



Internal Audit Strategy

2025-28

Introduction

In line with Standard 9.2 of the Global Internal Audit Standards (GIAS), the Internal Audit (IA) Function must develop an IA Strategy which sets out IA's vision, objectives and supporting initiatives.

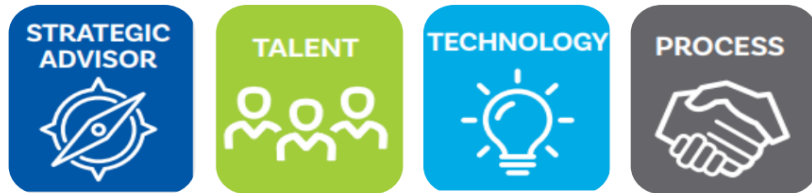
The IA Strategy should consider the Council's objectives, stakeholder expectations and key risks. It should also consider development and improvement opportunities for the IA function including the application of technology and tools to enhance audit efficiency and effectiveness.

To support development of the IA strategy and to help identify further opportunities for improvement, the IA team have undertaken a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, which has informed key themes and actions.

This IA Strategy outlines the framework for enhancing the effectiveness of the Council's IA function for the period 2025-2028.

IA Strategy Key Themes

The IA strategy centres around the following four key themes which will be developed further over time through monitoring and review processes including stakeholder feedback:



- being seen as a **strategic advisor** supporting the Council in managing both the risks and opportunities associated with its objectives
- focusing on **talent** through developing the skills, knowledge and experience of the IA function to ensure there is an effective mix of resources to deliver the IA plan and support other assurance initiatives

- becoming a **technology** enabled team including considering the growth of the Council's adoption of technology such as Generative Artificial Intelligence (GenAI) and the skills the auditor of the future needs
- a focus on implementing efficient and effective **processes** including timely audit execution, audit quality, continuous improvement and stakeholder engagement.

Internal Audit's Mission

The Council's IA mission is aligned to the global mission of IA. The function aims to provide independent and objective assurance on the overall effectiveness of the Council's governance, risk management, and control framework.

Internal Audit's Vision

The Council's IA function will provide value added audit and advisory services and build expertise to help drive positive change, be seen as a strategic advisor and promote integrity across the Council and the other organisations it provides advice and services to.

Alignment with organisational objectives

The [Council's Business Plan](#) includes the following interdependent and interlinked strategic priorities:

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

The Council continues to operate in a challenging environment with increasing uncertainty and risks including financial sustainability and resourcing challenges which require the Council to prioritise and deliver services differently.

The Council has established a transformation programme and key ‘priorities for change’ to address short, medium and longer term financial challenges and deliver outcomes.

The three ‘priorities for change’ are:

- **improving our relationship with citizens and communities**
- **combatting poverty through early intervention and prevention**
- **helping colleagues improve performance by giving them the tools they need to get the job done.**

To support achievement of these objectives and priorities, the Council requires an IA function which is agile and responsive to the greatest areas of need and supportive of innovation while balancing the requirement to provide assurance across core systems and processes.

Managing IA resources and alignment to the IA Workforce Plan

Principle 10 of the GIAS requires the CAE to effectively manage resources. In the Council, IA is delivered largely through an in-house team, consisting of 14 full-time equivalents including a trainee. A co-source arrangement with a professional services provider is in place to support delivery, where required.

The CAE should also provide opportunities for the IA function to develop their experience and competencies to ensure resources are effectively deployed to deliver the IA plan and support other stakeholder requests.

In December 2024, a Workforce Plan for the IA function was developed in line with the Council’s People Strategy. The IA Workforce Plan includes a range of future priorities including an approach to learning and development which is aligned to delivery of the IA Strategy.

IA Digital Strategy and use of technology tools

The GIAS requires the IA function to set out a clear ambition to become a technology enabled team including considering the skills the auditor of

the future needs. Through the IA Digital Strategy, IA will seek to add value and generate potential cost savings by increasing efficiency through advancing the use of technology such as data analytics tools and Generative Artificial Intelligence (GenAI).

In recognition of the increasing availability and use of GenAI, the Council has developed a draft GenAI Policy to establish a clear framework to manage the risks and opportunities of using GenAI Model tools such as Co-Pilot, ChatGPT, Gemini, Bing, and other similar tools. The draft policy is expected to be approved in 2025.

IA will have an important role in supporting the Council to identify, manage and understand the associated risks with utilisation of these tools as well as providing assurance on the effectiveness of key controls established to manage these risks.

GenAI also presents opportunities to increase the efficiency and effectiveness of IA work. The IA Digital Strategy sets out a roadmap for piloting use of GenAI Model tools for IA work in line with the Council’s policy requirements.

Continuous Improvement

The GIAS set out clear requirements for the CAE to enhance the quality of the IA function and ensure conformance with the standards through continuous performance improvement. This will be supported thorough the Quality Assurance and Improvement Programme, the IA journey map and key performance indicators which will be further refined as the IA Strategy develops:

Close out < 5 days	90%	Release of findings <10 days	90%
Draft report <10 days	90%	Audits completed within budgeted days	80%
Final report <10 days	100%		
Auditee satisfaction with audit process			90%