

Governance, Risk and Best Value Committee

10.00am, Tuesday, 19 March 2024

Internal Audit: 2024/25 Internal Audit Annual Plan

Executive/routine

Wards

1. Recommendations

- 1.1 It is recommended that the Committee:
- review and approve 2024/25 Internal Audit Annual Plan.

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Report

Internal Audit: 2024/25 Internal Audit Annual Plan

2. Executive Summary

- 2.1 The purpose of this paper is to present the proposed Internal Audit (IA) plan to the GRBV Committee for approval. The plan sets out how IA assurance will be delivered and developed in accordance with the Internal Audit Charter for the period 1 April 2024 to 31 March 2025.
- 2.2 The proposed 2024/25 plan includes a total of 45 audits (excluding follow-up days), with 34 audits to be delivered across the Council, which is aligned with IA plan coverage achieved in 2023/24.
- 2.3 The proposed plan aims to be risk-based, proportionate and flexible to recognise the changing risk profile of the Council and is aligned to the Council's [2023-27 Business Plan](#) outcomes, business critical risks and emerging issues.

3. Background

- 3.1 The approach applied in developing the 2024/25 IA plan is set out in Figure 1 (page 3) of the IA plan. The IA plan is driven by [Public Sector Internal Audit Standards](#) (PSIAS) requirements, the Council's objectives and priorities as set out in the [2023 – 27 Council Business Plan](#), and an assessment of the risks that could prevent the Council from meeting those objectives and providing services.
- 3.2 In addition, where relevant, other sources of assurance from other second and third line assurance providers, and the extent to which reliance can be placed upon them has been considered.
- 3.3 [The Audit Scotland Code of Audit Practice \(2021\)](#) and [PSIAS](#) requirements have also been considered and an integrated approach with the Council's External Auditors and other external assurance providers/regulators has been applied in developing the plan.
- 3.4 In January 2024, the Institute of Internal Auditors launched new [Global Internal Audit Standards \(GIAS\)](#), which will come into effect in January 2025. The new standards will require several changes to Internal Audit practice including the introduction of 'topical requirements' for all Internal Audits. Guidance on the full requirements of the new GIAS will be released by the Institute of Internal Auditors as it develops. It is proposed that relevant updates are provided as part of the

quarterly update paper and supported by necessary training sessions for both LPF colleagues and committee members delivered by IA.

- 3.5 The Council has established a [Governance and Assurance Framework](#) to provide support and guidance with first line assurance activities, and ongoing second line assurance for directorate governance and risk management activities.

4. Main report

Plan Content

- 4.1 The proposed 2024/245 IA plan includes a total of 45 audits (excluding ongoing follow-up assurance), with 34 audits to be delivered across the Council, which is aligned with 2023/24 IA plan coverage.
- 4.2 The proposed plan also includes recurring audits including annual assurance required for the Department for Transport, and bi-annual audits for the Scottish Government, and two audits as recommended by the Tanner review.
- 4.3 The plan includes delivery of 11 audits for the following arm's length and external organisations: 4 for the Lothian Pension Fund, 4 for the Edinburgh Integration Joint Board and the remaining 3 for other organisations - Lothian Valuation Joint Board (1), SEStran (1), the Royal Edinburgh Military Tattoo (1). Costs for provision of audit services to these organisations is recovered through recharging arrangements.
- 4.4 The proposed plan includes 9 cross directorate reviews that have been included to provide assurance on the key controls established to manage the most significant risks associated with services and processes that span across the Council.

Follow-up of previous IA management actions

- 4.5 The plan includes allowance for 200 follow-up days to review updates and evidence to support closure of management actions in line with the risk-based follow-up process introduced in October 2022.
- 4.6 In addition, the IA plan includes a recurring annual validation audit which involves review of a sample of previously implemented agreed management actions to confirm that they have been effectively sustained.

Shared Risk Assessment and assurance mapping

- 4.7 In line with the requirements of [Audit Scotland's Code of Audit Practice 2021](#), a shared risk assessment approach has been taken to developing the 2024/25 plan, to ensure a joined up and efficient approach to assurance and to deliver value for money by removing unnecessary duplication.
- 4.8 The proposed IA plan has been discussed with Audit Scotland (the Council's external auditors) and other external assurance providers/regulators including the Care Inspectorate and Scottish Housing Regulator.
- 4.9 Following two Care Inspectorate inspections during 2023/24, improvement plans were developed to address recommendations raised. Progress in completing actions monitored is by the Care Inspectorate, and the Council's [Quality, Governance and Regulation \(QGR\) Service](#) are monitoring improvement plan

progress internally. During 2024/25 Internal Audit does not propose to duplicate the work of the Care Inspectorate and QGR, however we will complete a review on quality assurance progress and linkage to improving practice in the areas of improvement identified by the Care Inspectorate.

- 4.10 Audit Scotland, the Care Inspectorate and Scottish Housing Regulator have confirmed that there is no duplication between the proposed IA plan and their assurance activities.

Governance and Assurance Model

- 4.11 In October 2023, details on the governance structure, delivery arrangements, annual cycle, and a timeline/action plan for the Council's newly established [Governance and Assurance Framework](#) was provided to the Governance, Risk and Best Value Committee. The framework and associated activities aim to provide support and guidance for first line assurance activities, and ongoing second line assurance for directorate governance and risk management activities.
- 4.12 During 2024/25 a gap analysis of the framework activities and IA audit work will be completed to understand the scope of various activities and the extent to which reliance can be placed to inform assurance mapping for the Council.

IA capacity

- 4.13 The IA team is currently at full capacity. The proposed plan is aligned to actual capacity as at March 2024 and will be reviewed as part of the quarterly review process and changes reported to GRBV.
- 4.14 The IA resourcing model has confirmed that IA is currently adequately resourced to support deliver of the proposed plan. It should be noted however, that unforeseen changes to IA team resources may impact proposed delivery, which will be raised with GRBV as part of the quarterly review process.
- 4.15 The IA resourcing model allows for potential sickness absence, and reserves time to support team training and personal development, performance management, governance, committee reporting and attendance (circa 25% of available days).
- 4.16 The plan includes 80 days contingency for ad-hoc assurance and consultancy work. Use of contingency will be monitored and utilised to support emerging work requests and any scoping changes as required.
- 4.17 Proposed plan changes will be reported to GRBV as part of the quarterly review process.

IA Quality Assurance, training, and service development

- 4.18 The plan also includes time (30 days) for the IA team to complete an internal quality assessment as per PSIAS requirements.
- 4.19 A further 70 days has been included to support preparation for the new Global IA Standards (GIAS) including initial gap analysis, development of new processes where required, update of key documents, audit team training and colleague / elected member training and awareness.

- 4.20 Time has also been included (20 days) for delivery of quarterly training open to all employees, and IA attendance at, and involvement in, new start and senior management induction training. Additional time has also been allocated to development and delivery of training for GRBV members aligned to the outcomes of the recent skills assessment and self-evaluation.

Ongoing co-source support

- 4.21 Co-source support will be utilised to support specialist audits covering Digital Services, Lothian Pension Fund, and other specialist areas as required. In addition, the NHS Lothian IA team supports delivery of one audit for the Edinburgh Integration Joint Board.

5. Next Steps

- 5.1 Once approved by GRBV, the final approved IA plan will be shared with the Corporate Leadership Team, Service Directors, and Heads of Service, with audits commencing from 1 April 2025.
- 5.2 The IA plan will be reviewed on a quarterly basis with any proposed changes presented to the GRBV Committee for approval.

6. Financial impacts

- 6.1 IA will seek to complete generalist audit work in-house and limit use of external resource to areas of specialist audit work only.
- 6.2 There are limited associated budget implications for completion of audits completed for other organisations as a direct recharge will be applied for costs incurred.

7. Equality and Poverty Impact

- 7.1 None. An assessment is not required because the reason for this report is to report Internal Audit activity to Committee. Consequently, there will be no differential equality or poverty impacts, as a result of the proposals in this report.

8. Climate and Nature Emergency Implications

- 8.1 None. The reason for this report is to report Internal Audit activity to Committee. Consequently, there will be no differential climate or nature emergency implications, as a result of the proposals in this report.

9. Risk, policy, compliance, governance and community impact

- 9.1 Key stakeholders including the Chief Executive, Directors, senior management, elected members, trade unions and external assurance bodies have been invited to provide input into the IA annual plan to help ensure that the relevant areas are targeted for review during 2024/25.

10. Background reading/external references

- 10.1 [Public Sector Internal Audit Standards](#)
- 10.2 [Council Business Plan 2023-27](#)
- 10.3 [Corporate Leadership Team Risk Report – January 2024](#)
- 10.4 [Governance and Assurance Framework - October 2024](#)

11. Appendices

- 11.1 Appendix 1 – 2024/25 Internal Audit Annual Plan



Internal Audit

2024/25 Annual Plan

Contents

Introduction and approach	3
Assurance Mapping and the Three Lines Model	4
Audit Universe	5
Risk Assessment	6
Appendix 1: Risk Assessment and Assurance Map	7
Appendix 2: 2024/25 Internal Audit Annual Work Programme	13
Priority Audits.....	13
Indicative Audits.....	15
Recurring Audits	18
Other Organisations	18
Other IA Activities	19

Introduction and approach

Introduction

In line with the Internal Audit Charter, Internal Audit aims to provide independent and objective assurance on the overall effectiveness of the City of Edinburgh Council's (the Council) governance, risk, and control frameworks.

The Council continues to face the impact of financial uncertainty and resource constraints which requires the Council to explore options for prioritising and deliver services differently.

The [Council's Business Plan for 2023-27](#) sets out three strategic priorities which are the focus of all Council teams over this next phase of the city's development and service reform:

- **create good places to live and work**
- **end poverty in Edinburgh**
- **become a net zero city by 2030.**

Internal Audit recognises these priorities and aims to support the Council by providing appropriate assurance and focus on the areas of greatest priority in in line with the Council's rapidly changing risk profile.

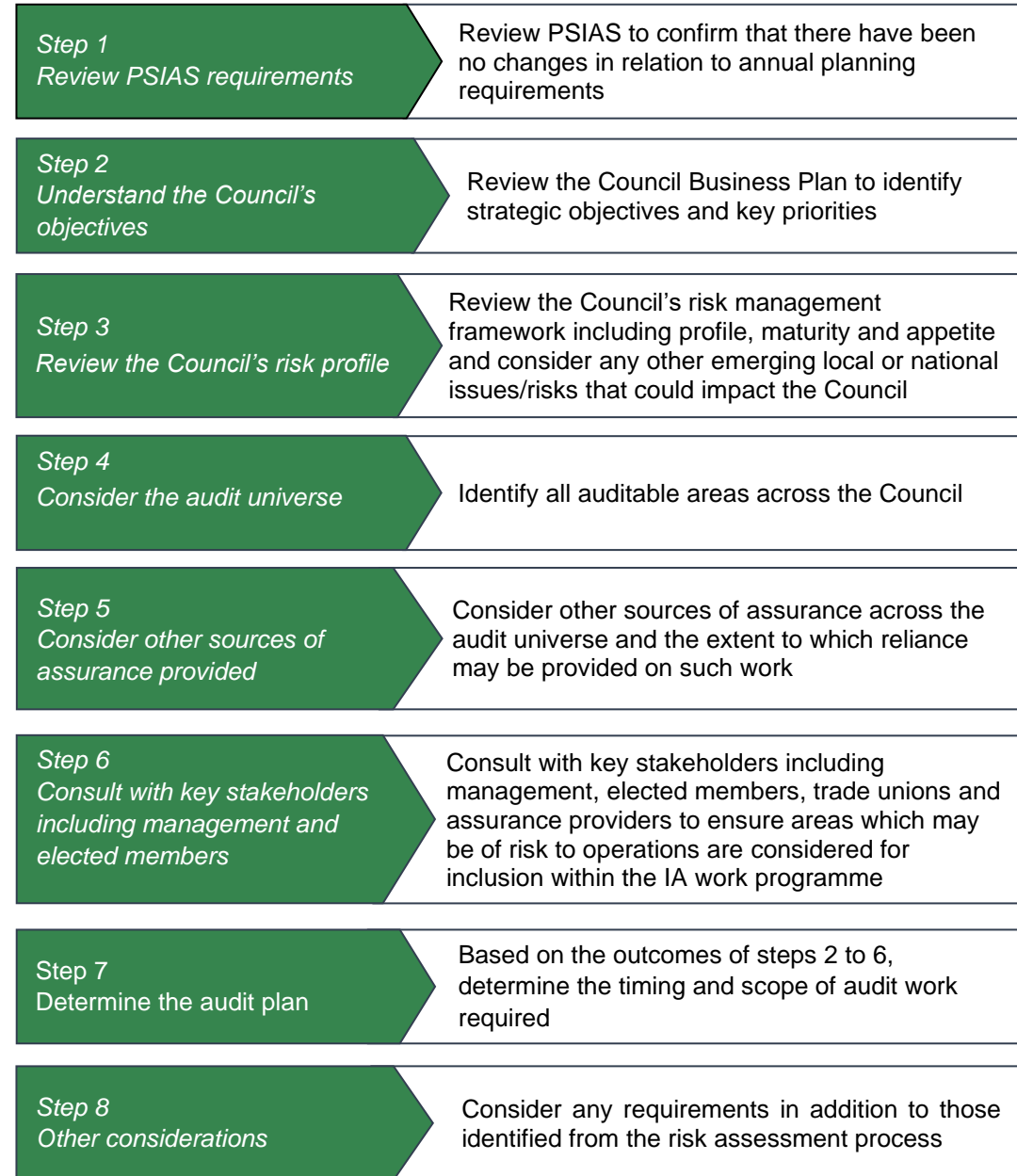
This document sets out the scope of the Internal Audit 2024/25 annual plan with the objective of delivering independent assurance on the key controls established across the Council to mitigate business critical risks.

Approach

The approach to preparing the annual plan is set out at Figure 1. The plan is driven by the requirements of [Public Sector Internal Audit Standards \(PSIAS\)](#), the Council's objectives and priorities, and an assessment of the risks that could prevent the Council from meeting its objectives and providing services.

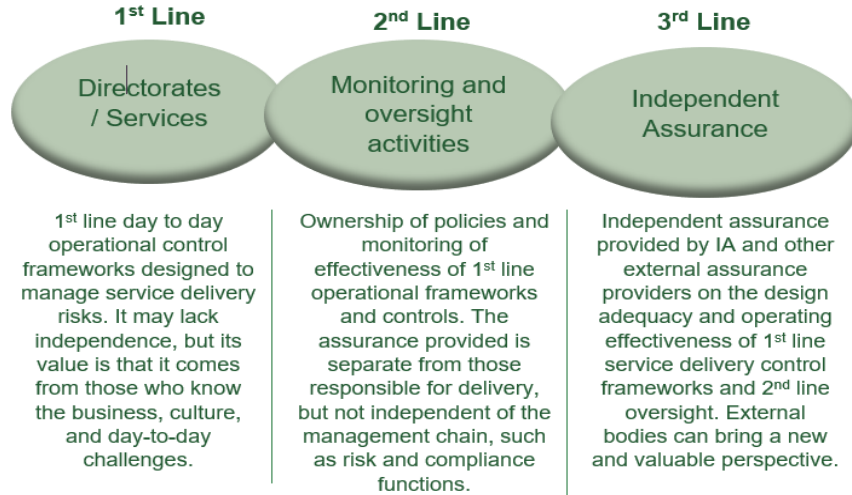
Changes in organisational structures, system developments, working practices and legislative requirements create a constantly changing control environment. Taking these factors into account, the highest risk areas are covered in the IA plan.

Figure 1: Approach to developing the 2024/25 IA Annual Plan



Assurance Mapping and the Three Lines Model

Internal Audit is only one source of assurance available, assurance can come from many sources. The Three Lines Model, as set out in the diagram below, helps identify and understand the contributions of these various sources:



Defining the sources of assurance into the three categories helps to understand how each of them contributes to the overall level of assurance and how they can be best integrated and mutually supportive.

Other key sources of assurance for the Council include:

- Audit Scotland as External Auditors
- various regulators and inspection bodies
- Annual Governance Statements
- National Fraud Initiative
- Internal assurance teams.

In developing our internal audit risk assessment and plan, where relevant, we have considered other sources of assurance and a shared risk assessment to understand the extent to which reliance can be placed upon these other sources to avoid duplication in the work they do.

Council Governance and Assurance Framework

In October 2023, details on the governance structure, delivery arrangements, annual cycle, and a timeline/action plan for the Council's newly established [Governance and Assurance Framework](#) was provided to the Governance, Risk and Best Value Committee. The framework and associated activities aim to provide support and guidance for first line assurance activities, and ongoing second line assurance for directorate governance and risk management activities. During 2024/25 a gap analysis of the framework activities and IA audit work will be completed to understand the scope of various activities and the extent to which reliance can be placed on this to avoid duplication.

Other internal assurance teams

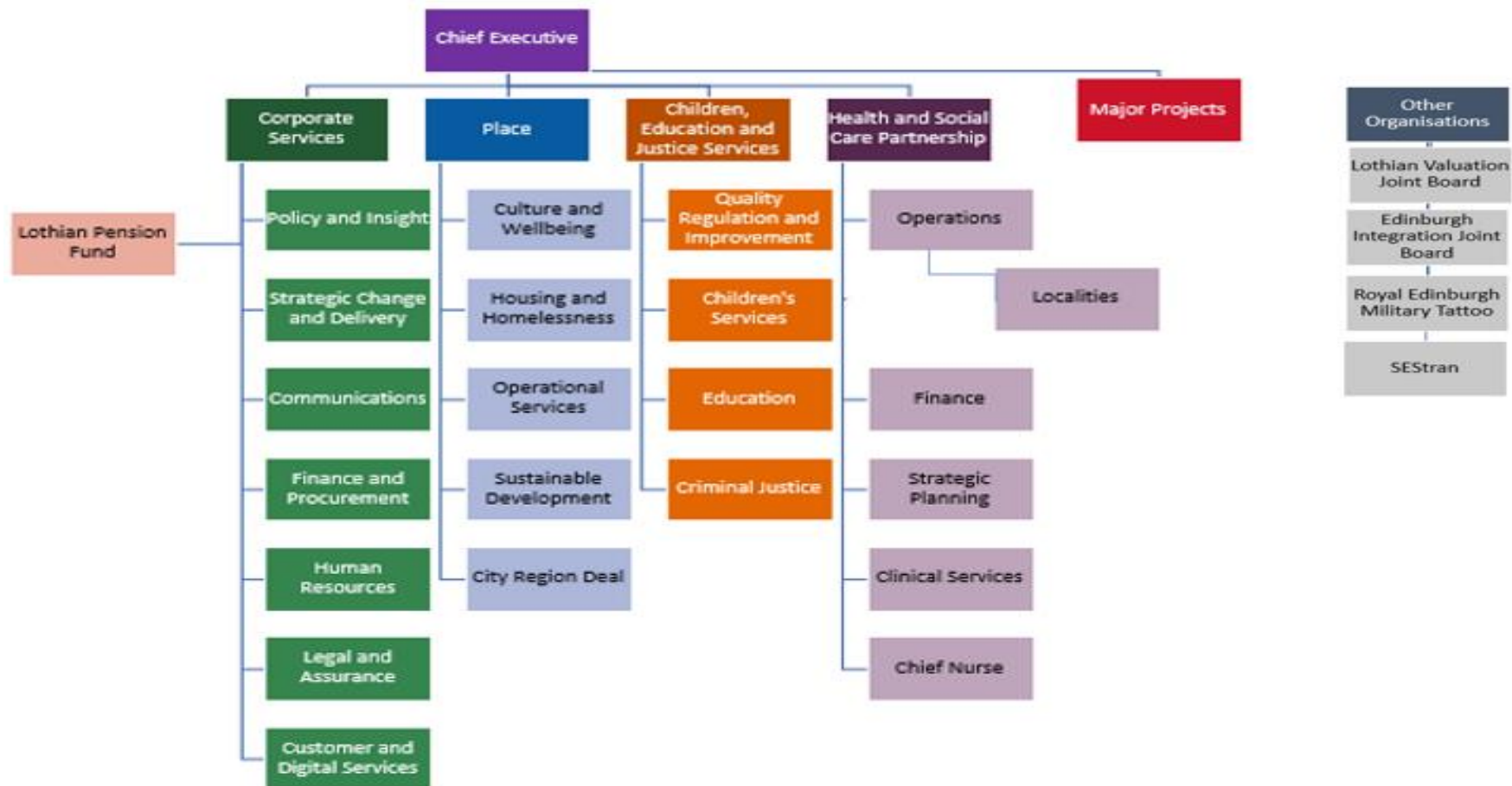
In addition, specific assurance activities are performed within some services and the assurance activity of these teams has been considered when developing the IA plan. This includes:

- [Corporate Health and Safety Team](#) which undertakes health and safety audits to check compliance with the Council Health and Safety Policy and legal health and safety obligations. These audits are carried out across the Council as part of a rolling programme to monitor and report on health and safety performance, and to foster continual improvement.
- [Quality, Governance and Regulation Services](#) which supports the Chief Social Work Officer and social care related quality assurance across the Council and the Edinburgh Integration Joint Board.
- The [Quality, Improvement and Curriculum teams](#) within Education which works with schools to ensure that the Council is meeting national and local priorities with a focus on closing the attainment gap. This includes supporting schools with Her Majesty's Inspectorate of Education (HMIE) inspections.
- The [Housing Service Quality Improvement Team](#) which monitors service delivery and compliance with relevant regulations including Gas Safety, Electrical Regulations and relevant construction regulations.

Audit Universe

The diagram below represents the high-level auditable areas within the audit universe of the Council. These areas form the basis of the internal audit plan.

In addition to the Council, IA provides audit services to several other organisations on an annual recurring basis. Costs for provision of audit services to these other organisations is recovered through established recharging arrangements.



Risk Assessment

It is a requirement of the Public Sector Internal Audit Standards that the Internal Audit plan is based on a risk assessment.

To ensure a risk-based and proportionate approach to the IA annual plan which supports the PSIAS requirement to produce an annual Internal Audit opinion, when developing the 2024/25 IA plan, consideration was given to the Council's priorities as detailed in the [Council Business Plan 2023-27](#) and the Council's risk profile (Appendix 1), as reported to GRBV in February 2024. The risk profile sets out the assessment for each of the Council's 13 enterprise risks based on management's view of the internal and external operating environments with subsequent actions in line with the Council's agreed risk appetite.

The outcomes of previously completed audits (Appendix 1), emerging issues impacting the Council and the need to ensure assurance on key financial systems was also considered.

Engagement with key stakeholders

Key stakeholders including the Chief Executive, Directors, senior management, elected members, trade unions and external assurance bodies have been invited to provide input into the IA annual plan to help ensure that the relevant areas are targeted for review during 2024/25.

Dynamic risk review and audit scoping

While the audit plan includes a short summary of the area proposed for review, IA will meet with key officers prior to commencing each audit to further understand the key risks, and to develop and refine the scope of each review.

For assurance reviews, internal audit is responsible for determining the scope of each audit.

It should be noted, that if areas are identified during testing that are outwith scope but impact the risk and control framework, findings and recommendations will still be raised and reported on, where appropriate.

In line with the IA Charter, where relevant IA reserves the right to raise findings on areas that have not been specifically included in the annual plan where significant or systemic control gaps are evident.

The audits included in the proposed IA plan as [Appendix 2](#) provide coverage across the 13 CLT risks set out in [Appendix 1](#).

Internal Audit influence and value

IA is a valuable resource which can help services to achieve objectives and reduce exposure to associated risks. Where appropriate and without compromising its primary function and independence, IA will become involved in relevant emerging issues at an early stage and provide advice and guidance to prevent problems or weaknesses from arising and to ensure effective and efficient use of Council resources.

This is achieved through delivery of a flexible audit approach aligned to priorities and available resources, and an IA plan which includes a mix of engagement styles from light touch to more in-depth assurance reviews as well as advisory / consultancy work.

The IA plan is reviewed on a quarterly basis to ensure it maintains a clear focus on the link between the Council's priorities, business critical risks, the IA programme, and core controls. Proposed changes are reported to GRBV as part of quarterly IA progress updates.

Appendix 1: Risk Assessment and Assurance Map

An assurance map is a matrix which sets out an organisation's risks and all the internal and external sources of assurance which cover these risks. This visualisation helps to expose coverage gaps and duplication. The map also helps to provide an overall view of assurance activity and helps to prevent audit fatigue in the areas and processes being reviewed.

In developing the 2024/25 plan, Internal Audit has developed an initial assurance map for the Council and a summary is provided below. During 2024/25, Internal Audit will coordinate with the Corporate Risk Team, internal assurance teams, and external assurance providers to further develop the Council's assurance map covering the Council's high level key controls.

CLT Risk	Q4 Rating	Risk Appetite	Previous IA Assurance			Proposed 24/25 coverage	Other sources of assurance
			21/22	22/23	23/24		
1. Strategic Delivery	H	M	<ul style="list-style-type: none"> Employee Wellbeing Planning and Performance Framework Digital and Smart City Strategy 	<ul style="list-style-type: none"> Management of the Housing Revenue Account Empowered Learning Programme Governance Council Emissions Reduction Plan Insurance Services New Consultations Policy Sensory Loss Support Services 	<ul style="list-style-type: none"> Budget Lessons Learned Fleet Enterprise Resource Planning Trams to Newhaven 	<ul style="list-style-type: none"> Change Programme Partnership Working Value for Money Non-contracted spend Integrated Impact Assessments Value for Money Major Projects Refugee Services Workforce Planning Service Level Agreements Democracy and Governance Whistleblowing 	<ul style="list-style-type: none"> External Audit including Best Value
2. Financial and Budget Management	H	M	<ul style="list-style-type: none"> Fraud and Serious Organised Crime Management and Allocation of Covid-19 Grant Funding T MDF Parking and Traffic Regulations Capital Budget Setting and Management Payment Card Industry Governance Council Tax and Non-Domestic Rates 	<ul style="list-style-type: none"> Swift Application Technology Controls Management of the Housing Revenue Account Purchase Cards Levelling-up – Granton Gasholder City Deal Integrated Employer Engagement Vendor Bank Mandates IFRS 16 Lease Accounting Self-Directed Support – Children's Services Sensory Loss Support Services 	<ul style="list-style-type: none"> Budget Lessons Learned Debtors VAT HSCP Financial Sustainability Fleet Edinburgh Employer Recruitment Incentive Overtime and expenses Enterprise Resource Planning Trams to Newhaven Supplier and Contract Management Procurement Void Management Mixed Tenure Works Scaffolding 	<ul style="list-style-type: none"> Change Programme Partnership Working Value for Money Non-contracted spend Major Projects Devolved School Management Workforce Planning Service Level Agreements Attendance Management RAAC City Region Deal Short-Term Lets Licencing T MDF New Parking Rules Refugee Services Democracy and Governance 	<ul style="list-style-type: none"> External Audit including Best Value

CLT Risk	Q4 Rating	Risk Appetite	Previous IA Assurance			Proposed 24/25 coverage	Other sources of assurance
			21/22	22/23	23/24		
3. Programme and Project Delivery	M	H	<ul style="list-style-type: none"> Trams to Newhaven Enterprise Resource Planning HSCP Transformation and Benefits Realisation 	<ul style="list-style-type: none"> Trams to Newhaven Enterprise Resource Planning Empowered Learning Programme Governance Levelling-up – Granton Gasholder City Region Deal Active Travel Council Emissions Reduction Plan 	<ul style="list-style-type: none"> Trams to Newhaven Enterprise Resource Planning Fleet – Mission Zero for Transport 	<ul style="list-style-type: none"> Change Programme Partnership Working Value for Money Non-contracted spend Major Projects RAAC City Region Deal Democracy and Governance 	<ul style="list-style-type: none"> External Audit including Best Value
4. Health and Safety	M	L	<ul style="list-style-type: none"> Employee Wellbeing Implementation of Asbestos Recommendations Parking and Traffic Regulations Housing Property Services Repairs Management during Covid-19 Elections in Covid-19 Environment 	<ul style="list-style-type: none"> Swift Application Technology Controls Port Facility Security Plan 	<ul style="list-style-type: none"> Outdoor Infrastructure Health and Safety Arrangements Community Centres Scaffolding Port Facility Security Plan 	<ul style="list-style-type: none"> Security arrangements in council premises RAAC New Parking Rules Refugee Service Food Hygiene and Food Standards Flood Management GIRFEC Quality Assurance Customer Contact Journey Attendance Management Social Care Direct Waiting Lists /Assessments Port Facility Security Plan Service Level Agreements Investigations Team Carer Support and Advice 	<ul style="list-style-type: none"> Corporate Health and Safety audit programme
5. Resilience	M	M	<ul style="list-style-type: none"> Parking and Traffic Regulations Housing Property Services Repairs Management during Covid-19 	<ul style="list-style-type: none"> No specific audit work however key person dependency and business continuity covered in most audits. 	<ul style="list-style-type: none"> Cyber Incident Response 	<ul style="list-style-type: none"> CGI Service Stability CGI Incident Response Port Facility Security Plan Security arrangements in council premises Customer Contact Journey Attendance Management Flood Management Service Level Agreements Carer Support and Advice 	<ul style="list-style-type: none"> Desktop and simulated incident response exercises such as exercise Stone Ladder, and national cyber security exercise in a box.
6. Supplier, Contracts and	M	H	<ul style="list-style-type: none"> Parking and Traffic Regulations Housing Property Services Repairs 	<ul style="list-style-type: none"> Swift Application Technology Controls Ongoing Education ICT Support 	<ul style="list-style-type: none"> Supplier and Contract Management Procurement Repairs Right First Time 	<ul style="list-style-type: none"> Customer Contact Journey Change Programme Partnership Working Value for Money 	<ul style="list-style-type: none"> Contract & Procurement Services quality

CLT Risk	Q4 Rating	Risk Appetite	Previous IA Assurance			Proposed 24/25 coverage	Other sources of assurance
			21/22	22/23	23/24		
Partnership Management			<ul style="list-style-type: none"> Management during Covid-19 Vulnerability Management CGI Performance Reporting Payment Card Industry Governance 	<ul style="list-style-type: none"> Port Facility Security Plan Repairs and Maintenance Framework (Operational Properties) Active Travel Project Management and Delivery 	<ul style="list-style-type: none"> Void Management Scaffolding Tenants Safety, Damp and Mould Mixed Tenure Works Edinburgh Employer Recruitment Incentive 	<ul style="list-style-type: none"> Non-contracted spend Major Projects RAAC City Region Deal CGI Service Stability CGI Incident Response Port Facility Security Plan Quality Assurance Workforce Planning New Parking Rules Service Level Agreements Refugee Services Carer Support and Advice 	review programme
7. Technology and Information	H	M	<ul style="list-style-type: none"> Employee Lifecycle and Payroll Parking and Traffic Regulations Householder Planning Applications Vulnerability Management CGI Performance Reporting Payment Card Industry Governance 	<ul style="list-style-type: none"> Swift Application Technology Controls SEEMiS Application Technology Controls CGI Security Operations Centre CGI Enterprise Architecture CGI Technology Risk Management 	<ul style="list-style-type: none"> Supplier and Contract Management CGI Complex Change CGI IT Currency Management Edinburgh Employer Recruitment Incentive Mixed Tenure Works Repairs Right First Time 	<ul style="list-style-type: none"> Major Projects Change Programme Customer Contact Journey CGI Service Stability CGI Incident Response Waiting lists / Assessments New Parking Rules Food Hygiene and Food Standards Flood Management GIRFEC Social Care Direct Security arrangements in council premises Whistleblowing 	<ul style="list-style-type: none"> Public Sector Cyber Action Plan Desktop / simulation exercises
8. Governance and Decision Making	M	L	<ul style="list-style-type: none"> Fraud and Serious Organised Crime Implementation of Asbestos Recommendations Payment Card Industry Governance Planning and Performance Framework Digital and Smart City Strategy Council Tax and Non-Domestic Rates 	<ul style="list-style-type: none"> Swift Application Technology Controls Management of the Housing Revenue Account Role Specific Learning and Development for Council Officers Levelling-up – Granton Gasholder City Region Deal Active Travel Induction and Ongoing Learning for Elected Members 	<ul style="list-style-type: none"> Review of Historic Complaints (Project Beech) GRBV skills assessment and self-evaluation Procurement Supplier and Contract Management Edinburgh Employer Recruitment Incentive Mixed Tenure Works Repairs Right First Time Tenant Safety - Damp and Mould 	<ul style="list-style-type: none"> Democracy and Governance Change Programme Partnership Working Value for Money Non-contracted spend Integrated Impact Assessments Major Projects Service Level Agreements City Region Deal RAAC Investigations Team Quality Assurance Whistleblowing 	<ul style="list-style-type: none"> Governance and Assurance work programme External Audit – Best Value

CLT Risk	Q4 Rating	Risk Appetite	Previous IA Assurance			Proposed 24/25 coverage	Other sources of assurance
			21/22	22/23	23/24		
			<ul style="list-style-type: none"> Implementation of Child Protection Recommendations 	<ul style="list-style-type: none"> Transitions from Children's Services to Adult Social Care Sensory Loss Support Services 		<ul style="list-style-type: none"> Devolved School Management Workforce Planning GIRFEC 	
9. Service Delivery	H	H	<ul style="list-style-type: none"> Complaints Management Employee Wellbeing Implementation of Asbestos Recommendations Parking and Traffic Regulations Householder Planning Applications and use of IDOX Housing Property Services Repairs Management during Covid-19 Elections in Covid-19 Environment Planning and Performance Framework Council Tax and Non-Domestic Rates Child Protection Recommendations 	<ul style="list-style-type: none"> Swift Application Technology Controls Role Specific Learning and Development for Council Officers Ongoing Education ICT Support Self-Directed Support – Children's Services Transitions from Children's Services to Adult Social Care Sensory Loss Support Services 	<ul style="list-style-type: none"> Mixed Tenure Repairs Void Management Tenant Safety - Damp and Mould Scaffolding Recruitment and Selection Repairs Right First Time Community Centres Edinburgh Employer Recruitment Incentive Budget Lessons Learned Debtors VAT 	<ul style="list-style-type: none"> Change Programme Customer Contact Journey Partnership Working Value for Money Non-contracted spend Integrated Impact Assessments Major Projects Service Level Agreements Voter ID Waiting lists and assessments New Parking Rules Food Hygiene and Food Standards Flood Management GIRFEC Social Care Direct Absence Management Workforce Planning Short Term Lets Licensing Quality Assurance CGI Service Stability Devolved School Management Democracy and Governance Carer Support and Advice 	<ul style="list-style-type: none"> Corporate Health and Safety audit programme Quality, Governance & Regulation Quality, Improvement and Curriculum team Housing Service Quality Improvement Team
10. Workforce	H	M	<ul style="list-style-type: none"> Fraud and Serious Organised Crime Employee Wellbeing 	<ul style="list-style-type: none"> Role Specific Learning and Development for Council Officers Transitions from Children's Services to Adult Social Care 	<ul style="list-style-type: none"> Supplier and Contract Management Procurement Recruitment and Selection Overtime and Expenses 	<ul style="list-style-type: none"> Social Care Direct Absence Management Workforce Planning Waiting lists and assessments Service Level Agreements Partnership Working Security arrangements in council premises Quality Assurance Whistleblowing Customer Contact Journey 	<ul style="list-style-type: none"> External Audit Corporate Health and Safety audit programme Quality, Governance & Regulation Quality, Improvement and Curriculum team Housing Service Quality

CLT Risk	Q4 Rating	Risk Appetite	Previous IA Assurance			Proposed 24/25 coverage	Other sources of assurance
			21/22	22/23	23/24		
						<ul style="list-style-type: none"> • Devolved School Management • Investigations Team • Value for Money • Carer Support and Advice 	Improvement Team
11. Regulatory and Legislative Compliance	M	L	<ul style="list-style-type: none"> • Complaints Management • Implementation of Historic Whistleblowing Recommendations • Employee Wellbeing • TMDF • Parking and Traffic Regulations • Householder Planning Applications • Housing Property Services Repairs Management during Covid-19 • Elections in Covid-19 Environment • Payment Card Industry Governance • Council Tax and Non-Domestic Rates • Criminal Justice Community Payback Orders 	<ul style="list-style-type: none"> • Records Management and Statutory Requests • Swift Application Technology Controls • SEEMiS Application Technology Controls • Role Specific Learning and Development for Council Officers • Port Facility Security Plan • Levelling-up – Granton Gasholder • Repairs and Maintenance Framework (Operational Properties) • Active Travel Project Management and Delivery • Induction and Ongoing Learning for Elected Members • Council Emissions Reduction Plan • IFRS 16 Lease Accounting • New Consultations Policy • Self-Directed Support – Children’s Services • Transitions from Children’s Services to Adult Social Care • Sensory Loss Support Services 	<ul style="list-style-type: none"> • Fleet • Tenant Safety- Damp and Mould • Void Management • Repairs Right First Time • Scaffolding • Mental Health and Wellbeing Services • Review of Historic Complaints (Project Beech) • Recruitment and Selection • Port Facility Security Plan • Community Centres • Outdoor infrastructure • Health and Safety Findings only • Edinburgh Employer Recruitment Incentive 	<ul style="list-style-type: none"> • Service Level Agreements • Partnership Working • Value for Money • Non-contracted spend • Integrated Impact Assessments • Voter ID • Waiting lists/ Assessments • New Parking Rules • Democracy and Governance • TMDF • Port Facility Security Plan • Food Hygiene and Food Standards • Flood Management • GIRFEC • Social Care Direct • Absence Management • Short Term Lets Licensing • Quality Assurance • Whistleblowing • RAAC 	<ul style="list-style-type: none"> • External Audit • Care Inspectorate • Scottish Housing Regulator • HMIE • Corporate Health and Safety audit programme • Quality, Governance & Regulation • Quality, Improvement and Curriculum team • Housing Service Quality Improvement Team
12. Reputational Risk	M	M	<ul style="list-style-type: none"> • Whistleblowing Recommendations • Parking and Traffic Regulations • Housing Property Services Repairs 	<ul style="list-style-type: none"> • Management of the Housing Revenue Account • Purchase Cards • Port Facility Security Plan • Levelling-up – Granton Gasholder 	<ul style="list-style-type: none"> • Review of Historic Complaints (Project Beech) • Mental Health and Wellbeing Services • Port Facility Security Plan • Community Centres • Outdoor infrastructure 	<ul style="list-style-type: none"> • Major Projects • Security arrangements in council premises • Service Level Agreements • Partnership Working • Value for Money • Non-contracted spend 	<ul style="list-style-type: none"> • Corporate Health and Safety audit programme • Quality, Governance & Regulation

CLT Risk	Q4 Rating	Risk Appetite	Previous IA Assurance			Proposed 24/25 coverage	Other sources of assurance
			21/22	22/23	23/24		
			<ul style="list-style-type: none"> Management during Covid-19 Payment Card Industry Governance Planning and Performance Framework Council Tax and Non-Domestic Rates Implementation of Child Protection Recommendations 	<ul style="list-style-type: none"> Active Travel Project Management and Delivery Council Emissions Reduction Plan 	<ul style="list-style-type: none"> Health and Safety Findings only Edinburgh Employer Recruitment Incentive Repairs Right First Time Tenant Safety – Damp and Mould 	<ul style="list-style-type: none"> Customer Contact Journey Integrated Impact Assessments RAAC Waiting lists and assessments Food Hygiene and Food Standards Flood Management GIRFEC Social Care Direct Absence Management Short Term Lets Licensing Quality Assurance Whistleblowing Investigations Team Democracy and Governance 	<ul style="list-style-type: none"> Quality, Improvement and Curriculum team Housing Service Quality Improvement Team
13. Fraud and Serious Organised Crime	M	M	<ul style="list-style-type: none"> Fraud and Serious Organised Crime Management and Allocation of Covid-19 Grant Funding Payment Card Industry Governance Council Tax and Non Domestic Rates 	<ul style="list-style-type: none"> Allocation and Management of Purchase Cards Levelling-up – Granton Gasholder Vendor Bank Mandates 	<ul style="list-style-type: none"> Edinburgh Employer Recruitment Incentive Debtors Procurement Contract Management Overtime and Expenses 	<ul style="list-style-type: none"> Service Level Agreements Partnership Working Value for Money Non-contracted spend Voter ID Customer Contact Journey Major Projects Devolved School Management Refugee Services Workforce Planning Quality Assurance 	<ul style="list-style-type: none"> Annual Fraud Activity Reporting

Appendix 2: 2024/25 Internal Audit Annual Work Programme

The table below sets out the proposed internal audit work programme for the period 1 April 2024 to 31 March 2025 with links to relevant Business Plan Delivery Outcomes and Corporate Leadership Team risks as at February 2024.

Audits have been categorised as ‘**Priority**’, ‘**Indicative**’ and ‘**Recurring**’. Priority audits are those aligned to the Council’s highest risks, which IA will aim to complete within the first six months. Indicative audits will be completed later in the year and will be flexible to enable IA capacity to react to any changes in the Council’s risk profile. Recurring audits reflect audits that IA is committed to undertake annually or bi-annually as part of legislative obligations, or where ongoing assurance is being provided for a Council project.

Priority Audits					
Auditable Area	Audit	Business Plan Outcome	CLT Risks	Allocated Days	Fraud Risk
Cross Directorate	1. Partnership Working - review of the adequacy of design of the key controls established to ensure that the Council realises proposed partnership working benefits, efficiencies and improved outcomes as set out in the 2023-27 Business Plan .	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	1, 2, 3, 6, 8 9, 10, 11, 12, 13	30	Medium
	2. Non-contracted spend and waivers – review of arrangements for managing and limiting non-contracted spend (the procurement of goods and services out with the approved suppliers list or contract frameworks) and waivers (where requirement to comply with Contract Standing Orders has been waived).	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	1, 2, 3, 6, 8 9, 11, 12, 13	40	High
	3. Workforce Planning: Flexible Workforce – flexible workforce spend averaged £4.2m per month in Q2 23/24. This review will consider the Council’s strategic approach to utilising a flexible workforce, as well as monitoring, reporting and governance of use of overtime, agency staff and temporary/casual contracts.	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	1, 2, 6, 8, 9 11, 13	30	High
	4. Attendance Management – review of cross directorate adherence to the Council’s Sickness Absence Policy and supporting guidance including managing thresholds, return to work conversations, formal review meetings, referrals, and provision of support.	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	2, 4, 5, 9, 10 11, 12, 13	40	Medium
	5. Value for Money – review of the Council’s approach to delivering value for money with consideration of governance and how the Council’s demonstrates the principles of economy, efficiency, effectiveness including	The Council has the capacity, skills, and resources to deliver our	1, 2, 3, 6, 8 9, 10, 11, 12, 13	40	High

Priority Audits					
Auditable Area	Audit	Business Plan Outcome	CLT Risks	Allocated Days	Fraud Risk
	review of cost and performance information to improve and manage delivery of services.	priorities efficiently, effectively and at lower cost.			
	6. Security Arrangements for Council Premises – review of processes in place for managing physical and building security across the Council estate. Will include a review of a sample of buildings.	Edinburgh is a cleaner, better maintained city that we can all be proud of.	4, 5, 10, 12	30	Medium
Major Projects	7. New Social Care Operating System – ongoing agile review of progress with designing, implementing and rolling out the new Social Care Operating System which will replace SWIFT. Will consider governance, oversight, project management, system development lifecycle including testing and data migration.	Core services for people in need of care and support are improved.	1, 2, 3, 6, 7, 8 8, 9, 10, 11	60	Medium
	8. Change Programme and delivery of Medium-Term Financial Plan (MTFP) – review of established arrangements for governance and oversight of the Change Programme established to address the significant MTFP gaps beyond 2024/25 including monitoring delivery of proposed savings.	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	1, 2, 3, 6, 7, 8, 9	30	Medium
Corporate Services	9. UK Parliamentary Elections – Voter Photo ID review of arrangements established including awareness raising and processing acceptable forms of ID, Voter Authority Certificates, Anonymous Elector's Documents and working with partner agencies to support voters as required.	People can access public services locally and digitally in ways that meet their needs and expectations and contribute to a greener net zero city.	7, 9, 11, 13	20	Medium
	10. CGI Service Stability – review of CGI's arrangements to limit service disruptions and ensure service stability including lessons learned to analyse and identify the root cause of service outages to reduce future occurrences.	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	5, 6, 7, 9, 12	30	Medium
Place	11. Reinforced Autoclaved Aerated Concrete (RAAC) – review of the Council's response to managing RAAC including monitoring, reporting and governance of the programme of building assessments and progress with remedial actions.	Edinburgh is a cleaner, better maintained city that we can all be proud of.	2, 3, 4, 6, 8 11, 12	30	Medium
	12. City Region Deal – focussed review as required every two years in line with grant funding requirements. 24/25 review will consider approach to managing cost inflation.	Edinburgh has a stronger, greener, fairer economy and	2, 3, 4, 5, 6 8, 11, 12	30	Medium

Priority Audits					
Auditable Area	Audit	Business Plan Outcome	CLT Risks	Allocated Days	Fraud Risk
		remains a world leading cultural capital.			
	13. New Parking Rules - review of the Council's arrangements established for managing prohibited parking including parking on pavements, double parking, parking at crossing points and parking on verges. Will consider enforcement and awareness campaign.	Edinburgh is a cleaner, better maintained city that we can all be proud of.	2, 4, 6, 9,11	30	Medium
Children, Education and Justice Services	14. Devolved School Management - review of processes established to ensure compliance with the Scottish Government devolved school management guidance which set out how local authorities fund schools and the accountability and responsibility for financial decisions. Will include review of processes for a sample of schools.	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	2, 6, 8, 9, 10, 11, 12, 13	60	Medium
	15. Refugee and Migration Services - review of approach to supporting refugees and adults with no recourse to public funds and alignment with the Scottish Government New Scot Refugee Integration Strategy. Will also consider approach to unaccompanied asylum-seeking children.	Core services for people in need of care and support are improved.	1, 2, 4, 5, 6, 11, 12, 13	30	High
Health and Social Care Partnership	16. Social Care Direct - review of Social Care Direct Team with a specific focus on processes for screening referrals received, initial triage for adult concern and the response service for people to meet immediate needs.	Core services for people in need of care and support are improved.	4, 7, 9, 10, 11, 12	30	Medium
	17. Waiting lists and assessments – review of the design and effectiveness of the key controls established to ensure that the Partnership effectively prioritises adult social care assessments and manages waiting lists effectively and in line with applicable legislation and guidance.	Core services for people in need of care and support are improved.	4, 6, 9, 11, 12	40	Medium
Total Priority Audit Days				600	

Indicative Audits					
Auditable Area	Audit	Business Plan Outcome	CLT Risks	Allocated Days	Fraud Risk
Cross Directorate	18. Integrated Impact Assessments – review of adherence to the Council's Integrated Impact Assessment guidance and toolkit to ensure legal obligations in relation to equality, socioeconomic disadvantage, climate change, sustainability, the environment and human rights are adequately	Edinburgh has a stronger, greener, fairer economy and remains a world leading cultural capital.	1, 8, 9,11, 12	30	Medium

Indicative Audits					
Auditable Area	Audit	Business Plan Outcome	CLT Risks	Allocated Days	Fraud Risk
	considered when making decisions, developing proposals, and delivering services.				
	19. Customer Contact Journey – review will consider the customer journey from the point of contact to resolution including liaison between teams, service standards, complaints and lessons learned.	People can access public services locally and digitally in ways that meet their needs and expectations and contribute to a greener net zero city.	4, 5, 6, 7, 9 10, 12, 13	40	Medium
	20. Service Level Agreements (SLAs) – review of established processes for managing SLAs for both internal and externally provided services to ensure they provide clarity about what is required of a service provider and vice versa, are up to date and are supported by robust processes for the management, monitoring, and evaluation of performance with corrective action taken as necessary.	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	1, 2, 4, 5, 6 8, 9, 10, 11 12, 13	30	High
Major Projects	21. Financial Management/Governance of Major Projects – review of the monitoring and oversight arrangements to oversee governance and financial management of major projects. 2024/25 will focus on Granton Waterfront and Community Transport.	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	1, 2, 3, 6, 7, 8 9, 12, 13	40	High
Corporate Services	22. Review of Investigations Team – review in line with Tanner Report recommendations. This review will consider the overall strategy and service delivery planning for the newly established Investigations Team including delivery timescales, monitoring, reporting and oversight arrangements.	The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.	4, 8, 10, 11 12, 13	30	Medium
	23. Democracy and Governance: Committee Reporting – review of administrative arrangements established to support effective committee reporting and review of a sample of meetings/papers/action logs to ensure adequate and timely information is provided as required and requested to aid informed decision making.	All	1, 2, 3, 6, 8 9, 11, 12	40	Medium
	24. CGI Incident Response – review of CGI’s Incident Response Plan for the Council including lifecycle, governance and oversight and testing/exercising the plan.	The Council has the capacity, skills, and resources to deliver our	5, 6, 7, 12	30	Medium

Indicative Audits					
Auditable Area	Audit	Business Plan Outcome	CLT Risks	Allocated Days	Fraud Risk
		priorities efficiently, effectively and at lower cost.			
Place	25. Food Hygiene and Food Standards – review of Council arrangements to discharge the statutory duties set out in the Food Law Code. The audit will be aligned to the Food Standards Scotland local authority performance and auditing programme.	Edinburgh is a cleaner, better maintained city that we can all be proud of.	4, 9, 11, 12	30	Medium
	26. Flooding and Surface Water Management - the audit will consider climate change adaptation and the impact of changing climate on CEC infrastructure and the Council's strategic approach to surface water management and ongoing work to mitigate the risks presented by surface water flooding.	Edinburgh is a climate adapted city, with biodiverse green spaces, and cheaper cleaner networks for energy use.	4, 5, 9, 11, 12	30	Low
	27. Short Term Lets Licencing – review of arrangements established to manage licencing of short-term lets including submission of required supporting information, fees, statutory notices, exemptions, compliance, and enforcement.	Edinburgh has a stronger, greener, fairer economy and remains a world leading cultural capital.	2, 4, 9, 11 12, 13	30	Medium
Children, Education and Justice Services	28. Getting it Right for Every Child (GIRFEC) - review to evaluate how well GIRFEC processes are embedded in practice within the Council considering GIRFEC pathways and practitioner guidance.	Attainment, achievement, and positive destinations are improved for all with a particular focus on those in poverty.	4, 7, 8, 9 11, 12	40	Medium
Health and Social Care Partnership (HSCP)	29. Support for carers – including respite support – review of established processes to provide information, advice and support for unpaid carers including short breaks and respite support.	Core services for people in need of care and support are improved.	4, 5, 6, 9, 10 11, 12	30	Low
CEJS and HSCP	30. Quality Assurance – review of arrangements for improving the quality of planning and delivery of social work and social care services including monitoring processes, practice evaluations, case file reviews and progress towards improving practice outcomes identified by the Care Inspectorate.	Core services for people in need of care and support are improved.	4, 6, 8, 9, 10 11, 12, 13	40	Medium
Total Indicative Audit Days				440	

Recurring Audits					
Auditable Area	Audit	Business Plan Outcome	CLT Risks	Allocated Days	Fraud Risk
Cross Directorate	31. Validation of Implementation of Previously Closed Management Actions - review of a sample of previously implemented and closed IA agreed management actions to confirm that they have been effectively sustained.	All	All	25	Medium
	32. Implementation of Whistleblowing and Assurance Actions – in line with Tanner Review, review of progress with implementation of a sample of whistleblowing recommendations and other assurance actions. Will consider effectiveness of directorate oversight arrangements.	All	1, 7, 8, 10 11, 12, 14	40	Medium
Place – Operational Services Place	33. Port Facility Security Plan - annual light touch review of existence and operation of the Port Facility Security Plan as per Department for Transport requirements.	Edinburgh has a stronger, greener, fairer economy and remains a world leading cultural capital.	4, 5, 6, 11, 12	20	Medium
	34. Transfer of the Management Development Funds Grant (TMDF) - bi-annual light touch review of the key controls supporting TMDF from the Council to registered social landlords in line with Scottish Government requirements.	People have decent, energy efficient, climate proofed homes they can afford to live in.	2, 11, 12, 13	20	Medium
Total Recurring Audit Days				105	

Other Organisations	Audit Service	Allocated Days
Lothian Pension Fund	(35-38) Preparation of annual audit plan, attendance at committee and delivery of four audits for Lothian Pension Fund (LPF) including an annual validation review to provide continued assurance on previously implemented management actions. Delivery of these audits will be supported as part of co-source arrangements.	90
Edinburgh Integration Joint Board	(39-42) Preparation of annual audit plan, attendance at committee and delivery of four audits for the EIJB including an annual validation review to provide continued assurance on previously implemented management actions. Three audits will be delivered by the Council's IA team, and one delivered with support from NHS Lothian's IA team.	90
SEStran	(43) One audit delivered for South-East of Scotland Transport Network (SEStran) as part of established audit service arrangement.	20
Royal Edinburgh Military Tattoo	(44) One audit delivered for Royal Edinburgh Military Tattoo (REMT) as part of established audit service arrangement.	20

Lothian Valuation Joint Board	(45) One audit delivered for Lothian Valuation Joint Board (LVJB) as part of established audit service arrangement.	25
Total Audit Days for Other Organisations		245

Other IA Activities	Allocated Days
Follow up to confirm that agreed management actions have been effectively implemented	200
IA Quality Assurance including annual PSIAS self-assessment	30
Preparation throughout 2024 for introduction of the new Global Internal Audit Standards including process updates and colleague/member training	70
Training (officer induction, leadership, TeamMate+ and general controls)	10
Contingency – including extended scope, ad-hoc consultancy, and advisory work	80
Total other IA activities	390

Area	Allocated Days	Area	Allocated Days
Priority Audits	600	Other IA Activities	390
Indicative Audits	440	Contingency	80
Recurring Audits	105	Total	1860
Other Orgs Audits	245		
Total audit days	1390		