

Internal Audit Report

Annual Validation Review

20 November 2024

CD2412

Overall Assessment	Reasonable Assurance
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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2024/25 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2024. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there are specific recommendations included in this report to strengthen internal control, it is management’s responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

Executive Summary

Overall Assessment

Reasonable Assurance

Overall opinion and summary of findings

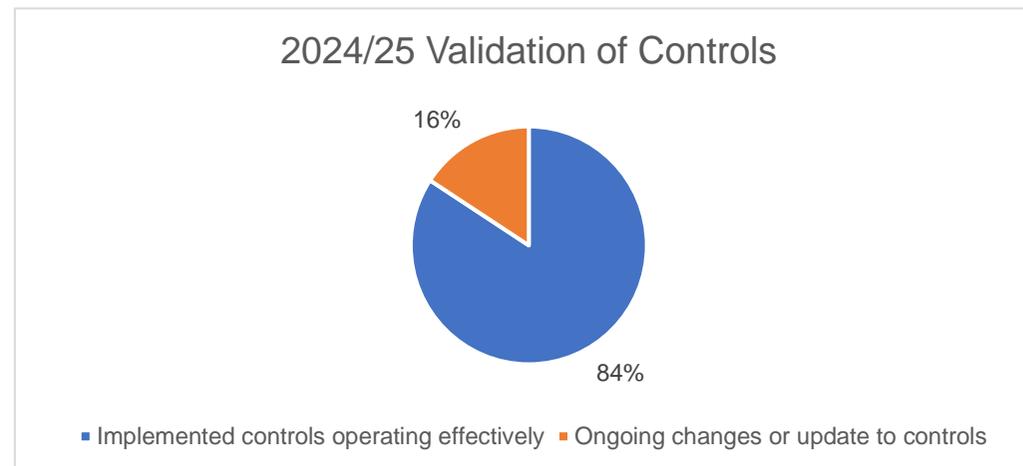
Our review of a sample of previously implemented audit actions found that the majority of controls have been sustained.

Most controls continue to operate as originally implemented, while changes to the status of three controls were identified. These have been noted below:

- **Sensory Loss Support** – direct feedback from service users should be sought to understand the experience of service providers within Sensory Loss Support Services and drive decision making
- **Planning Householder Applications and use of IDOX system** – following a move from an internally hosted to externally hosted server, user access forms should be reimplemented to improve access controls of the system
- **Tree Management H&S** – at a recent review of KPI's, it was identified that the designed KPI's can no longer be measured due to the new system expected to measure these not being adopted.

Validation review results

Based on the sample of closed management actions, our review identified that of the 19 actions reviewed, 16 (84%) were functioning as originally validated, and 3 (16%) had circumstances change since originally implemented and/or validated by Internal Audit, and further progress in the area is noted in **Findings 1 – 3 below**.



Audit Code and Title	Findings	Priority Rating
HSC2202 Sensory Loss Support	Finding 1 – Sensory Loss Support Direct Service User Feedback	Medium Priority
PL2101 Planning Householder Applications and use of IDOX system	Finding 2 - IDOX/Uniform User access controls	Medium Priority
PL1902 Tree Management - H&S	Finding 3 – Performance Management and KPI's	Medium Priority

[See Appendix 1 for Assurance Definitions](#)

Background and scope

Internal Audit (IA) findings are raised where audit outcomes confirm that the controls established to mitigate the Council's risks are either inadequately designed or are not operating effectively.

When finalising internal audit reports, management actions are agreed by Directorates that should address the control weaknesses identified in the findings. Implementation of these agreed actions will provide assurance that the associated risks are effectively managed, reducing the Council's overall exposure to risk. It is essential that the management actions (once implemented) are effectively sustained. If not, the Council remains exposed to an unnecessary level of risk.

The annual 'validation' audit is included in the 2024/25 IA plan to assess whether management actions implemented to address audit findings raised in previous years, have been sustained and remain effective.

Between 1 January 2023 and 31 December 2023, a total of 117 management actions in scope were implemented (57 High, 54 Medium and 5 Low).

In October 2022, CLT and GRBV approved a risk-based approach to Internal Audit review and validation of evidence to support closure of management actions. A self-attestation process for all low rated actions and a sample of medium actions was introduced, with the remaining medium actions and all high actions being full validated by Internal Audit.

The 2024/25 annual validation audit included a sample of low, medium, and high rated actions, including those closed as self-attested.

Scope

The objective of this review was to validate whether 15% (17) of management actions closed between 1 January 2023 and 31 December 2023 continue to be effectively sustained.

A total of 19 actions across 16 audits were selected in total, covering all Council Directorates and the Health and Social Care Partnership. Further details of the sample selected are included at [Appendix 1](#).

Reporting Date

Testing was undertaken between 1 September 2024 and 31 October 2024.

Audit work concluded on 6 November 2024, and findings and opinion are based on the conclusion of audit work as at that date.

Findings and Management Action Plan

Finding 1 – Sensory Loss Support Direct Service User Feedback

Finding
Rating

Medium
Priority

Sensory Loss Support Services Audit - Action Closed September 2023

Findings, recommendations and what management agreed to do

The audit highlighted that there were limited opportunities to enable citizens to provide direct feedback to the commissioning service on their experience of Sensory Loss Support Services. Officers advised that this was being considered.

Internal Audit recommended that the service progressed the set-up of engagement focus groups and other planned direct channels of communication to receive direct service user feedback.

In accepting the recommendation, the service agreed the following actions:

- the service would like to hold twice yearly face to face communication and engagement sessions to gather feedback generally and views on future Sensory Loss Support Services provision across Edinburgh
- the service would like to hold an annual open day for the public across Edinburgh, engaging with public, third and private sector organisations

In agreeing the above actions, the service recognised the resourcing and funding challenges for facilitating these sessions including costs associated with accessible venues and providing appropriate trained BSL / English Interpreters and Electronic Notetakers.

Closure of action

The action was closed on the basis that the service had commenced direct communication and engagement events. Details of an Edinburgh See Hear Fest hosted by the Partnership on 1 September 2023 were provided, including post event feedback given by the service to exhibitors and organisations who had attended, indicating that a similar event would be held in 2024.

The action was closed on the basis of this partial completion, with closing comments noting that the service would also like to hold twice-yearly face-to-face communication and engagement sessions with service users.

November 2024 position

The service has advised that a different approach is now being taken as the role in commissioning is to shape new services and following a cost benefit analysis, planned twice-yearly face to face service user engagement sessions have not taken place, and there are no plans for further events such as the 2023 See Hear Fest. While the agreed management action has not been completed, evidence was provided that:

- indirect user feedback has continued to be received regularly from the three contracted service providers for all four contract lots
- wider feedback on the draft strategic plan has been obtained from a focus group with blind and partially sighted people.

Residual Risks

Strategic and Service Delivery – The views of people with sensory loss may not be fully captured in future strategic and service development.

Future service actions

- A paper and procurement requirement form will be discussed at the Commissioning, Contracts and Procurement Board on 18 December 2024, and if approved, plans will be made regarding engagement with people with sensory loss to shape new services. Co-production is an essential part of the planning and commissioning services.
- direct feedback from service users in future phases of the strategic planning and commissioning cycle prior to new contracts / services being let in April 2026.

Owner: Chief Officer, HSCP

Lead: Strategic Planning and Commissioning Officer – Sensory Loss

Target completion date: 1 April 2026

Finding 2 – IDOX/Uniform User access controls

Finding
Rating

Medium
Priority

Planning: Householder Applications and use of IDOX System Audit - Action Closed March 2023

Findings, recommendations and what management agreed to do

The audit highlighted that there was no established process to grant/revoke IDOX systems access, and while most requests were via email, one instance was noted where an officer requested a change to user access privileges for themselves via a Microsoft Teams chat.

Internal Audit recommended that management consider implementing a user access request form to enable requests to be recorded and approved by a relevant officer. If a form was deemed unnecessary, Internal Audit recommended that management remind officers that all user access requests should be emailed with relevant manager copied in.

In accepting the recommendation, management agreed to take a decision on whether to implement a User Access Form or similar control.

Closure of action

The action was closed on the basis that management took the decision to implement a User Access Form. Additionally, information provided by the ICT Lead Officer indicated that these forms had been agreed upon, with a generic account set up to receive requests, and reports for any new or change access requests to be run in order for managers to review on a monthly basis.

November 2024 position

Management had prepared the forms to create a new user and modify a user's account privileges set up for use on Halo. However, a decision was taken to move the IDOX servers from an on-premises solution to an externally hosted IDOX server. The forms created therefore could not be used and the new controls were temporarily shelved. The server changes were completed at the end of August 2024.

Residual Risks

Technology and Information – user access rights outwith role requirements.

Future service actions

Now that business as usual has resumed, management plans to reintroduce user access controls as outlined above and communicate the new process to all users and managers via the Planning and Building Standards Distribution email.

Owner: Executive Director, Place

Lead: ICT Lead Officer, Planning & Building Standards

Target completion date: 31 December 2024

Finding 3 – Tree Management Performance Management and KPI's

Finding
Rating

Medium
Priority

Tree Management - H&S Audit - Action Closed November 2023

Findings, recommendations and what management agreed to do

The audit highlighted that the Forestry Service had not established any performance reporting to monitor completion of work orders in line with the then published timescales on the Council's website.

Internal Audit recommended that the Forestry Service implement a strategic and operational performance management framework to enable ongoing monitoring of service delivery, which would include:

- Review of existing service delivery measures and indicators (KPIs) to ensure they are aligned with legislative and regulatory standards
- Senior management review of KPIs prior to implementation
- Creation of a performance dashboard to monitor performance of operational and strategic KPIs, which should be shared with relevant governance forums including senior management and Council committees.

Parks and Greenspace management accepted the internal audit recommendation and agreed to complete a piece of work in tandem with the review of the Trees in the City document by August 2021.

Closure of action

The action was originally closed on the basis that a suite of KPIs related to tree management within the Council had been developed, agreed by senior management, and had been published on the [Council's website](#). These actions were complete by November 2023.

November 2024 position

Internal Audit confirmed that a suite of KPIs were agreed and published on the Council's website in September 2023. However, the dashboard and internal governance and reporting process for the KPI's were not implemented. Additionally, management confirmed that the 11 current agreed KPIs cannot be measured, as they were designed with the understanding that a planned software upgrade would provide the necessary data. Implementation of this new system has been postponed, and due to the level of manual intervention required, annual KPI reporting has therefore not been possible.

Residual Risks

Service Delivery - Limited visibility of service performance and associated risks with under performance.

Future service actions

The Tree Management Service have confirmed that a full review of KPI's is required and that KPI's will be designed which can be measured on current systems without significant manual intervention.

Owner: Executive Director, Place

Lead: Horticulture Manager

Target completion date: 31 August 2025

Appendix 1 – Audits Included in the Annual Validation Review

A sample of actions across the following audits were reviewed as part of the 2024/25 annual validation review:

Directorate	Audit Code and Title	Priority Rating
Council-wide	CW1910 Life Safety	High Priority
	CW2001 Arm's length external organisations (ALEOs)	High Priority
	CW2006 Health and Safety – Asbestos Recommendations	Medium Priority
	CW2207 Allocation and Management of Purchase Cards	Medium Priority
	CW2005 GRBV Committee Effectiveness review	Low Priority
Corporate Services	CS2106 Capital Budget Setting and Management (2 actions)	Medium Priority
		Medium Priority
	CS2108 Payment Card Industry (PCI) Data Security Standard Compliance (2 actions)	High Priority
		Medium Priority
CS2205 CGI Security Operations Centre SOC	High Priority	
RES1910 Risk Management	High Priority	
Children, Education and Justice Services	ECS2102 Criminal Justice Social Work	Medium Priority
Health and Social Care Partnership	HSC2102 HSCP Transformation and Benefits Realisation	Medium Priority
	HSC2202 Sensory Support	High Priority
Place	PL1902 Tree Management - H&S	Medium Priority
	PL2101 Planning: Householder applications and use of IDOX system	Medium Priority
	PL2301 Edinburgh Employer Recruitment Incentive (EERI) (2 actions)	High Priority
		High Priority
	PL2303 Housing Stock Condition - Tenant Safety Damp and Mould	Medium Priority

Appendix 2 – Control Assessment and Assurance Definitions

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.