

South Ayrshire Council

**Report by Chief Internal Auditor
to Audit and Governance Panel
of 8 November 2023**

Subject: Internal Audit Plan 2023/24 – Midyear Review

1. Purpose

- 1.1 The purpose of this report is to seek approval for a revision to the 2023/24 Internal audit plan.

2. Recommendation

- 2.1 **It is recommended that the Panel approves the revised 2023/24 Internal Audit plan.**

3. Background

- 3.1 The 2023/24 Internal Audit plan was approved by the Audit and Governance Panel on 22 March 2023.
- 3.2 The audit plan is flexible, and the Chief Internal Auditor is required to continually reassess and amend the audit plan throughout the year and where changes are taking place around emerging risks and the environment in which audit work is carried out.
- 3.3 In line with Public Sector Internal Audit Standards (PSIAS), the changes to the plan require communication to the Panel for review and approval.

4. Proposals

4.1 *Revision to the 2023/24 internal audit plan*

- 4.1.1 The 2023/24 Internal Audit Plan approved by the Panel on 22 March 2023 included 610 available audit days. There is no proposal to amend the number of available audit days estimated in the approved plan and there have been no significant changes to date around emerging risks and the environment in which audit work is carried out.
- 4.1.2 However since approval of the plan and completion of outstanding 2022/23 audit assignments, it has been established that:
- Follow up assignment, Implementation of Care Inspectorate/Scottish Government Improvement Plans (28), planned for 2023/24 is no longer required as the original audit concluded with substantial assurance.

- Follow up assignment, System Access Controls (24), can no longer be completed within the current plan as the action implementation dates are outwith the plan year.
- Follow up assignment, Main Accounting Review (23), included within the 2023/24 Internal Audit Plan had been deferred from 2021/22 to allow implementation of Oracle Fusion. On further review of the audit actions from the original report it is felt that it would be more effective for the follow up of the audit actions to be incorporated into the 2023/24 Main Accounts Oracle Fusion assignment (1) and to include the findings within one audit report.

4.1.3 It is proposed that the 16 days allocated within the approved plan for the three assignments detailed in 4.1.2 above are reallocated as follows:

Category	2023/24 Original Allocation	2023/24 Proposed Allocation	Proposed Change
Key Corporate Systems	60	63	+3days
Governance/Best Value	95	95	
ICT Auditing	15	15	
Directorates/Other Systems	100	100	
Regularity	72	72	
Follow Up Reviews	38	22	-16 Days
Other Entities	50	50	
Other Commitments	180	193	+13 days (investigation and prior year work)
Total of planned days	610	610	

4.1.4 Full details of the revised internal audit plan for 2023/24 is presented in [Appendix 1](#). Proposed changes are highlighted in blue on the Appendix and comments have been included where there is a proposed change to the days allocated to audit assignment.

4.1.5 The revised internal audit plan is based on an assessment of risk in the audit area. The consideration of risk should help ensure there is no limitation of scope which would have a negative impact on the provision of annual audit opinion at the year end. An additional ten days has been allocated to investigation to allow for investigations in the second half of the year, should they arise. If this is not required, consideration will be given to completing an audit included in the reserve list approved by Panel on 22 March 2023. It should be noted that the estimation of days available for routine audit assignments may be subject to change should a large scale investigation requiring Internal Audit Resources arise.

4.1.6 The audit plan will continue to be reviewed and further changes will be brought to the panel for approval where required.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Not applicable.

7. Human Resources Implications

7.1 Not applicable

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendation.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendation could result in failure to comply with the Public Sector Internal Audit Standards (PSIAS).

9. Equalities

9.1 The proposals in this report have been assessed through the Equalities Impact Assessment Scoping process, and there are no significant positive or negative equality impacts of agreeing the recommendations, therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached at [Appendix 2](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to the three priorities in the Council Plan; Spaces and Places; Live, Work, Learn and, Civic and Community Pride.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this paper.

13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

Background Papers [Internal Audit Plan 2023-24](#)

[Public Sector Internal Audit Standard](#)

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Date: 31 October 2023

PROPOSED ADJUSTMENTS TO INTERNAL AUDIT PLAN 2023/24

No	Audit Area	Objectives	Link to Council Plan	Link To Risk Register	Original Days	Revised Days	Status	Notes
Key Corporate Systems								
1	Main Accounts	Obtain assurance that there are adequate controls included in updated procedures following implementation of Oracle Fusion and that the controls are operating effectively.	Best Value	11	20	23	Not Started	Original Estimate increased by 3 days to incorporate follow up testing
2	HR & Payroll	Obtain assurance that there are adequate controls included in updated procedures following implementation of Oracle Fusion and that the controls are operating effectively.	Live, Work Learn/Best Value	11	20	20	Not Started	
3	Organisational Development	Review and Assess progress of implementation of the Corporate Workforce Plan 2022-2025 Action Plan	Live, Work Learn/Best Value	13	20	20	Not Started	
Governance/Best Value								
4	National Fraud Initiative	Co-ordination and Monitoring of Exercise and review of Procurement Matches.	Best Value	4	15	15	Started	
5	Following the Public Pound	Ayrshire Growth Deal - Follow Up of actions from 2022/23 Assignment. Objective of the assignment to be agreed when the outcome of the 2022/23 assignment is known. Potentially review arrangements with consultants/suppliers/contractors or project management.	Best Value	1	25	25	Not Started	
6	Procurement	Review of "Off Contract Spend" to obtain assurance that spend is properly authorised and that standing orders in relation to contracts and/or procurement legislation is being adhered to.	Best Value	4	20	20	Not Started	

No	Audit Area	Objectives	Link to Council Plan	Link To Risk Register	Original Days	Revised Days	Status	Notes
7	Participatory Budgets	Obtain assurance that there are adequate arrangements in place to meet the National target for at least 1% of Local Government Budgets to be subject to participatory budgeting	Civic and Community Pride/ Best Value	1/11	15	15	Not Started	
8	Records Management	Obtain assurance that services are complying with SCARRS/the Councils records management procedures, retention schedules are up to date, relevant and adhered to.	Equalities and the Fairer Scotland Duty	4	20	20	Not Started	
ICT Auditing								
9	Social Media Accounts	Obtain assurance that there are adequate controls in place around; access to Social Media Channels; creation and deletion of Social Media pages/ channels and monitoring of content/ followers/ following	Equalities and the Fairer Scotland Duty	14	15	15	Started	
Directorates								
10	Housing, Operations and Development	Review of Waste Management procedures to obtain assurance that controls are in place and operating effectively	Spaces and Places	15	25	25	Started	
11	Housing, Operations and Development	Anti-Fraud Review - Review of Housing Let procedures to ensure they include adequate controls to identify and prevent fraud (testing will be carried out jointly by Internal Audit and the Corporate Fraud Team)	Live, Work, Learn	4	15	15	Started	
12	Education	Review the use of funding allocated to South Ayrshire Council from the Attainment Scotland Fund (ASF) to confirm it complies with the condition of the fund/national guidance and ensure there are adequate arrangements in place to monitor and report impacts and outcomes	The Promise,/Live Work Learn	9	20	20	Not Started	

No	Audit Area	Objectives	Link to Council Plan	Link To Risk Register	Original Days	Revised Days	Status	Notes
13	HSCP	External Providers - Confirm there are adequate arrangement in place to undertake pro- active due diligence on external provider's financial stability	The Promise, Our Ageing Population	6	10	10	Not Started	
14	HSCP	Premises - Confirm there are adequate arrangement in place to ensure the HSCP have adequate premises to provide services/operate its business	The Promise, Our Ageing Population	6	10	10	Not Started	
15	Change and Communities	Follow up of Actions from 2022/23 Audit Assignment and review of annual Climate Change Duty Compliance return for 2022/23	Sustainability , climate change and biodiversity	8	10	10	Started	
16	Change and Communities	Review of Cash Collection Arrangements in Leisure Facilities and sample testing	Spaces and Places	4	10	10	Started	
Regularity								
17	Continuous Auditing	Accounts Payable, Payroll and Debtors (including Housing Rent Debtors)	Best Value	4	40	40	Started	
18	Grants	Audit of claims and annual review of procedures, Ayrshire Rural and Island Ambition Fund (ARIA)	Live, Work, Learn	4	10	10	Started	
19	Grants	Review of evidence to support Network Support Grant claim	Spaces and Places/Live, Work Learn	9	5	5	Started	
20	Schools	Internal Control Self Assessment Toolkit - Management of the Annual Process	Live Work Learn/The Promise	4	10	10	Not Started	
21	Social Work Locations	Internal Control Self Assessment Toolkit - Management of the Annual Process	The Promise/Our Ageing Population	4	7	7	Started	
Follow Up Reviews								

No	Audit Area	Objectives	Link to Council Plan	Link To Risk Register	Original Days	Revised Days	Status	Notes
22	Regularity	Follow Up of actions from 2021/22 Audit Assignment - Museum Stores	-	5	4	4	Started	
23	Main accounting	Follow up of Actions from 2020/21 Audit Assignment - Main Accounting Review	-	5/11	3	0	Not Started	Original Estimate of 3 days removed and added to Oracle Fusion assignment (1)
24	ICT Auditing	Follow up of Actions from 2022/23 Audit Assignment - Systems Access Controls	-	5/14	10	0	Not Started	Original Estimate of 10 days removed and added to Investigations (33)
25	Directorate	Follow up of Actions from 2022/23 Audit Assignment - Void repairs	-	5/15	3	3	Started	
26	Directorate	Follow up of Actions from 2022/23 Audit Assignment - Fostering and Adoption	-	5/6	3	3	Not Started	
27	Main Accounting	Follow up of Actions from 2022/23 Audit Assignment - NDR Relief Review	-	5/4	3	3	Complete	
28	Directorate	Follow up of Actions from 2022/23 Audit Assignment -Implementation of Care Inspectorate/Scottish Government Improvement Plans	-	5/6	3	0	Not Started	Original Estimate of 3 days removed and added to Closure of prior year assignments (37)
29	Governance and Best Value	Follow up of Actions from 2022/23 Audit Assignment - arrangements in place around the use of SWHub	-	5/11	4	4	Not Started	
30	Contingency	Follow up of Actions from 2022/23 Audit Assignment - Golf Club House Income Controls	-	5/4	5	5	Started	
Other Entities								
31	AVJB	Review of implementation of Voters Authority Certificate (VAC) process Review of implementation of Non Domestic Rate (NDR)legislative changes	-	-	25	25	Started	

No	Audit Area	Objectives	Link to Council Plan	Link To Risk Register	Original Days	Revised Days	Status	Notes
32	IJB	Workforce Planning Follow Up – Performance Monitoring Arrangements	-	-	25	25	Not Started	
Other								
33	Investigations	Allowance for investigations of irregularities.	-	4	30	30	Ongoing	Original Estimate increased by 10 Days to allow for unplanned investigations assignment
34	Advice and Guidance (general)	Client requests, advice and consultancy - including participation on working groups	-	-	5	5	Ongoing	
35	Advice and Guidance (Service Reviews/ Redesign)	Allocation of time to allow Internal Audit to respond to requests from services to provide advice & guidance or to review updated/changes to procedures following Service redesigns, or implementation of new processes or ICT Systems	-	3	30	30	Started	
36	Contingency	Contingency budget for unplanned commitments arising during the year	-	-	15	15	Ongoing	
37	Closure of prior year assignments	Allowance of time for the closure of prior year audit work into 2022/23	-	-	53	53	In Progress	Original Estimate increased by three days to allow for completion of outstanding assignment
38	Management and Audit development	Internal Audit planning, annual reporting, and quarterly reporting and Chief Internal Auditor Review of assignments	-	-	50	50	Ongoing	
39	QAIP	Annual self-assessment of compliance with PSIAS	-	-	10	10	Started	
TOTAL					610	610		

**South Ayrshire Council
Equality Impact Assessment
Scoping Template**

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Proposed Internal Audit Plan 2023/24
Lead Officer (Name/Position/Email)	Cecilia McGhee, Chief Internal Auditor - Cecilia.McGhee2@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	No	No
Disability	No	No
Gender Reassignment (Trans/Transgender Identity)	No	No
Marriage or Civil Partnership	No	No
Pregnancy and Maternity	No	No
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	No	No
Religion or Belief (including lack of belief)	No	No
Sex – (issues specific to women & men or girls & boys)	No	No
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	No	No
Thematic Groups: Health, Human Rights & Children's Rights	No	No

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	Low	Low
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	Low	Low
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	Low	Low
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	Low	Low
Socio-economic Background – social class i.e. parent's education, employment and income	Low	Low

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the 'Three Key Needs' of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	No
Advance equality of opportunity between people who share a protected characteristic and those who do not	No
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	No
Increase participation of particular communities or groups in public life	No
Improve the health and wellbeing of particular communities or groups	No
Promote the human rights of particular communities or groups	No
Tackle deprivation faced by particular communities or groups	No

5. Summary Assessment

<p>Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)</p>	<p>YES <input type="checkbox"/></p> <p>NO <input checked="" type="checkbox"/></p>
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Rationale for decision:

This report seeks approval of Members for a revision to the internal audit plan for 2023/24. Their decision on this has no specific equality implications.

Signed : Cecilia McGhee, Chief Internal Auditor

Date: 4 October 2023