

REPORT TO: SCRUTINY COMMITTEE – 5 FEBRUARY 2025

REPORT ON: INTERNAL AUDIT PLAN UPDATE AND PROGRESS REPORT

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 34-2025

1.0 PURPOSE OF REPORT

To submit to Members of the Scrutiny Committee an update on the progress towards delivering the 2024/25 Internal Audit Plan; the audits from previous years' plans that were not complete in June 2024; and information about the number of open internal audit recommendations.

2.0 RECOMMENDATIONS

It is recommended that the Committee note:

- (i) the progress with the Internal Audit Plan;
- (ii) progress with the implementation of agreed internal audit recommendations;

3.0 FINANCIAL IMPLICATIONS

None.

4.0 AUDIT PROGRESS

4.1 Appendix 1 notes the current stage of progress with implementing the 2024/25 Internal Audit Plan and the outstanding items brought forward from the 2022/23 and 2023/24 Plans (the plan). Two audits have been deferred into 2025/26 to accommodate services – Asset Management and Immigration Sponsorship and Visas. Discussion is currently underway to scope additional work around Purchasing and Procurement processes and in relation to work requested by the Chief Executive. These will be updated in the report to the April committee.

4.2 Appendix 2 shows the open internal audit recommendations by service, audit year and risk priority. Progress has continued to implement actions, with two actions closed since this was last reported in December 2024. The majority of actions still require a revised completion date.

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

Appendix 1 - 2022/23, 2023/24 and 2024/25 Internal Audit Plan update.

Appendix 2 - Outstanding Internal Audit Agreed Actions.

CATHIE WYLLIE, CHIEF INTERNAL AUDITOR

13 JANUARY 2025

Completed items

2022/23 and 2023/24 Internal Audit Plan - Progress Report (Audits completed after June 2024)

2022/23 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
Governance Reviews				
Staff Wellbeing/Absence Management (Contractor)	Review of the governance arrangements in place throughout the Council to promote and support staff wellbeing. The scope of this audit will pick up some elements of the absence management audit removed from the plan.	December 2024	Complete	Limited
ICT Reviews				
Microsoft Office 365 (Contractor)	Review of access permissions and licensing arrangements for Office 365 including linking to management of network access.	December 2024 Revised to February 2025	Draft report issued 7/6/24 Revised draft issued 3/7/24 Response received 3/9/24 Further revised draft reports issued 30/10/24 and 16/12/24	
Civica CX	Review of the arrangements for the implementation of Phase 1 of Civica CX incorporating Housing Rent collection and recording of Housing Benefit/Universal Credit housing costs.	February 2025 Revised to April 2025	File review	
User Access Management (Contractor)	High level review of the appropriateness of user access levels and associated permissions for Civica Financials and Purchasing systems.	December 2024	Complete	Limited

2022/23 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
		Revised to February 2025		
Systems Reviews				
Health and Safety - Incident Reports	Review of the Council's arrangements for the recording and reporting of Incident Reports.	September 2024	Complete	Substantial
Procurement / Contract Reviews				
Social Work Contracts and Payments	Review of contract management and commissioning arrangements, including payments, within Dundee Health and Social Care Partnership to assess their adequacy and effectiveness.	February 2025 Revised to April 2025	In progress	

2023/24 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
Governance Reviews				
Absence Management	Review the arrangements in place within the Council to mitigate long term and future absence arising from sickness absences.	December 2024	Joint with Staff Wellbeing above Complete	Limited
Corporate Governance	Review of elements of the Annual Corporate Governance checklist with service areas to demonstrate evidence of compliance.	December 2024	Complete	Substantial
Financial Reviews				

2023/24 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
Corporate Debt Recovery Arrangements	Corporate wide review of the Council’s debt management and debt recovery arrangements.	December 2024 Revised to February 2025	Complete	Limited
Financial Forecasting (Contractor)	High level review of the control framework in place to support the development of financial forecasting corporately and within service areas.	December 2024 Revised to April 2025	Draft report issued 24/07/24 Response received 04/10/24 Further revised draft report Issued 13/11/24 in discussion	
Procurement / Contract Reviews				
SLAs with External Bodies	Assess the extent to which the Council has adequate service level agreements in place where Council responsibilities are delivered by external bodies. To include an assessment of arrangements to ensure satisfactory service delivery and value for money.	April 2025	In progress	
System Reviews				
Health and Safety Risk Assessments and Incident Management in Schools	Review of the arrangements in place within schools to ensure completion of health and safety risk assessments for activities including determination of roles and responsibilities.	February 2025 Revised to April 2025	Draft Report issued 10/01/25	
Section 75 Planning Obligations (Contractor)	Review of the arrangements in place for the recording, receipt, and monitoring of Section 75 payments/planning obligations from Developers.	February 2025 Revised to April 2025	Draft report issued 12/11/24	

2023/24 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
Safety Alarm Response Centre	To assess the arrangements for the operation of the Safety Alarm Response Centre (SARC) in line with the Council’s Resilience and Community Safety plans	December 2024	Complete	Limited
Pentana	Review of the Council’s Performance and Risk Management system in terms of management reporting and efficiencies.	December 2024 Revised to April 2025	Draft report issued 31/10/24 Discussion 20/11/24 and 07/01/25	
Permanence	High level review of the arrangements in place to support the decision-making process surrounding children being placed in permanent care and ensure compliance with relevant legislation.	December 2024 Revised to April 2025	Draft report issued 01/11/24, discussion 15/11/24.	
Recruitment (Contractor)	Review of the Council’s Recruitment and Selection approach, including reporting and analysis of effectiveness, and identification of actions where required.	December 2024	Complete	Substantial
Young People in Residential Care - Missing Persons Processes	Review of the arrangements for risk assessment, planning for, and prevention of young people going missing from Residential Care. To include review of processes for identifying, recording, and responding to such instances.	April 2025	Planning. Audit deferred to take place later in 2024/25	

2024/25 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
Governance Reviews				
Child Poverty and Fairness Action Plan	Review of the arrangements to implement and oversee the next phase of the Fairness and Local Child Poverty Action Plan, including measurement of progress towards Scottish Government targets.	April 2025	Planning	

2024/25 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
Partnership Working - Dundee Alcohol and Drugs Partnership	Review of the arrangements which underpin the Council's delivery responsibilities under the Alcohol and Drugs Partnership's Strategic Framework, including delivery plans, progress monitoring, and engagement with other members of the Partnership.	April 2025	Planning	
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. This year's audit will be a review of the benefits realisation processes including assessment of benefits towards delivering outcomes.	February 2025 Revised to April 2025	Draft report issued 23/12/24	
Risk Management	A review of the Council's risk management processes will be carried out by the Internal Audit contractor.	June 2025	Planned – start date February 2025	
ICT Reviews				
End User Computing - Cloud Migration	A critical friend review of the processes in place to manage end user device access to the Council's network and applications. There have been changes to how people work and the devices they use. From a security perspective, it is vital that only authorised devices are permitted access to Council systems and data.	June 2025	Planning	
User Access Management	The review will consider the adequacy of user access management controls for the Northgate application. This will include assessment of the processes for joiners, movers, and leavers as well as access management arrangement to achieve segregation of duties, and monitoring of privileged accounts.	June 2025	In Progress	
Financial Reviews				

2024/25 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
Capital Planning and Monitoring	Review of the procedures to oversee the implementation of Capital Plans, in line with the Council's Capital Investment Strategy, and monitor and scrutinise Capital expenditure.	February 2025 Revised to April 2025	In Progress	
Payroll - Changes in Circumstances	Review of the processes by which information affecting individual's pay calculation is notified and actioned. To include pension contributions and salary sacrifice schemes.	February 2025 Revised to April 2025	In Progress	
Purchase to Pay	Review of expenditure processes following the implementation of purchase to pay. To include consideration approaches to support continuous auditing of purchasing data.	February 2025 Revised to April 2025	Draft report in review	
MOSAIC system payments	Review of payment processes added mid-year at Service's request.	April 2025	In progress	
Systems Reviews				
Asset Management	Review of the processes which ensure that the Council's asset management databases are complete, accurate, and kept up to date. To include processes for condition assessment.	February 2025 Deferred to 2025/26	Audit delayed to meet service availability	
Housing - Planned and Reactive Maintenance	Review of the processes to plan and carry out maintenance on Council housing stock, including arrangements for reactive maintenance.	April 2025 Revised to June 2025	Planning	
Immigration Sponsorship and Visas	Review of the processes by which the Council considers and manages recruitment applications from individuals overseas	April 2025	Request to delay to 2025/26 from service	

2024/25 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
	and/or requiring visa sponsorship, including the update of these policies and procedures in line with changing legislation.	Deferred to 2025/26	due to current review of procedures	
Onboarding & Induction	Review of onboarding processes for all staff, and the guidance available to line management overseeing and recording the onboarding of new starts.	June 2025	This may be deferred depending on impact of additional work in year.	
Multi Agency Safeguarding Hub (MASH) Intake processes	Review of the administrative processes to support the Multi-Agency Safeguarding hub in taking timely, effective action on referrals in collaboration with Council Services and partner bodies.	April 2025	Planning	
Climate Strategy and Delivery Plans	Review to be conducted using a scope and audit programme being developed by SLACIAG for use across local authorities in Scotland.	June 2025	Planning	
Insurance	A review of Insurance processes will be carried out by the Internal Audit contractor.	June 2025	Planned – start date March 2025	
DHSCP Review	Review covering an aspect of DHSCP activity. Scope to be confirmed in consultation with the internal auditors for the IJB.	June 2025	Planning	
Other Work				
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.	Each meeting	Ongoing.	N/A
Technical Development	Planning and Scoping work for review and update of the Council's Internal Audit Methodology, including the introduction of Continuous Auditing and Data Analytics and implementation of	As required	Partially complete, with some areas in progress or awaiting revised Internal Audit Standards	N/A

2024/25 INTERNAL AUDIT PLAN	Proposed Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level
	new Public Sector Internal Audit Standards expected late summer/early autumn 2024.			
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.	N/A	Ongoing	N/A
External Quality Assessment Process	As part of the peer review process developed to ensure conformance with the PSIAS, complete External Quality Assessment (EQA) of the Council's Internal Audit Service. Self-assessment provided to reviewer November 2023. Review delayed during 2024, re-started in October 2024.	December 2024 revised to April 2025	Review in progress.	
PSIAS Quality Self-Assessment Process	Annual self-assessment for conformance with PSIAS.	June 2025	Update on consultation for new arrangements reported in December 2024	
Specific Investigations	To respond to requests for advice and assistance as required in respect of cases of suspected fraud, corruption, or malpractice.	As required	On-going as required	N/A

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.
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OUTSTANDING INTERNAL AUDIT AGREED ACTIONS

Agreed actions from Internal Audit recommendations are recorded in Pentana and implementation is monitored by Services and the Risk and Assurance Board. Implementation of the agreed action is the responsibility of the service area, and the risk exposure identified in the audit remains in place until the action has been completed. New dates should be agreed for actions that were not complete by their original due date.

The numbers of outstanding actions in Pentana for each Service, by audit year, on 14 January 2025 are summarised in the following tables.

- Table 1 - shows actions that have not yet reached their original agreed due date.
- Table 2 - shows actions that have had their due dates extended, but are still not completed
- Table 3 - shows actions overdue from their agreed due date, and which require a new date to be agreed.

At 14 January 2025 there were 65 open actions, compared to 60 at 12 November 2024. 2 are critical. This represents the closure of 2 actions and addition of 7 new actions. New dates for completion of overdue actions are required for the actions in Tables 2 and 3. There is still work to be done to close off older actions, the majority of which have a high level of completion but still require a little more work to complete fully.

Table 1 - Actions not yet reached original agreed due date

Service	Audit Year	Critical	High	Medium	Low	Total
		No	No	No	No	No
Children and Families	2023/24	-	-	2	-	2
Corporate Services	2022/23	-	2	-	2	4
	2023/24	-	-	3	4	7
Neighbourhood Services	2022/23	-	1	-	-	1
	2023/24	-	1	1	-	2
Totals		0	4	6	6	16

Table 2 - Actions with due date extended from original due date

Service	Audit Year	Critical	High	Medium	Low	Total
		No	No	No	No	No
Chief Executives Service	2022/23	2	-	-	-	2
	2023/24	-	2	1	1	4
Children and Families	2022/23	-	-	-	2	2
City Development	2022/23	-	2	-	-	2
Corporate Services	2020/21	-	1	-	-	1
	2021/22	-	1	-	3	4
	2022/23	-	1	1	2	4
	2023/24	-	-	1	-	1
Corporate	2021/22	-	1	-	1	2
Neighbourhood Services	2016/17	-	1	-	-	1
	2017/18	-	1	-	-	1
	2020/21	-	1	-	-	1
	2021/22	-	2	-	-	2
Totals		2	13	3	9	27

Table 3 - Actions overdue from agreed due date

Service	Audit Year	Critical	High	Medium	Low	Total
		No	No	No	No	No
Children and Families	2022/23	-	-	-	1	1
	2023/24	-	-	2	-	2
Corporate Services	2021/22	-	-	-	1	1
	2022/23	-	2	4	-	6
	2023/24	-	3	5	1	9
Neighbourhood Services	2023/24	-	2	1	-	3
Totals		0	7	12	3	22

Definitions of Action Priority

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.