

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 17 JUNE 2025

INTERNAL AUDIT ACTIVITY UPDATE

REPORT BY CATHIE WYLLIE – SERVICE LEADER - INTERNAL AUDIT

1. ABSTRACT

- 1.1 This report provides assurance through an update on Internal Audit matters including main findings from reports issued since the date of the last Scrutiny and Audit Committee and progress with implementation of agreed Internal Audit and Counter Fraud actions.

2. ALIGNMENT TO THE COUNCIL PLAN AND COUNCIL POLICIES

- 2.1 The contents of this report contribute to the achievement of the corporate priorities set out in the Angus Community Plan and the Council Plan. This is achieved through this report providing the Scrutiny & Audit Committee with information and assurance about council internal control systems, governance and risk management.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Scrutiny and Audit Committee:
- (i) considers and notes the update on progress with the planned Internal Audit work (Appendix 1);
 - (ii) notes the position with implementation of agreed audit and counter fraud actions (Appendix 1), and
 - (ii) note the intention to reinstate the detailed risk reporting to committee from September 2025 (section 6 below).

4. BACKGROUND

- 4.1 Annual Internal Audit plans are approved by the Scrutiny and Audit Committee and a progress report is submitted to each meeting of the Committee. This report outlines progress in delivering the agreed 2024/25 plan (agreed at the Scrutiny & Audit Committee in April 2024 Report 123/24) and items from the 2023/24 plan that were incomplete in June 2024.
- 4.2 Internal Audit issues a formal report for each review undertaken as part of the annual audit plan. Each report contains an action plan which incorporates all the recommendations made. This action plan, prepared under SMART (Specific, Measurable, Achievable, Realistic, Timed) criteria, is agreed with management within the relevant services who nominate persons responsible for taking forward the actions and who set their own completion date for each action. This agreed action plan forms an integral part of the final audit report and audit recommendations are ranked to indicate materiality. SMART internal control actions are also agreed following Counter Fraud investigations.
- 4.3 As part of the on-going audit process, Internal Audit reviews the implementation of recommendations and reports the results to each meeting of the Scrutiny and Audit Committee.
- 4.4 Ad-hoc requests for advice are dealt with as they arise.
- 4.5 Internal Audit is required to comply with prescribed internal audit standards. These changed from 1 April 2025 and an action plan to ensure compliance is currently being worked through.

5. CURRENT POSITION


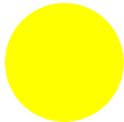
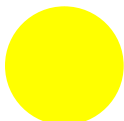
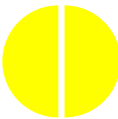
- 5.1 The latest results are included in the Update Report at **Appendix 1** and summarised in section 6 below.



6. DETAILED RISK MANAGEMENT REPORTING

- 6.1 Following the reporting of the Corporate Risk Register to Scrutiny and Audit Committee in April 2025, and activity planned to implement actions on risk management by the end of June 2025, it is intended to reinstate the detailed risk reporting to Scrutiny and Audit Committee. The Risk Monitoring Group will consider this at their June meeting and report the planned programme to the Scrutiny and Audit Committee in September. A detailed presentation on their Service Risk Register will also be made by one Service at the September meeting.

7. SUMMARY OF ASSURANCES

- 7.1 The following table summarises the conclusions from audit work completed since the last Scrutiny and Audit Committee. Further information on each audit, and definitions of control assurances, are provided in Appendix 1.
- 7.2 Recommendations from counter fraud work are not graded. The number of recommendations made are noted under the Grade 4 column. * In the final column denotes that the service already has actions in place to address weaknesses identified in the audit or has action plans for other improvements in progress.

Audit	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
			1	2	3	4
Payroll Continuous Auditing March 2025	Comprehensive		-	-	-	-
Creditors continuous auditing Duplicate Payments Jan. – March 2025	Substantial		-	-	-	-
Creditors continuous auditing Same person registration and authorisation April 2024 – Mar 2025	Substantial		-	-	-	-
Continuous Auditing – IT System Access	Substantial		-	-	-	-

Audit	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
			1	2	3	4
Travel Expense Claims	Substantial		1	4	1	2
External Placements (Children)	Substantial		-	2	-	-

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications arising from the recommendations of this report, except for the implications for correction and recovery from identified errors in salary processing.

9. RISK MANAGEMENT

- 9.1 The overall impact on risk management and recommendations made to mitigate risks identified during the audit are covered in each individual audit report.

10. ENVIRONMENTAL IMPLICATIONS

- 10.1 There are no direct environmental implications arising from the recommendations of this report.

11. EQUALITY IMPACT ASSESSMENT, HUMAN RIGHTS AND FAIRER SCOTLAND DUTY

- 11.1 A screening assessment has been undertaken, and a full Equality Impact Assessment is not required for the following reason: - this report is providing reflective information for elected members.

12. CHILDREN'S RIGHTS AND WELLBEING IMPACT ASSESSMENT

- 12.1 A Children's Rights and Wellbeing Impact Assessment has been undertaken, and a full assessment is not required as the "General Principles" do not apply to this proposal.

13. CONSULTATION

- 13.1 This report was circulated for consultation to all Directors of the Council.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

REPORT AUTHOR: Cathie Wyllie, Service Leader – Internal Audit

EMAIL DETAILS: ChiefExec@angus.gov.uk

List of Appendices:

Appendix 1 Internal audit update report

Angus Council Internal Audit



Update Report

Scrutiny & Audit Committee

17 June 2025

Cathie Wyllie
Service Leader – Internal Audit
Chief Executive's

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INTRODUCTION

This report presents the progress of Internal Audit activity within the Council from January 2025 and provides an update on progress with:




- planned audit work, and
- implementing internal audit and counter fraud recommendations









AUDIT PLAN PROGRESS REPORT






The table below notes the stage of progress of all audits in the agreed 2024/25 plan and those carried forward from 2023/24 in June 2024.



Definitions for control assurance assessments are shown at the end of this report.

Progress with Internal Audit Plan 2024/25

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / <i>(target in italics)</i>
Corporate Governance					
Corporate Governance annual review – 2023/24	May/June	Complete	N/A	N/A	June 2024 Report 191/24
Performance Management & Monitoring (2023/24)	April/May 2024	Final report issued and with CLT	Limited		Aug 2024
Financial Governance					
Payroll continuous auditing April to June 2024 July to Sept. 2024 Oct. – Dec. 2024 Jan. – Feb. 2025 March 2025	On-going	Complete Complete Complete Complete Complete	Comprehensive Comprehensive Comprehensive Comprehensive Comprehensive		Aug 2024 Dec. 2024 Mar. 2025 Apr. 2025 June 2025
Payroll audit of overtime payments (added to plan April 2024) September 2023 to June 2024	On-going	Complete	N/A	N/A	April 2025
Creditors continuous auditing Duplicate Payments April to June 2024 July to Sept. 2024 Oct. – Dec. 2024 Jan. – Mar. 2025	On-going	Complete Complete Complete Complete	Comprehensive Comprehensive Substantial Substantial		Aug 2024 Dec. 2024 March 2025 June 2025

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / <i>(target in italics)</i>
Creditors continuous auditing Same person registration and authorisation (2023/24) April 2023 – Mar. 2024	June/July 2024	Complete	Substantial		Aug. 2024
Creditors continuous auditing Same person registration and authorisation April 2024 – Mar 2025	April/May 2025	Complete	Substantial		June 2025
Supplier Bank Details – process for changes (2023/24).	June/July 2024	Complete	Substantial		Jan. 2025
Tayside Contracts – Invoice Processing & Monitoring (2023/24) - Cleaning (facilities & Council offices)	July - Sept. 2024	Complete	Substantial		Dec. 2024
Tayside Contracts – Invoice Processing & Monitoring (2023/24) - Schools	July - Sept. 2024	Complete	Comprehensive		Dec. 2024
Tayside Contracts – Invoice Processing & Monitoring (2023/24) - Roads	Aug. – Nov. 2024	Complete	Comprehensive		Jan. 2025
Tayside Contracts – Invoice Processing & Monitoring (2023/24) - Fleet	Aug. – Nov. 2024	Complete	Substantial		Jan. 2025
Council Tax Refunds – review of process and controls	Sept. 2024	Complete	N/A	N/A	Dec. 2024
External Placements (Children)	Sept.– Dec. 2024	Complete	Substantial		June 2025
Self-Directed Support (SDS)	Apr./May 2025	Planning			<i>Sept. 2025</i>

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / <i>(target in italics)</i>
Programme of random cash counts	Ad-hoc	Complete	Comprehensive		Jan. 2025
Purchase ledger invoice processing & authorisation - Early Years	Oct.- Jan. 2024	Complete	Comprehensive		March 2025
Purchase ledger invoice processing & authorisation - Housing (Northgate)	Oct.- Jan. 2024	Complete	Comprehensive		April 2025
Purchase ledger invoice processing & authorisation AHSCP Carefirst - Adult Care Home payments	Oct.- Jan. 2024	Draft report issued – with service for agreement			Sept. 2025
Travel Expense Claims	Nov. – Jan. 2024	Draft report issued – with service for agreement	Substantial		June 2025
IT Governance					
IT User Access Administration – Integra (2023/24)	Feb 2024 (Delayed)	Complete	Substantial		Jan. 2025
Digitisation of Services (2023/24)	March/April 2024	In Progress awaiting information			<i>Sept 2025</i>
IT User Access Administration (Eclipse)	Feb. / Mar. 2025	Draft report issued – with service for agreement			<i>Sept. 2025</i>
Use of Cloud Computing (Cyber Security Supply Chain Management)	Jan. / Feb. 2025	Draft report agreed, action plan with services for completion			<i>Sept. 2025</i>

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / (target in italics)
Application Consolidation Strategy/Delivery	Mar. 2025	In progress			<i>Sept 2025</i>
Continuous Auditing – IT System Access	April 2025	Completed	Substantial		June 2025
Internal Controls					
AWI Follow-up (2023/24)	Feb./ Mar. 2024	Complete	Substantial		Aug. 2024
Contract Management Procedures	Feb./ Mar. 2025	In Progress			<i>Sept. 2025</i>
Procurement	Apr./ May 2025	Moved to 2025/26 Audit Plan			
Asset Management					
Management/ supervision of empty Council premises	May/June 2025	Planning			<i>Sept. 2025</i>
Fleet Management	June/July 2025	Planning			<i>Sept. 2025</i>
Housing Void Management	Apr./ May 2025	Moved to 2025/26 Audit Plan			
Legislative and other compliance					
Health & Safety – Evolve System (for risk assessments on school trips, excursions, etc.)	Apr. - June 2025	In Progress			<i>Sept. 2025</i>

Angus Alive and Angus Health & Social Care IJB


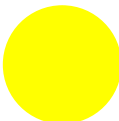
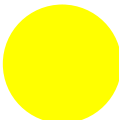
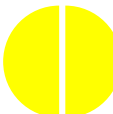


Angus Council's Internal Audit staff work on the audit plans for both ANGUSalive and Angus Health & Social Care IJB. Reports for both bodies are presented to their respective audit committees throughout the year. Where IJB audit reports are particularly relevant to the Council they will also be reported to the Scrutiny & Audit committee. Work for the 2024/25 IJB audit plan is currently in progress, a draft report is with the service for agreement.

The ANGUSalive Annual Internal Audit Plan for 2024/25 was agreed at their Finance & Audit Sub-committee on 14 June 2024, and work on the final piece of work for plan is in progress. Their Annual Internal Audit Plan for 2025/26 was approved by their Finance & Audit sub-committee on 4 April 2025.

SUMMARY OF FINDINGS OF INTERNAL AUDIT REVIEWS

This section provides a summary of the material findings of internal audit reviews concluded since the last meeting. It also provides information on the number of recommendations made. Recommendations are ranked in order of importance, with Priority 1 being the most material. Execution of recommendations is followed up by Internal Audit and reported to this Committee.

Members are asked to consider the following summaries and provide any commentary thereon.

Audit	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
			1	2	3	4
Payroll Continuous Auditing March 2025	Comprehensive		-	-	-	-
Creditors continuous auditing Duplicate Payments Jan. – March 2025	Substantial		-	-	-	-
Creditors continuous auditing Same person registration and authorisation April 2024 – Mar 2025	Substantial		-	-	-	-
Continuous Auditing – IT System Access	Substantial		-	-	-	-
Travel Expense Claims	Substantial		1	4	1	2
External Placements (Children)	Substantial		-	2	-	-

Continuous Auditing

Continuous auditing analysing data extracted from Council systems is undertaken using the data analysis software, CaseWare IDEA (Interactive Data Extraction covering:

- Payroll
- Creditors (Accounts Payable) duplicate payments
- Creditors same person registration & authorisation
- IT System log-in access.

We are reporting on Payroll, Creditors (Accounts Payable), Creditors same person registration & authorisation and IT System log-in access.

Payroll –March 2025 - Comprehensive assurance

No issues were identified relating to duplicate or missing NI numbers.

Review of the top 10 payments resulted in one salary payment for March being investigated with Payroll; this was explained satisfactorily (a leaver had been paid for accrued unused annual leave, resulting in increased basic pay).

Creditors Duplicate Payments – January to March. 2025 – Substantial Assurance

Two duplicate payments totalling £19,362.83 were identified in January, for which refunds have been requested (£11,925.33 refund received at 20 May 2025), and one in February for £23.39, for which a credit note has been received. Nine duplicate payments totalling £135,080.93 have been confirmed in March, with refunds requested (£122,725.60 received at 6 June 2025). These duplicate payments were all due to invoices being processed twice in error. Advice will be given to relevant staff regarding changes to processes and/or additional controls to mitigate the risk of this happening in future.

Creditors Same Person Registration & Authorisation – April 2024 to March 2025 – Substantial Assurance

We analysed information from Integra to identify instances where the same person had registered and approved an invoice for payment. All instances have been investigated and explained satisfactorily. Examples of why this occurred are employee error and system issues.

IT System Log-in Access 2024/25 – 1 May 2024 to 24 March 2025 – Substantial Assurance

IT provided us with two reports dated 24 March 2025, one for accounts which have never been logged on, and one for accounts which have not logged on in the past 21 days. Review of these reports could provide a potential saving to the Council if licences for Office 365 which are no longer required for inactive accounts can be re-used for other staff. Additionally, if idle accounts are not disabled there is a risk that these could be accessed without authority.

The “Never Logged On” report showed 403 accounts (366 as at 30 April 2024), of which 55 had been disabled but the account was not deleted. The remainder will be reviewed and, following consultation with the relevant services, either disabled or deleted by IT as required.

The “Not Logged On for 21 Days” report listed 539 accounts (734 as at 30 April 2024) which had not been accessed since before 1 May 2024. 205 had been disabled but the account was not deleted. 190 were not reviewed as these were assessed as relating to posts where access to systems is not part of their normal duties. 32 were found to relate to posts which are still current and require no further action. The remaining 112 relate to leavers, students, Tayside Health Board, contractors, external users and accounts allocated to roles rather than individuals. Details of these have been passed to IT for review and, following consultation with the relevant services, should be disabled/deleted as appropriate.

Travel & Subsistence Expense Claims

Introduction & Background

The 2024/25 Internal Audit plan includes a review of Expense Claims. The purpose of this audit is to provide assurance that employees and elected Members are following the established corporate procedures for claiming reimbursement of expenses relating to business travel and subsistence.

An audit in this area was last undertaken in 2019, however since then procedures have been revised and updated to reflect the change in working practices for many employees following the introduction of Agile Working.

The current Travel and Subsistence procedures are communicated to staff on the Intranet, under "Employee Matters – Travel & Subsistence", which covers Business Travel Policy & Guidance, Excess Travel Allowances, Rail Travel, and Subsistence.

For all employees expense claims are now made online, via Resourcelink. Councillors expense claims are currently emailed to Payroll by the Executive Support team, but the intention is that they will be given access to the online facility at some point in the future.

In 2023/24 the total value of travel and subsistence claimed for employees was £552,821.99 compared to £637,596.89 in 2022/23 – a decrease of £84,774.90 (13.3%). Total claimed for Councillors was £7,443.47 in 2023/24, and £6,142.29 in 2022/23, an increase of £1,301.18 (21.2%).

Scope

This audit will review compliance with procedures for expense claims across the Council, including staff providing services on behalf of Angus Health & Social Care Partnership (AHSCP), and claims submitted by elected Members.

The audit will seek to provide assurance on the following objectives:

- Expense claims are fully completed in accordance with the relevant Personnel Advisory Bulletins and Resourcelink guidance.
- Expense claims are appropriately authorised in line with the Scheme of Delegation.
- Appropriate receipts are provided and retained to evidence all expenditure claimed.
- The Council is adhering to HMRC rules and procedures regarding payment of expenses to staff.
- Employees using their own vehicle for business journeys have confirmed that the appropriate insurance cover is in place and a current MOT certificate if applicable.
- Mileage claims for excess mileage due to relocation of work base cease by the prescribed date.
- Subsistence is not being claimed for working within Angus.

Conclusion

The overall level of assurance given for this report is '**Substantial Assurance**'.

Overall assessment of Key Controls

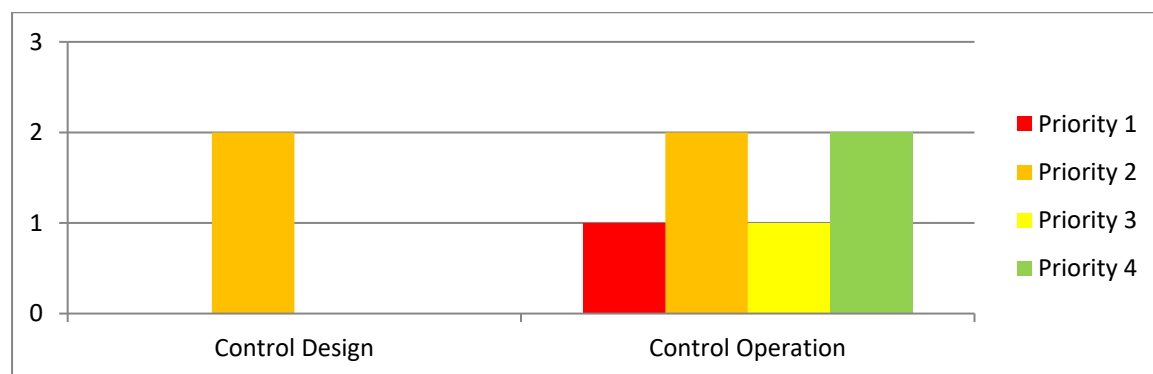
The audit reviewed and assessed the controls in place to manage the following Key Control Objectives:

Control Assessment



- 1. Expense claims are fully completed in accordance with the relevant Personnel Advisory Bulletins and Resourcelink guidance.
- 2. Expense claims are appropriately authorised in line with the Scheme of Delegation.
- 3. Appropriate receipts are provided and retained to evidence all expenditure claimed.
- 4. The Council is adhering to HMRC rules and procedures regarding payment of expenses to staff.
- 5. Employees using their own vehicle for business journeys have confirmed that the appropriate insurance cover is in place and a current MOT certificate if applicable.
- 6. Mileage claims for excess mileage due to relocation of work base cease by the prescribed date.

Audit Recommendations summarised by Type & Priority



There are eight control recommendations in this report: six operational control recommendations, one priority 1, two priority 2, one priority 3 and two priority 4. And two design control recommendations, both priority 2.

Key Findings

Areas Identified for Improvement:

We have made eight recommendations to address high to low risk exposure which are shown below. A number of these can be dealt with together in reminding all staff and members to familiarise themselves with the guidance, drawing attention to the areas where errors were identified.

Overpayments identified in the audit, which occurred due mainly to not deducting home to base mileage, were not material amounts. Work to reclaim any of these would not be cost effective and has therefore not been done.

Operational Control

Level 1

- HR should remind Managers of their responsibility to ensure a valid receipt is provided to support expenditure claimed by an employee before authorisation. It is a requirement from HMRC that receipts should be retained for a period of 6 years. All receipts should be uploaded on MyView

where they will be stored and retained for the required time. All employees should be advised that photographs of receipts are acceptable.

Level 2

- HR should remind all employees and Managers to re-familiarise themselves with all relevant travel policy and guidance available on SharePoint, to ensure claims are completed accurately and under the correct expense category (i.e. business mileage or excess travel). Whilst it is recognised that the use of Forward Plan Business Journeys is not practical for those undertaking regular travel within Angus as part of their daily work, use of this tool should be encouraged for non-standard, one-off type journeys to evidence that the most efficient business travel has been undertaken.
- HR should remind all employees to ensure Business Travel Policy & Guidelines is adhered to by deducting home to base/base to home mileage from all employee business claims. Managers should be reminded to check this before authorising claims.

Level 3

- HR should update Resourcelink/MyView promptly with any changes to employees' new base when a Change of Circumstance form is completed. HR should also remind managers to complete a Change of Circumstance form if an employee's base is changed.

Level 4

- HR should remind all employees to provide a sufficiently detailed description of their journey in each travel claim, including all starting points and destinations, to enable managers who authorise their claims to check the reasonableness of mileage claimed before authorisation.
- The spreadsheet log of mileage rates should be updated to reflect current HMRC rates and kept up to date for any future changes

Design Control

Level 2

- HR should review and update the Business Travel Guidelines prior to the next planned review date, ensuring that all links to relevant documents are operating correctly and the Annual Driving Checklist referred to is available.
- HR should update the Business Travel Guidelines to advise line managers that they should verify, on at least an annual basis, that an employee's vehicle has a valid MOT certificate and is insured for business use.

Risk

There are no specific risks identified on the Strategic Risk Register held on Pentana which relate to this audit. However, with continuing reductions in staff and the consequent increased workloads for the remaining workforce, there is a risk that compliance with established procedures and controls may be compromised, and ineligible claims are paid. Implementation of the recommendations from this audit will mitigate the risk of ineligible claims being made and paid.

External Placements (Children)

Introduction & Background

The 2024/25 Internal Audit Plan includes a review of the Council's procedures for external placements for children.

Under the Children (Scotland) Act 1995, looked after children are those in the care of their local authority. Children can be looked after and live at home if they are subject to a Compulsory Supervision Order. Where children and young people are looked after away from home, they may be placed with kinship carers (extended family/friends), foster carers, with prospective adopters, or in residential care directly provided by the Local Authority or commissioned from a registered external provider. Under the provisions of the Children and Young People (Scotland) Act 2014, looked after children can request a continuation of their care placement up until the age of 21.

The Angus Children, Families and Justice Improvement Plan 2024-27 includes a section on Care which notes 62% of care experienced children were placed within Angus in 2023/24. Plans to reduce reliance on external residential providers include expanding capacity of the Angus Council children's residential estate. (Per Report 165/24).

In some cases, children have to be placed in a residential care setting purchased from an external provider. The following table shows the costs to the Council for this in the last three financial years.

Financial year	Budget £'000	Actual £'000	Variance £'000
2020/21	3,498	3,513	-15
2021/22	3,398	3,636	-238
2022/23	3,590	6,633	-3,043
2023/24	7,486	9,005	-1,519

Delivery of the best available contracted service is important to meet the needs of the individual children involved and to ensure value for money.

The Council has a policy that covers the operation of the Residential Resource Panel in relation to external residential resources and secure accommodation. This recognises the following "Key Principles:

- Children should, wherever possible, be looked after within their own family and in a community setting, supported by an effective package of appropriate community resources to meet need.
- Children and their families/carers have a right to make informed choices and have their views taken into account.
- Parents, children and young people will be involved at every stage of the decision making process.
- All interventions will follow an assessment of risk and need and all admissions to care will be authorised by a Service Leader. Any external resource requiring payments will need to be agreed at this panel.
- Full consideration should be given to the legal basis for admission and Section 25 admissions should be agreed only where the level of risk not to do so is assessed as unacceptable."

The policy notes that “Residential Care Placements should be made via a planned process and will either be made by securing internal resources or by purchasing an external placement.”

The policy was written in 2019 and this, and operational instructions that provide clarity on what should happen, were updated in 2024 to make sure they align and reflect current practice. The Residential Resource Panel guidance update was in draft and was approved in principle in October 2024 and will be subject to final sign off by the CFJ Management Team once the outcome of this audit report is considered, so any amendments and improvements can be reflected.

An audit was undertaken internally by the Quality, Improvement and Review Service “to establish to what degree there is evidence in children’s files that there has been management oversight in respect of decision to accommodate”. The review covered the year to end March 2024 and involved cases for all placements and not just external residential placements. The “Audit of Decision to Accommodate – 2024” report (Decision to Accommodate report) on this work was considered by the CFJ Management Team on 30 August 2024 – the action agreed was to take this report to the Extended Management Team on 4 September 2024 to consider what further actions were required.

Scope

This audit will provide assurance about the adequacy of the administrative systems for procurement of external places for children and budget management arrangements. The audit will not consider the quality of the care.

The revised draft Guidance Note will be taken into consideration in making any recommendations from the audit findings.

Duplication of testing undertaken in the audit by the Quality, Improvement and Review Service will be minimised in this internal audit. Where relevant the audit findings will be aligned with the Decision to Accommodate report findings, and any actions agreed by management following its consideration.

Objectives:

- The processes outlined in the Council’s Residential Resource Panel (RRP) guidance are followed when sourcing and matching external residential placements.
- The processes outlined in the RRP guidance are followed for Formalising an External Placement.
- Delivery of contracted external residential placements is monitored/reviewed in accordance with the RRP guidance; any changes to financial circumstances or increased funding required are approved in line with the RRP guidance.
- Regular budget monitoring information is reviewed the by service, and this and associated changes to recorded risk impact are reported appropriately.
- Progress with plans to reduce reliance on external residential providers are kept under review and factored into budget monitoring and budget setting for future years.

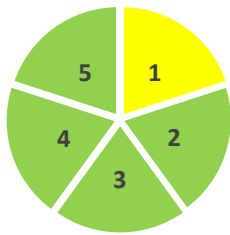
Conclusion

The overall level of assurance given for this report is ‘**Substantial Assurance**’.

Overall assessment of Key Controls

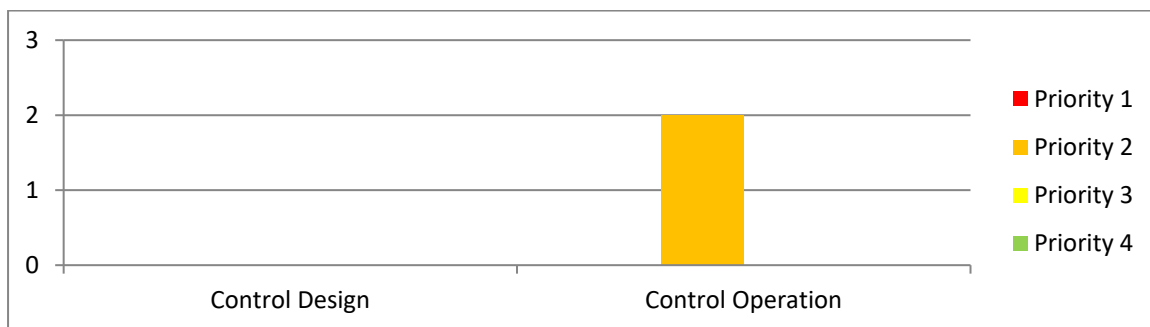
The audit reviewed and assessed the controls in place to manage the following Key Control Objectives:

Control Assessment



- 1. The processes outlined in the Council's Residential Resource Panel (RRP) guidance are followed when sourcing and matching external residential placements.
- 2. The processes outlined in the RRP guidance are followed for Formalising an External Placement.
- 3. Delivery of contracted external residential placements is monitored/reviewed in accordance with the RRP guidance; any changes to financial circumstances or increased funding required are approved in line with the RRP guidance.
- 4. Regular budget monitoring information is reviewed by the service, and this and associated changes to recorded risk impact are reported appropriately.
- 5. Progress with plans to reduce reliance on external residential providers are kept under review and factored into budget monitoring and budget setting for future years.

Audit Recommendations summarised by Type & Priority



There are 2 operational control recommendations in this report, both priority 2.

Key Findings

Areas Identified for Improvement:

We have made 2 recommendations to address moderate risk exposure which are:

Level 2

- **Recommendation 1 – Operational Priority 2:** The Residential Resource Panel (RRP) Guidance Note should be finalised and approved by senior management, before being issued to all relevant staff.
- **Recommendation 2 – Operational Priority 2:** All staff involved in the External Placement and RRP process should be reminded to follow Operational Instruction 3.20 and ensure evidence of decision making authorisation is recorded within the client information system Eclipse when an external residential placement is required.

Risk

The key risks associated with the systems under review in this audit are that if proper processes and guidance are not followed, inconsistencies may arise with regard to the authorisation and procurement of external placements for children, external residential placements may not be delivered in line with contractual agreements, and value for money may not be obtained for the Council.

Implementation of actions resulting from Internal Audit recommendations

Background

The summary report is presented below in accordance with the agreed reporting schedule.

Summary of Progress – Internal Audit

The figures presented in the tables below have been obtained after analysis of the audit actions recorded and monitored on the Pentana Performance system. The information presented below reflects the 42 (47 on 14 April 2025) Internal Audit actions outstanding on 5 June 2025 (excludes actions for Angus Alive and IJB). CLT receive and review regular detailed reports on the outstanding audit actions.

- Table 1 shows the number of actions overdue on 5 June 2025
- Table 2 shows the number of actions which would have been overdue on 5 June 2025 but have had the **original completion date extended**.
- Table 3 shows the number of actions in progress which have not yet reached their due date.

Internal Audit Actions - Overdue – 5 June 2025

Directorate	Audit Year	Level 1	Level 2	Level 3	Level 4	Not Graded	Grand Total
Vibrant Communities & Sustainable Growth	2024/25	-	-	1	-	-	1
HR, OD, DE, IT & Business Support	2022/23	-	1	-	-	-	1
	2024/25	3	2	1	-	-	6
Grand Total		3	3	2	-	-	8

Internal Audit Actions - In Progress –5 June 2025 (due date extended)

Directorate	Audit Year	Level 1	Level 2	Level 3	Level 4	Not Graded	Grand Total
Vibrant Communities & Sustainable Growth	2024/25	-	1	1	-	-	2
Infrastructure & Environment	2020/21	-	1	-	-	-	1
	2021/22	-	-	-	-	-	-
	2022/23	-	-	-	-	-	-
	2023/24	-	-	-	-	-	-
	2024/25	1	2	1	-	-	4
Chief Executive	2024/25	-	2	-	-	-	2
Finance	2024/25	-	6	4	-	-	10
HR, OD, DE, IT & Business Support	2022/23	-	1	-	-	-	1
	2023/24	-	-	-	-	-	-
	2024/25	-	4	2	2	-	8
Grand Total		1	17	8	2	-	28

Internal Audit Actions - In Progress –5 June 2025 (not yet reached due date)

Directorate	Audit Year	Level 1	Level 2	Level 3	Level 4	Not Graded	Grand Total
HR, OD, DE, IT & Business Support	2024/25	-	4	2	-	-	6
Grand Total		-	4	2	-	-	6

Summary of Progress – Counter Fraud

Internal control actions resulting from counter fraud reviews are included in Pentana to allow them to be monitored more effectively. Counter Fraud recommendations are not assigned a priority. The information in the tables below represents the 1 Counter Fraud action outstanding on 5 June 2025 (1 outstanding on 14 April 2025).

Counter Fraud Actions – In Progress (due date extended) – 5 June 2025

Directorate	Year Investigation Concluded	Total
Infrastructure & Environment	2024/25	1
Grand Total		1

DEFINITION OF ASSURANCE LEVELS, CONTROL ASSESSMENTS & RECOMMENDATION PRIORITIES

Level of Assurance definitions

Level of Assurance	Definition
Comprehensive Assurance	There is a sound control framework in place designed to achieve the system objectives, which should be effective in mitigating risks. Some improvements in a few, relatively minor, areas may be required, and any residual risk is either being accepted or addressed by management.
Substantial Assurance	The control framework in place is largely satisfactory, however there are a few areas where improvements could be made to current arrangements to reduce levels of risk, and/or there is some evidence that non-compliance with some controls may put some of the system objectives at risk.
Limited Assurance	Some satisfactory elements are evident within the control framework. However, some significant weaknesses have been identified which are likely to undermine the achievement of objectives, and/or the level of non-compliance with controls puts the system objectives at risk.
No Assurance	The control framework is ineffectively designed and operated. The issues identified require immediate attention to address the risks to the Council which are currently unacceptable. Significant improvements are required.

Control assessment definitions

Control Assessment	Definition
Red	Fundamental absence or failure of key control
Amber	Control objective not achieved – control is inadequate or ineffective
Yellow	Control objective achieved – no major weakness but scope for improvement
Green	Control objective achieved – control is adequate, effective & efficient

Recommendation Priority definitions

Priority	Definition
1	Recommendation concerning the absence/failure of fundamental control which is critical to the success of the system. Major weakness which significantly impairs the overall control framework. Immediate management action required. Very high-risk exposure.
2	Recommendation concerning absence or non-compliance with key control which creates significant risks within the organisation. Substantial weakness identified. Prompt management action required. High-risk exposure.
3	Recommendation concerning absence or non-compliance with lower-level control, or an isolated instance of non-compliance with a key control. The weakness identified is not necessarily great, but controls would be strengthened, and the risks reduced if it were rectified. To be addressed by management within a reasonable timescale. Moderate risk exposure.
4	Recommendation concerning minor issue, which is not critical, but implementation would improve the system and/or strengthen controls. To be addressed by management within a reasonable timescale. Limited risk exposure.