurance were:

- Staff Wellbeing/Absence Management: Good progress has been made with 8 of the report's recommendations reported as implemented. At June 2025 only 2 medium recommendations remain open with due dates for completion of June 2025.
- Microsoft 365: This review reported in June 2025 with 7 high priority actions.
- User Access Management: Reported in February 2025 with 1 High and 4 Medium priority actions, which remain outstanding at June 2025.

- Corporate Debt Recovery – Sales Ledger: Reported in February 2025. 2 actions have been reported as closed, and 1 High and 1 Medium priority action remains outstanding at June 2025.
- Safety Alarm Response Centre: 2 actions are closed, 1 High and 2 Medium priority actions remain outstanding at June 2025.

The following Limited Assurance reports from the prior year have outstanding actions:

- General Ledger: At June 2025, 4 actions were in progress (May 2024 – 5 actions).
- Financial Sustainability LACD: Reported in June 2024. In addition to recommendations for LACD there are 2 critical and 2 high priority recommendations for the Council, addressing completion of a review of the Service Agreement between the Council and LACD, and development thereafter of plans to for its delivery and monitoring. All actions remain open at June 2025.

Progress is monitored by Internal Audit and reported to the Scrutiny Committee throughout the year.

External Audit

External Audit is another key provider of assurance to the Committee. The external auditors, Audit Scotland, are appointed by the Accounts Commission, who also monitor audit quality. The results of external audit reports received during 2024/25, covering the 2023/24 annual audit, and the Thematic Best Value report on Workforce Innovation were largely positive with action plans agreed for areas identified as requiring some improvement.

Assurances

Good assurance was received throughout the year from a number of sources in addition to internal and external audit, including the Care Inspectorate and Education Scotland. All areas from inspections in 2024/25 covered by these inspection agencies were assessed as “good” or “very good”. Positive progress has been reported by the inspection agencies in follow up reports for Craigie Cottage and Baldragon Academy where “weak” assessments were made in the previous year.

Self-assessment and action plan

A self-assessment for 2024/25 was undertaken using the questionnaire provided in CIPFA’s 2022 Guidance for Audit Committees, supplemented with questions about Committee members’ knowledge and skills. Scoring was from 1 to 5 as follows, allowing for a maximum score of 145 per person.

Score	Operation of the Committee
1	Does not comply - Major improvement required
2	Partially complies - Significant improvement required
3	Partially complies - Moderate improvement required
4	Partially complies - Minor improvement required
5	Fully complies - No further improvement required

Results from the self-assessment questionnaire showed an average score of 89% (2023/24 77%) in terms of effectiveness and compliance with the principles set out in the CIPFA guidance. No question had an average score below 3. The revised Terms of Reference due to be presented for approval after the recess, undertaking the annual self-assessment, and this report to all Council members address areas for improvement identified in the results. Consideration of how best to facilitate the self-assessment next year will be included in the action plan for the committee.

Responses about skills and knowledge indicated a good level of knowledge and understanding of areas CIPFA notes as required by audit committee members. Treasury Management was identified as one area where additional training would be helpful and this will be included in an action plan for the committee,

The committee does not currently seek feedback from external presenters to meetings.

Conclusion

The Scrutiny Committee is satisfied that the Committee complies substantially with the CIPFA Position Statement, and this will be improved following the update of the Committee remit planned for after the recess. The work undertaken by the Committee during 2024/25 fulfils the Committee remit and provides reasonable assurance that the Council's control environment, risk management arrangements, and governance framework operated effectively and efficiently during 2024/25. Actions have been put in place to address any weaknesses identified and the Committee will continue to monitor completion of these actions. Significant weaknesses identified have been included in the Annual Governance Statement and Corporate Governance action plan as appropriate.