



REPORT TO: PERFORMANCE & AUDIT COMMITTEE – 24 SEPTEMBER 2025
REPORT ON: DUNDEE INTEGRATION JOINT BOARD INTERNAL AUDIT PLAN 2024/25 PROGRESS REPORT
REPORT BY: CHIEF FINANCE OFFICER
REPORT NO: PAC34-2025

1.0 PURPOSE OF REPORT

- 1.1 This paper provides the Performance and Audit Committee (PAC) with an update on progress of the 2024/25 internal audit plan. The audit plan for 2025/26 is included on the agenda of the PAC as a separate item.
- 1.2 This report also includes internal audit reports that were commissioned by the partner Audit and Risk Committees, where the outputs are considered relevant for assurance purposes to Dundee IJB.

2.0 RECOMMENDATIONS

It is recommended that the PAC:

- 2.1 Notes the ongoing work undertaken on the 2024/25 plan.
- 2.2 Note that the Annual Internal Audit Plan for 2025/26 is included at item **X** of the agenda.

3.0 FINANCIAL IMPLICATIONS

- 3.1 None.

4.0 MAIN TEXT

- 4.1 The Global Internal Audit Standards require that the Chief Internal Auditor reports periodically to the PAC on activity and performance relative to the approved annual plan. We have previously set out that audit work is planned to allow the Chief Internal Auditor to provide the necessary assurances prior to the signing of the accounts.
- 4.2 The PAC approved the 2024/25 Internal Audit Plan at the September 2024 meeting (PAC35-2024, Article XVI of the minute of meeting of 25 September 2024 refers). Internal audit work undertaken to deliver the 2024/25 plan is set out in Appendix 1.
- 4.3 FTF Internal Audit, working with our partners in Dundee City Council, is committed to ensuring that internal audit assignments are reported to the target PAC. The progress of each audit has been risk assessed and a RAG rating added showing an assessment using the following definitions:

| Risk Assessment | | Definition |
|-----------------|---|---|
| Green |  | On track or complete |
| Amber |  | In progress with minor delay |
| Red |  | Not on track (reason to be provided) |

4.4 An update on the progress of all the IJB's Internal Audits is shown in Appendix 1. Resources to deliver these audits are provided by the NHS Tayside and Dundee City Council Internal Audit Services.

4.5 In order that all parts of the system receive appropriate information on the adequacy and effectiveness of internal controls relevant to them, including controls operated by other bodies which impact on their control environment, an output sharing protocol was developed and approved by all partners' respective Audit and Risk Committees. This protocol covers the need to share internal audit outputs beyond the organisation that commissioned the work, in particular where the outputs are considered relevant for assurance purposes. The following reports are considered relevant and are summarised here for information. It should be noted that the respective Audit and Risk/ Scrutiny Committees of the commissioning bodies are responsible for scrutiny of implementation of actions.

NHS Tayside reports:

| Report Description | Assurance | Key findings |
|----------------------|------------|--|
| T10/26 Annual Report | Reasonable | <p>The Annual Report to the NHS Tayside Audit & Risk Committee provides details on the outcomes of the 2024/25 internal audit and my opinion on the Board's internal control framework for the financial year 2024/25.</p> <p>Based on work undertaken throughout the year the CIA concluded that:</p> <ul style="list-style-type: none"> The Board had adequate and effective governance, risk management and internal control arrangements in place. The 2024/25 Internal audit Plan had been delivered in line with the Public Sector Internal Audit Standards. <p>In addition, the CIA did not advise management of any concerns around the following:</p> <ul style="list-style-type: none"> Consistency of the Governance Statement with information we are aware of from our work. |

| | | |
|--|--|--|
| | | <ul style="list-style-type: none"> • The description of the processes adopted in reviewing the effectiveness of the system of internal control and how these are reflected. • The format and content of the Governance Statement in relation to the relevant guidance. • The disclosure of all relevant issues. |
|--|--|--|

Dundee City Council reports:

| Report Description | Assurance | Key findings |
|-----------------------------------|------------------|---|
| Risk Management | Reasonable | <p>This review assessed the adequacy and effectiveness of the Council's risk management framework, with particular focus on risk identification, ownership, scoring and prioritisation, mitigation, monitoring, and reporting.</p> <p>We found 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.</p> <p>Risks are regularly discussed at both operational and strategic levels through established governance forums, including the Risk and Assurance Board and the Council Leadership Team. These forums play a central role in overseeing the Corporate Risk Register and ensuring ongoing scrutiny and challenge of risk positions.</p> <p>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.</p> |
| Payroll – change of circumstances | Reasonable | <p>The Council has established effective processes for managing changes to employee circumstances with appropriate controls for verification and authorisation.</p> <p>Our review identified several areas for improvement, though these are relatively minor in nature and many are already being addressed by management. Implementing our recommendations will complement these ongoing initiatives and further strengthen the control environment for processing payroll changes accurately and efficiently.</p> |

5.0 POLICY IMPLICATIONS

5.1 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.

6.0 RISK ASSESSMENT

6.1 This report has not been subject to a risk assessment as it is a status update and does not require any policy or financial decisions at this time.

7.0 CONSULTATIONS

7.1 The Chief Officer, Regional Audit Manager, Chief Internal Auditor and the Clerk were consulted in the preparation of this report.

8.0 BACKGROUND PAPERS

8.1 None.

Christine Jones
Acting Chief Finance Officer

Date: 29 August 2025

| Ref | Audit | Indicative Scope | Target Audit Committee & current RAG status | Planning Commenced | Work in Progress | Draft Report | Completed | Grade |
|----------------|-----------------------------|--|---|--------------------|------------------|--------------|-----------|--|
| 2024/25 | | | | | | | | |
| D01-25 | Audit Planning | Audit Risk Assessment & Operational Planning. | Complete  | ✓ | ✓ | ✓ | ✓ | N/A |
| D02-25 | Audit Management | Liaison with management, Pre-Audit Committee liaison with Chief Finance Officer, preparation of papers and attendance at PAC. | Ongoing/ May 2025  | ✓ | ✓ | ✓ | ✓ | N/A |
| D03-25 | Internal Control Evaluation | Holistic assessment of the internal control environment in preparation for production of the 2024/25 Annual Report. Follow up of previously agreed governance actions including Internal Audit recommendations. | IJB meeting June 2025  | ✓ | ✓ | ✓ | ✓ | Both the Internal Control Evaluation (ICE) and the Annual Report 2024/25 were reported at the June 2025 IJB meeting. Progress to address ICE findings will be reported to the IJB PAC within the Governance Action Plan. |
| D04-25 | Annual Report 2024/25 | Chief Internal Auditor's annual assurance statement to the IJB with fieldwork to support this. | IJB meeting June 2025  | ✓ | ✓ | ✓ | ✓ | |

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|--------|-----------------------|--|--|--------------------|------------------|--------------|-----------|-------|
| D05-25 | Lead Partner Services | <p>Lead Partner Governance and Assurance arrangements</p> <p>Scope to review status of information sharing related to finance / financial outlook / risks / clinical and care governance / activity and strategic planning.</p> <p>Update:</p> <p>Assignment plan was agreed with the Chief Officer on 19 August 2025 and fieldwork is ongoing.</p> | <p>May 2025</p> <p>September 2025</p> <p>November 2025</p>  | ✓ | ✓ | | | |