

ITEM No ...6.....

REPORT TO: SCRUTINY AND AUDIT COMMITTEE - 22 APRIL 2026
REPORT ON: 2026/2027 INTERNAL AUDIT PLAN
REPORT BY: CHIEF INTERNAL AUDITOR
REPORT NO: 91-2026

1.0 PURPOSE OF REPORT

To submit to Members of the Scrutiny and Audit Committee the Internal Audit Plan for the 2026/2027 financial year.

2.0 RECOMMENDATIONS

Members of the Committee are asked to review and approve the 2026/2027 Internal Audit Plan as detailed at Appendix A.

3.0 FINANCIAL IMPLICATIONS

None.

4.0 MAIN TEXT

Introduction

4.1 Internal audit is defined in the Global Internal Audit Standards as applicable to UK Public Sector organisations (GIAS (UK Public Sector)) as:

“An independent, objective assurance and advisory 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 governance, risk management, and control processes”.

4.2 GIAS (UK Public Sector) requires the Chief Internal Auditor to create an internal audit plan that supports the achievement of the organisation’s objectives, based on a documented assessment of the organisation’s strategies, objectives and risks. Assurances are provided throughout the year as individual audits are completed.

4.3 Management are responsible for establishing the risk, governance and internal control processes and systems as well as their on-going monitoring. Management are also responsible for managing fraud risks and ensuring that internal control systems are designed to guard against fraud and misappropriation. Internal Audit is not a substitute for these management responsibilities. Rather it is the review function which will challenge current practices and recommend the best practice and improvements to lead to a strengthening of the control environment and therefore assist the Council in achieving its objectives.

4.4 The Internal Audit plan is considered to be flexible to allow a quick response to any significant new requirements or change to Council risks. Any amendments to the plan will be brought to the Scrutiny and Audit Committee for approval.

4.5 The Internal Audit plan will be delivered in accordance with the Internal Audit Mandate and Charter approved in April 2025. This complies with the GIAS (UK Public Sector) which sets out the role, professional requirements, independence and overall responsibilities of Internal Audit. The authority, access rights and reporting arrangements for the Internal Audit function are also contained within the Internal Audit Mandate and Charter.

4.6 In June 2027, the Annual Internal Audit Report will present the internal audit conclusion for 2026/27 based on an objective assessment of the effectiveness of governance, risk management and control processes.

Resources

4.7 The Council’s Internal Audit service is delivered by an in-house team complemented by additional audit input from a contractor providing IT audit support. The 2026/2027 audit is the final full year of the current contract with Azets.

4.8 The in-house internal audit team structure has 4.3 FTE staff. The Chief Internal Auditor (CIA) (0.5 FTE), Acting Senior Manager - Internal Audit (0.8 FTE devoted to audit), Senior Auditor (1 FTE) and 2 auditors (2 FTE). The CIA post is currently filled through a secondment arrangement with Angus Council.

4.9 Although the team is expected to be fully staffed during the 2026/2027 audit period, the Acting Senior Manager has not been able to devote 0.8 FTE of their time to audit due to covering for vacancies within risk management and insurance during 2025/2026. This situation is expected to continue for at least part of 2026/2027 in relation to risk management.

4.10 The Internal Audit team provides 25 days audit input to support the Chief Internal Auditor of the Dundee IJB (Integration Joint Board), who is from FTF Audit and Management Services. Discussions are in progress about providing a service to Leisure and Culture Dundee (LACD) 25 days have been allocated provisionally. Both are included in the Other Audit Work category.

4.11 For the 2026/2027 financial year, the total productive days available are 956, after allowing for annual leave, and other absences and including the external contractor. The time available for audits takes into account the work for the IJB noted above, the time needed for professional development of staff, internal administrative activities, and staff involvement in corporate management groups.

4.12 Follow-up audit work will be undertaken with services as audit actions are closed in Pentana, with specific follow up reviews only considered for areas where the overall assurance level is limited or no assurance.

4.13 Where any team member has a perceived or actual conflict of interest in relation to an Internal Audit assignment or investigation, they will not be permitted to have any involvement in that piece of work. In addition, Internal Audit staff who are involved in advisory work will not be permitted to be involved in any internal audit work that is directly related to that work.

4.14 Technological resource requirements are addressed through provision of laptop computers to all team members, with access to Microsoft Office 365. Power BI software requirements will be kept under review as the Internal Audit Strategy is implemented and discussed with the IT service as required.

4.15 The overall Internal Audit resource and allocation is included in the table below.

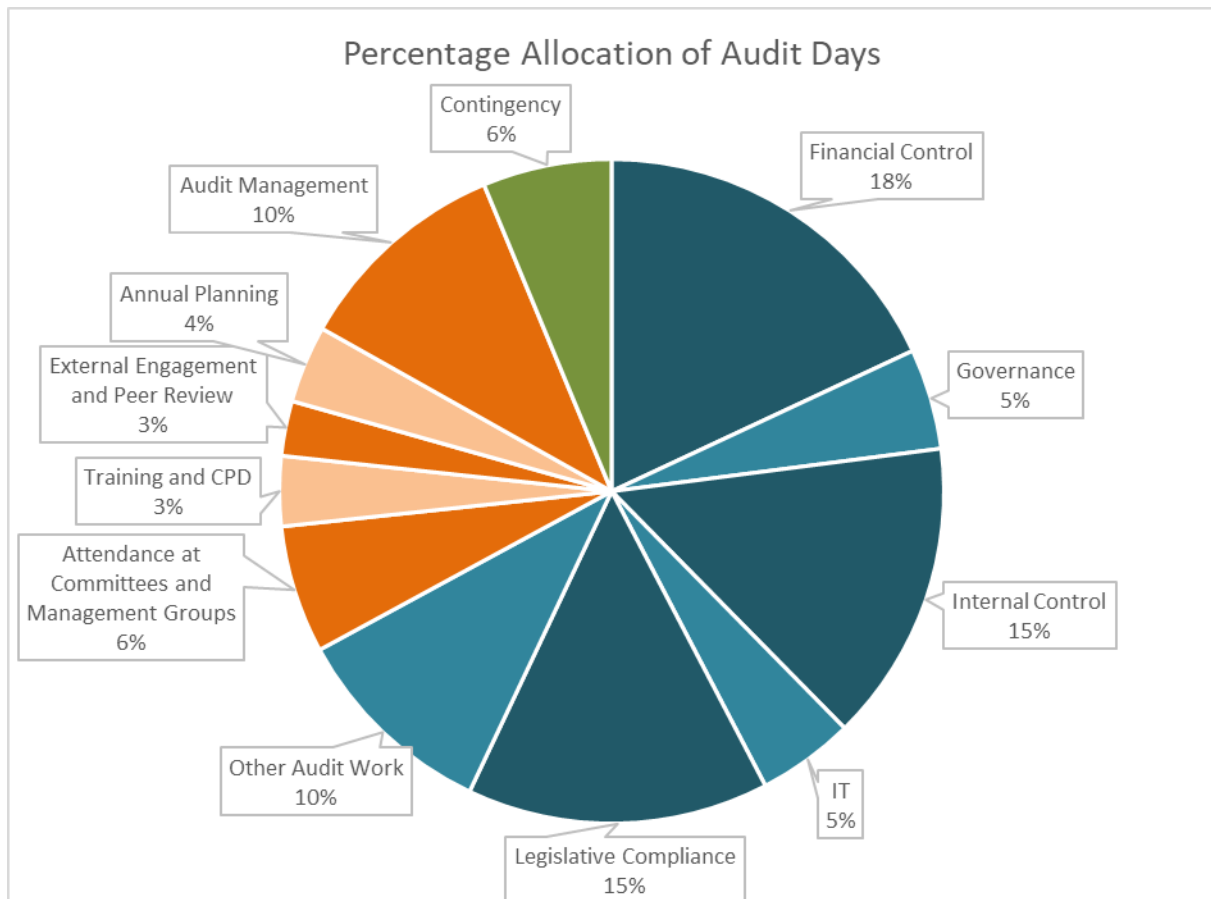
Total Available Productive Days from:	
Audit Team	911
IT Audit Contractor	45
Total Available Productive Days	956

Allocated as:	
Audit Plan	545
Other Audit Work	96
Non-audit Productive Work:	255
Total Allocated Days	896
Contingency	60
Total Productive Days	956

4.16 The current resource availability is sufficient to allow production of the Annual Internal Audit Conclusion and provide the required assurances to Scrutiny and Audit Committee Members and Officers.

4.17 The initial allocation of the available days in delivering the audit plan is shown below: Blue shaded items are direct audit work, orange shades are non-audit productive work, and green is contingency.

Headline Areas	
Financial Control	172
Governance	47
Internal Control	140
IT	45
Legislative Compliance	140
Other Audit Work	96
Attendance at Committees and Management Groups	60
Training and CPD	33
External Engagement and Peer Review	26
Annual Planning	36
Audit Management	101
Contingency	60
Total	956



4.18 This allocation is appropriately aligned to risk profile and will address the assurance needs of the Council in 2026/2027. At this stage, the days per headline area are an estimate and will be firmed up once more detailed scoping work has been carried out.

The 2026/27 Internal Audit Plan

A risk-based plan for the Council, outlining the planned programme of work to be undertaken by the Internal Audit Service, is developed annually in consultation with audit stakeholders. Appendix A presents the outcomes of the annual planning exercise and the Chief Internal Auditor’s proposed 2026/2027 Internal Audit Plan, for approval.

4.19 The planning process involves determining the potentially auditable areas of the Council and updating these in the Audit Universe each year. The auditable areas are identified from a number of internal and external sources.

4.20 Each area in the audit universe is then risk assessed by:

- Mapping the risk registers, and the residual risk score to the audit universe,
- An independent assessment of risk by the Chief Internal Auditor,
- Consideration of issues identified by audit stakeholders, and
- Other assurance sources.

4.21 The final step in the development of the annual plan is to identify the individual audits from the audit universe. This year the plan includes seven audits carried forward from the previous year in addition to a mix of those requested by stakeholders, those identified from an assessment of risk, and some on a cyclical basis. Not all areas raised by stakeholders have been included, either because they have recently been covered by audit or another assurance provider or have relatively lower risk than other areas that were included.

4.22 The proposed portfolio of work to be included within the 2026/2027 Internal Audit Plan is summarised at Appendix A. The proposed reviews are grouped into key themes that are integral to the assurance gathering process across the organisation's activities. For each of the reviews included within the plan there is a brief summary of the proposed coverage, currently informed by the Council's Corporate Risk Register, and service-level risk registers where appropriate. The proposed coverage has, in the main, been compiled based on discussions and review of relevant background information gathered as part of the audit planning process. A more detailed audit brief containing background information, scope of the work, overall / specific objectives and reference sources will be compiled for each review and agreed with the client prior to commencement of the audit fieldwork.

Reporting to Scrutiny and Audit Committee

4.23 We will present reports on Internal Audit Plan progress and Summaries of Internal Audit Reports to each committee meeting. The following table lists the additional outputs expected to come to Scrutiny and Audit Committee from the internal audit and corporate fraud teams until June 2027.

Committee	Reports
June 2026	Internal Audit annual report 2025/2026 Reports relevant to Scrutiny and Audit remit
September 2026	Corporate Fraud annual report
December 2026	Reports relevant to Scrutiny and Audit remit
February 2027	No additional reports
April 2027	Internal Audit annual plan 2027/2028 Review of internal Audit Mandate and Charter and Updated Strategy
June 2027	Internal Audit annual report 2026/2027 Reports relevant to Scrutiny and Audit remit

Conclusion

4.24 The Chief Internal Auditor is content that the proposed plan in Appendix A has been prepared in accordance with GIAS (UK Public Sector) and will provide sufficient assurance to comply with the GIAS (UK Public Sector) requirements, including to inform the Chief Internal Auditor's annual conclusion on governance, risk management and internal controls.

4.25 The plan was discussed and approved at the CLT meeting on 24 March 2026.

4.26 Whilst the 2026/2027 Internal Audit Plan has been prepared using the best information currently available, it is possible that it will require to be amended during the financial year to reflect changing risks, priorities and resources. As required under the GIAS (UK Public Sector), any significant changes to the planned programme of work will be reported to the Scrutiny and Audit Committee. The Chief Executive and Executive Director of Corporate Services will also be kept informed of Internal Audit developments by the Chief Internal Auditor through regular meetings.

5.0 POLICY IMPLICATIONS

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.

6.0 CONSULTATIONS

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

7.0 BACKGROUND PAPERS

None.

CATHIE WYLLIE, CHIEF INTERNAL AUDITOR

DATE:1 April 2026

2026/2027 INTERNAL AUDIT PLAN	Proposed Coverage	Priority Theme	Corporate Risks	Service Risks
Governance Reviews				
Information Governance (progress of GDPR Action Plan)	<p>Review of Corporate Information Governance arrangements, including the progress of previous action plans.</p> <p>A rolling programme of service reviews will be considered in future years.</p>	All Council Plan Objectives	DCC007	
Dundee IJB (Implementation and Monitoring of Directions)	Review of the governance and operational arrangements for the agreement, implementation and monitoring of Directions from Dundee IJB to the Council.	All Council Plan Objectives	DCC012	
Internal controls				
Energy Management and Billing	Evaluation of the processes in place for energy metering and billing, and monitoring of usage and costs, including an assessment of value for money.	Tackle Climate Change and reach Net Zero carbon emissions by 2045	DCC001 DCC004b	
DWP Appointeeships	Review of the arrangements in place within the Council for the management of DWP Appointeeship clients who are deemed incapable of managing their own affairs.	Designing a Modern Council	DCC009	CSCS007
Continuous Auditing	Scope to be agreed for continuous auditing in payroll and other systems following pilot work using power BI in 2025/2026 plan.	Designing a Modern Council		
Trade Waste and Recycling Permits	Review of the processes and controls in respect of managing the arrangements for trade waste and recycling permits.	Tackle Climate Change and Reach Net Zero Carbon Emissions		NSEN007 NSEN008
Register of Interests, Gifts, Gratuities and Hospitality	Review of implementation of policies and procedures.	All Council Plan Objectives	DCC007 DCC013	
Supplier Management and Contract Monitoring	Review of corporate arrangements including implementation of the Procurement Transformation Plan, maintenance of contract registers, monitoring contract performance, and planning for tendering.	Designing a Modern Council	DCC013	CSCF007

2026/2027 INTERNAL AUDIT PLAN	Proposed Coverage	Priority Theme	Corporate Risks	Service Risks
<i>Financial Control</i>				
Scottish Welfare Fund/Crisis Payments	Review of the arrangements in place within the Council to manage the Scottish Welfare Fund Crisis Grants and Community Care Grants in line with Scottish Government guidance.	Reduce child poverty and inequalities in incomes, education and health		CSCS008
Booking and charging for Hubs	Review of processes for receiving and processing bookings, payments, and allocation of income.	Designing a Modern Council	DCC010	
Income collection	Review income collection procedures and processes, including car parking and write-offs.	All Council Plan Objectives	DCC001	
Overtime and accuracy of submission	Review of implementation of processes and procedures for overtime recording and payments, including correction of errors.	All Council Plan Objectives	DCC001	
Procurement Card Spend	Review of processes for approving, recording and monitoring procurement card spend.	All Council Plan Objectives	DCC001	CSCF007
DHSCP review	Review subject and scope to be agreed. Review of process for approving care packages being considered			
Self-Directed Support	Review of the arrangements for the uptake of and management of self-directed support within Adult Services.	Reduce child poverty and inequalities in incomes, education and health	DCC012	HSCR00a2
IT Reviews				
IT Reviews	Subject areas to be agreed with input from external support provider (Azets). Likely to be 2 specific reviews.			

2026/2027 INTERNAL AUDIT PLAN	Proposed Coverage	Priority Theme	Corporate Risks	Service Risks
Development of Power BI for Data Analytics/Continuous Auditing	Azets to provide support and training to the team in the use of Power BI for better data analytics/continuous auditing -			
Legislative and compliance				
Employability Services	Review of the efficiency and effectiveness of the Employability pathway, and arrangements to implement the Scottish Government's No one left behind policy.	Inclusive Economic Growth	DCC002 DCC004c	
Tay Cities Deal	The Grant Offer Letter provided to Dundee City Council as lead authority for the deal requires that the Authority's Internal Audit Service performs a review of arrangements to implement and oversee the deal at least every other year. Scope to be agreed at time of audit.	Inclusive Economic Growth	DCC002	
Events Planning	Review of the Council's arrangements for hosting and managing events in the City, including compliance with new legislation.	Inclusive Economic Growth	DCC004c	
Fire Safety in Multi Storey buildings	Review of fire risk assessments and other fire safety / health and safety arrangements in Multi Storey buildings.	Build resilient and empowered communities	DCC006	
Compliance with Legislation	Review of procedures for identifying new legislation and monitoring arrangements to ensure compliance	All Council Plan Objectives	DCC009 DCC010	
Regulatory Services	Review of a process relating to the Council's statutory regulatory and inspection responsibilities, selected in consultation with management from within Public Health, Food Safety, Health and Safety, and Trading Standards.	Statutory Responsibilities		CDPE008

2026/2027 INTERNAL AUDIT PLAN	Proposed Coverage	Priority Theme	Corporate Risks	Service Risks
Other Work				
Contingency including Specific Investigations	As determined by requests for advice and assistance, including in respect of cases of suspected fraud, corruption or malpractice.			
Advice and Guidance	Provision of ad-hoc support to assist services in respect of specific queries and contribute to the delivery of improvements in the Council's framework of governance, risk management and control. This will include the ongoing provision of advice and guidance surrounding the development of newly implemented systems and processes, or the revision and update of those processes.			
Follow-Up	Review of progress with the implementation of prior internal audit actions agreed by the Council, for the purpose of providing assurance to Elected Members that identified issues are addressed on a timely basis, and that management attention is appropriately directed towards issues which expose the Council to higher degrees of risk.			
LACD	Detail to be agreed re audit service for LACD.			
Technical Development	Implementation of the Internal Audit Strategy. Development and implementation of a Data Analytics strategy and capability.			
GIAS (UK Public Sector) Quality Self-Assessment Process	Annual self-assessment for conformance with GIAS (UK Public Sector).			CSCF008

RESERVE LIST

Review	Proposed Coverage	Priority Theme	Corporate Risks	Service Risks
Property Rationalisation	Project/Programme Management review of arrangements to plan and implement the Council's Property Rationalisation Programme. Contingent upon the stage of progress of the programme and determination of appropriate timing.	Design a Modern Council	DCC001 DCC010 DCC011	
Digital Skills	Review of the Council's arrangements to ensure a baseline level of digital literacy among Council staff, including planning, delivery, and uptake of training programmes.	Design a Modern Council	DCC008	
Whole Family Wellbeing Fund (GIRFEC)	Programme review of the implementation of the Whole Family Wellbeing Fund. Detailed scope to be determined in consultation with management.	Reduce Child Poverty And Inequalities In Incomes, Education and Health	DCC004a	CFCJ007
Hybrid Working Policy	Review of the extent to which the Council has identified the aims of the Hybrid Working Policy, arrangements to determine their delivery, and the fitness for purpose of the Policy.	Design a Modern Council	DCC007 DCC015a	
Budget Setting - Savings Proposals	Review of Corporate processes by which Services are directed and supported to identify and implement savings plans as a component of budget setting. To include assessment of arrangements to measure whether these have been delivered.	Design a Modern Council	DCC001 DCC011	
Leadership Development	Review of the arrangements to identify, develop, and train individuals moving into people management roles.	Design a Modern Council	DCC008	
Planning - Dundee Local Development Plan	Review of processes for planning and planning applications in the context of the implementation of National Planning Framework 4.	Build Resilient and Empowered Communities	DCC009	

This page is intentionally left blank