

**REPORT TO:** SCRUTINY AND AUDIT COMMITTEE – 22 APRIL 2026  
**REPORT ON:** INTERNAL AUDIT REPORTS  
**REPORT BY:** CHIEF INTERNAL AUDITOR  
**REPORT NO:** 92-2026

**1.0 PURPOSE OF REPORT**

To submit to Members of the Scrutiny and Audit Committee a summary of the Internal Audit Reports finalised since the last Scrutiny and Audit Committee.

**2.0 RECOMMENDATIONS**

Members of the Committee are asked to note the information contained within this report.

**3.0 FINANCIAL IMPLICATIONS**

None.

**4.0 MAIN TEXT**

- 4.1. The day-to-day activity of the Internal Audit Service is primarily driven by the reviews included within the Internal Audit Plan. On completion of a specific review, a report which details the audit findings and recommendations is prepared and issued to management for a formal response and submission of management's proposed action plan to take the recommendations forward. Any follow-up work subsequently undertaken will examine the implementation of the action plan submitted by management.
- 4.2. In arriving at the overall assurance level for each audit, the assurance levels within the individual objectives do not always carry equal weighting. Findings from the audit are considered in total against the scope and risk levels to arrive at the overall assurance opinion.
- 4.3. Executive Summaries for the reviews which have been finalised in terms of paragraph 4.1 above since the last Scrutiny meeting are provided at Appendix A. The full reports are available to Elected Members on request. Reporting in Appendix A covers:

<b>Audit</b>	<b>Assurance level</b>
Immigration Sponsorship and Visas	Substantial

- 4.4. Internal audit recommendations are categorised as either relating to the design of the control system (Design) or compliance with the operation of the controls (Operational).

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

## **7.0 BACKGROUND PAPERS**

None.

**CATHIE WYLLIE, CHIEF INTERNAL AUDITOR**

**24 MARCH 2026**

## (i) INTERNAL AUDIT REPORT 2025/16

<b>Client</b>	<b>Corporate Services</b>
<b>Subject</b>	<b>Immigration Sponsorship and Visas</b>

**Executive Summary****Conclusion****Substantial Assurance**

The Council has established a comprehensive framework for managing visa sponsorship and international recruitment, with clear policies, defined roles and responsibilities, and standard recruitment processes that incorporate visa requirements. While compliance processes are generally operating effectively, gaps in documentation retention could make it difficult to demonstrate full compliance if challenged by the Home Office. Action is currently underway to identify and rectify gaps.

**Background**

Since the end of freedom of movement between the UK and the EU, employers wishing to recruit from outside the UK & Ireland, in most cases, require a sponsor licence issued by the Home Office. Different rules exist for designated shortage occupations and some health and education jobs.

The UK operates a points-based immigration system, where employers, educational institutions, and other entities act as licensed sponsors for foreign nationals. These sponsors are responsible for ensuring that:

- Sponsored individuals meet visa requirements.
- Immigration rules are not abused.
- Accurate records are maintained and reported to the Home Office

UK visa sponsors are required to have HR processes in place that meet certain minimum requirements, to ensure that the employer is able to identify and report failures to adhere to visa conditions. Compliance with Home Office conditions is supervised and enforced by UK Visas and Immigration (UKVI). Failure to adhere to the requirements of the licence can lead to enforcement action and suspension of the sponsorship licence.

In 2024 the People Service undertook a review of the processes and responsibilities associated with the management of visa sponsorship, and its integration with the recruitment process. Subsequently, a Visa Sponsorship and Right to Work Policy Guidance has been developed and is published on One Dundee.

**Scope**

Review of the processes by which the Council considers and manages recruitment applications from individuals overseas and/or requiring visa sponsorship, including the update of these policies and procedures in line with changing legislation.

## Objectives

		Action Priority			
		C	H	M	L
The Council has a clear policy on the circumstances in which International Recruitment is appropriate	<b>Comprehensive Assurance</b>	-	-	-	2
Roles and responsibilities in relation to immigration sponsorship and visas are clearly defined and appropriately allocated between the hiring manager, and People Service functions	<b>Comprehensive Assurance</b>	-	-	-	-
The Council is complying with its requirements as a licenced sponsor	<b>Substantial Assurance</b>	-	-	1	1
Visa application requirements are integrated into the recruitment process where applicable	<b>Comprehensive Assurance</b>	-	-	-	1
There are adequate controls over the processing of payments for Home Office fees	<b>Comprehensive Assurance</b>	-	-	-	-
<b>TOTAL</b>		-	-	1	4

## Nature of Recommendations

Three (low) of the recommendations relate to the design of controls, and two (1 low, 1 medium) to the operation of existing controls. This indicates that while the overall framework is broadly sound, enhancements are needed in both design and operational practices to strengthen compliance and reduce residual risk.

## Key Findings

During 2024/25, the Council implemented significant improvements to visa monitoring and sponsorship processes following identification of risks with previous arrangements. The relatively low numbers of employees holding visas, and particularly of individuals whose visas are sponsored by the Council means that audit testing necessarily included employee files relating to recruitment that occurred before improvements were implemented. No exceptions were identified in eligibility checks or visa monitoring in recruitment activity occurring after the improved processes were introduced. The ongoing transformation of the Talentlink recruitment system will further mitigate the retention of documentation and compliance risks identified during this audit.

We identified a number of areas of good practice:

- The Council has established a Visa Sponsorship and Right to Work Policy Guidance which provides a framework for international recruitment and is supported by guidance documents covering all the key elements of recruitment.
- Training and support are available for staff involved in international recruitment processes.

- Roles and responsibilities for visa sponsorship processes are documented, in the form of guidance and flowcharts. Designated responsibility for monitoring legislative changes is allocated to the Service Lead for HR. Access to the Home Office Sponsor Management System is role-based and actively managed.
- Job advertisements and descriptions are stored centrally to prevent unauthorised amendments and are readily available if required to produce recruitment evidence to the Home Office.
- Procedures are in place for events that the Council is obliged to notify to the Home Office during sponsorship applications, and staff demonstrated understanding of these responsibilities.
- Recruitment processes do not discriminate based on immigration status, with all candidates assessed equally during the application and interview stages.
- Right to work checks are conducted after the preferred candidate selection and before conditional offers to identify any sponsorship requirements.
- All payments of Home Office fees are authorised before processing and are processed at the correct fee rates for the transaction dates.

We have been advised by management the following actions are already in progress:

- In early 2025 a manual exercise identified all sponsored workers and workers holding a Visa across the Council and reviewed what documentation was held in files. Management is populating ResourceLink fields to create systematic records of sponsored workers and is working with Zellis, the system provider, to enable reporting capability.
- Recruitment and Staffing teams are obtaining a procurement card to streamline the Certificate of Sponsorship payments.

We have identified the following areas for improvement:

- There is no established communication process to ensure hiring managers are aware of the Visa Sponsorship and Right to Work Policy Guidance or its updates.
- Visa Sponsorship and Right to Work Policy Guidance includes some frequently updated information explicitly, such as fee costs, rather than by reference to published guidance, creating a risk that Council policy documents become out of date when fees and charges are revised by UKVI.
- Current practice for verification of identity documents is not consistent with internal recruitment and selection guidance which should be amended to reflect current digital verification practices.
- We identified gaps and inconsistencies in the documentation stored within employee files. This included missing Certificates of Sponsorship, missing or incomplete interview documentation and missing qualification documentation.
- There is no standardised approach for communicating visa sponsorship processes and timescales to preferred candidates during recruitment stages. The Visa Sponsorship guidance contains FAQs for candidates, but job information packs do not currently include links to this guidance.

### **Impact on risk register**

The Corporate and People Service risk registers included, at time of audit, the following risks:

- DCC008 Workforce (inherent risk 4x4, residual risk 4x4)
- DCC009 Statutory & Legislative Compliance (inherent risk 5x4, residual risk 5x2)
- CSPS001 People (inherent risk 5x4, residual risk 4x2)

- CSPS005 Legal / Legislative (inherent risk 5x2, residual risk 4x2)

The most relevant risks to this audit are the statutory and legislative compliance risks (DCC009 and CSPS005), which capture the potential for non-compliance with Home Office sponsor licence requirements, and the Workforce risk (DCC008), which includes recruitment procedures as a key control. While these risks appropriately capture the broad compliance and workforce implications, they do not explicitly articulate the specific consequences of sponsor licence non-compliance, such as suspension of the license preventing international recruitment or civil penalties for employing individuals without valid right to work.

### Definitions of Levels of Assurance

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

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