

County Buildings  
Wellington Square  
AYR KA7 1DR  
Telephone No. 01292 612102



24 October 2024

**To: Councillors Dettbarn (Chair), Bell, Cullen, Kilpatrick, Lamont, McGinley, Ramsay and Weir**

**All other Elected Members for information only**

Dear Councillors

## **AUDIT AND GOVERNANCE PANEL**

You are requested to participate in the above Panel to be held **on Wednesday, 6 November 2024 at 10.00 a.m.** for the purpose of considering the undernoted business.

This meeting will be held in the County Hall County Buildings, Ayr on a hybrid basis for Elected Members, will be live-streamed and available to view at <https://south-ayrshire.public-i.tv/>

**Yours sincerely**

**CATRIONA CAVES**  
**Chief Governance Officer**

## **B U S I N E S S**

1. Declarations of Interest.
2. Call-ins from Cabinet.
3. Minutes of previous meetings of
  - a) 26 September 2024 (Special) (copy herewith).
  - b) 2 October 2024 (copy herewith).
4. Action Log and Work Programme (copy herewith).

## **Internal Audit Reports**

5. Internal Audit Plan 2024/25 Midyear review – Submit report by the Chief Internal Auditor (copy herewith)

6. Internal Audit – Progress Report (Quarter 2 2024/25) – Submit report by Chief Internal Auditor (copy herewith)

### **External Audit Reports**

7. South Ayrshire IJB External Annual Audit Report 2023-24 – Submit report by the Director of Health and Social Care (copy herewith).

For more information on any of the items on this agenda, please telephone Jill Butchart, Committee Services on 01292 612102, Wellington Square, Ayr or  
e-mail: [committeeservices@south-ayrshire.gov.uk](mailto:committeeservices@south-ayrshire.gov.uk)  
[www.south-ayrshire.gov.uk](http://www.south-ayrshire.gov.uk)

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## **AUDIT AND GOVERNANCE PANEL (SPECIAL).**

Minutes of a hybrid webcast meeting on 26 September 2024 at 10.00 a.m.

Present in  
County Hall: Councillors Julie Dettbarn (Chair), Brian McGinley, Alan Lamont, Cameron Ramsay, and George Weir.

Present  
Remotely: Councillor Kenneth Bell.

Apology: Councillor Mary Kilpatrick.

Attending in  
County Hall: M. Newall, Chief Executive; W. Carlaw, Service Lead – Democratic Governance; T. Simpson, Service Lead – Corporate Accounting; K. Anderson, Assistant Director – Corporate Policy, Strategy & Performance; L. Reid, Assistant Director – Transformation; F. Mitchell-Knight, A. Kerr and K. Sharp, Audit Scotland; K. Hancox, Committee Services Officer; and C. McCallum, Clerical Assistant.

Attending  
Remotely: L. Reid, Assistant Director - Transformation

### **Opening Remarks.**

The Chair

- (1) welcomed everyone to the meeting;
- (2) outlined the procedures for conducting this meeting, including that this meeting would be recorded and placed on the Council's website at a later date; and that all votes would be taken by means of a roll call;

### **1. Sederunt and Declarations of Interest.**

The Chair called the Sederunt for the meeting and, having called the roll, confirmed that there were no declarations of interest by Members in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

### **2. Final Report on the 2023/24 Audit.**

There was submitted a report ([issued](#)) of 19 September 2024 by the Chief Financial Officer submitting the Annual Accounts for the year ended 31 March 2024 and the proposed independent auditor's report.

After the Service Lead – Corporate Accounting gave an introduction to the report, a representative from Audit Scotland spoke on the key issues arising from the report.

A Member of the Panel thanked the auditor for the Audit report and highlighted areas of concern surrounding reserves used in last year's budget, the Citadel and Vision, Leadership and Governance.

The Service Lead – Corporate Accounting advised that a paper had been brought before Members earlier in the year outlining the reserves position and that this would be re-circulated to Members. He also clarified the difference between reserves amount used throughout the year and amount used to set the budget and would report back with a full analysis to Members.

A Member of the Panel raised an issue with a request for a retrospective business case to be made in respect of the Citadel and that this had been carried out without a business case being made. The Panel Member queried if, and when a retrospective business case is carried out were officers aware of an earlier a report which was made, advising that the Citadel was unfit for purpose.

A Member of the Panel referred to Vision, Leadership and Governance and advised that officer capacity had been improved and increased and that was encouraging, however, he had doubts about the political leadership.

Having heard a Member of the Panel in relation to the Citadel project, the Chief Executive apologised that a business case had not been carried out and gave an undertaking to review the previous paper regarding the condition of the Citadel and feed back to the Panel.

A Member of the Panel disagreed with the earlier comment about political leadership and felt that political leadership within the current administration was clear, the Member then raised concerns regarding financial sustainability going forward and deadlines in relation to the Transformation Board, in particular workforce planning.

The Chair reminded Panel Members that this was not a political Panel.

A representative from Audit Scotland referred to the attached report to answer the Panel Members' concerns in relation to level of reserves held. He also advised that next year's Best Value thematic was looking at Transformation and would be reported to Panel in spring 2025.

A Member of the Panel requested information on timescales regarding addressing cumulative budget gap and the Service Lead – Corporate Accounting advised that (approximate figures) the £45 million figure was over five years with a £6m budget gap for 2025/26 and £28m budget gap for 2026/27.

Having heard a Member of the Panel request further information in relation to wording within Vision, Leadership and Governance, a representative from Audit Scotland advised this was as a result of their findings on the Citadel project.

In relation to political leadership, a Member of the Panel advised that the Panel had a responsibility to ensure decisions made were justified and that there was no portfolio holder present and that was what he meant by political leadership

Having heard a Member of the Panel request a timescale of when Members would be given an update on the new business case in relation to the Citadel, the Chief Executive advised that a report would be presented in December.

A Member of the Panel enquired if there were any non-essential areas where cuts could be made; and a representative from Audit Scotland advised it would be up to the Council to determine how to best use their resources and that any decision should be based on a business case and best value.

A Member of the Panel noted that the report noted significant improvements in several areas.

The Chief Executive thanked all employees.

The Chair echoed the Chief Executive's comments and advised that she was pleased with the Report and thanked Audit Scotland for the Report.

A Panel Member commented that the Council was moving in the right direction and correct decisions required to be made.

The Service Lead – Corporate Accounting clarified that the report to review general services reserves went to Cabinet on 27 August 2024.

The Panel

**Decided:**

- (1) to note the contents of Audit Scotland's audit completion letter (Annex 1);
- (2) to accept Audit Scotland's Proposed 2023/24 Annual Audit Report (Annex 2), and noted that both the Council's 2023/24 Annual Accounts and the Charitable Trust Funds 2023/24 Trustees' Annual Report and Financial Statements have an unmodified audit opinion;
- (3) to approve the Council's audited 2023/24 Annual Accounts (Annex 3) for signature and subsequent issue by 30 September 2024; and
- (4) to approve the Charitable Trust Funds audited 2023/24 Trustees' Annual Report and Financial Statements (Annex 4) for signature and subsequent issue by 30 September 2024.

The meeting ended at 11.00 a.m.

## **AUDIT AND GOVERNANCE PANEL.**

Minutes of a hybrid webcast meeting on 2 October 2024 at 10.00 a.m.

Present in  
County Hall: Councillors Julie Dettbarn (Chair), Alan Lamont, Cameron Ramsay and George Weir.

Present  
Remotely: Councillors Kenny Bell, Mary Kilpatrick and Brian McGinley

Apology: Councillor Chris Cullen.

Attending in  
County Hall: M. Newall, Chief Executive; W. Carlaw, Service Lead – Democratic Governance; T. Simpson, Service Lead – Corporate Accounting; K. Anderson, Assistant Director – Corporate Policy, Strategy & Performance; J. Butchart, Committee Services Officer; and C. McCallum, Clerical Assistant.

### **Opening Remarks.**

The Chair

- (1) welcomed everyone to the meeting; and
- (2) outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live.

### **1. Sederunt and Declarations of Interest.**

The Chair called the Sederunt for the meeting and, having called the roll, confirmed that there were no declarations of interest by Members in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

The Chair clarified a matter arising from the Audit & Governance Panel (Special) of 26 September 2024 where a Member of the Panel remarked that, in respect of item 2 of the Agenda, the Portfolio Holder was not present. The Chair wished to make clear that the Portfolio Holder had not been invited to the meeting and advised that the portfolio holder had confirmed that they would have been happy to attend had they been invited. The Chair further stated that where it was appropriate and Panel Members wished for a Portfolio Holder to attend a meeting of the Audit and Governance Panel, for a particular Agenda item, they should raise the request with the Chair and with the Chair's agreement, an invitation would be sent to the relevant Portfolio Holder. The Chair further emphasised that at the Audit and Governance Panel (Special) of 26 September 2024 the Portfolio Holder's attendance was neither requested nor expected.

The Chief Executive, responding to an issue raised by a Member of the Panel at the Audit & Governance Panel (Special) of 26 September 2024 in relation to a business case for the Citadel, advised that an outcome report from the initial survey carried out in 2019 had helped inform the previous Administration of the decision to invest in a new leisure centre. The decision was overturned by the current Administration. A new survey was carried out in October 2023 and a business plan outlined a more sustainable future for the Citadel. A business case will be presented at a future Council meeting for consideration.

**2. Call-ins from Cabinet.**

The Panel noted that there were no call-ins from Cabinet of 25 September 2024.

**3. Minutes of Previous Meetings.**

Councillor Kilpatrick lost connectivity at this point and left the meeting.

The Minutes of the meeting of 4 September 2024 ([issued](#)) were submitted and approved.

**4. Action Log and Work Programme.**

There was submitted an update of the Action Log and Work Programme for this Panel ([issued](#)).

The Service Lead, Corporate Accounting advised that in terms of the Action Log there was one outstanding action in relation to the briefing note on Oracle Fusion which had arisen from the Panel of 4 September 2024 and that questions raised at the Audit and Governance Panel (Special) of 26 September 2024 would be addressed and responses would be provided.

The Panel

**Decided:** to note the current status of the Action Log and Work Programme.

**External Audit**

**5. Accounts Commission Annual Report 2023/24.**

There was submitted a report ([issued](#)) of 25 September 2024 by the Chief Financial Officer presenting the Accounts Commission Annual Report 2023/24.

The Service Lead – Corporate Accounting outlined the background to the contents of the report and advised that the Accounts Commission report on Transformation in Councils would be brought to a future meeting of the Panel.

A Member of the Panel noted one of the key messages in the report regarding the pace of change, which echoed Audit Scotland's comments to the Council in respect of Best Value. The Service Lead – Corporate Accounting advised that the report had been considered by the Accounts Commission in 2023 and that subsequent to that there had been further updated reports and it had been pleasing to note at the Audit and Governance Panel (Special) of 26 September 2024, that Audit Scotland had felt strong progress in this area had been made.

**Decided:** to note the contents of the report.

## 6. **Best Value Action Plan 2024**

There was submitted a report ([issued](#)) of 25 September 2024 by the Depute Chief Executive and Director of Education updating the Panel on the progress toward delivering the Council's Best Value Action Plan.

The Assistant Director – Corporate Policy, Strategy & Performance spoke on the detail of the report.

A Member of the Panel enquired whether the self-evaluation and need to understand the Council's performance in relation to other Councils was a reference to the use of Benchmarking. The Assistant Director – Corporate Policy, Strategy & Performance advised that it was, and that information packs had been distributed to all service leads and this was now used by services as part of the self-evaluation process regarding benchmarking information for their family group of authorities.

Issues were raised by a Member of the Panel in relation to:-

- (1) Actions were marked as complete on the action plan, however, he felt that some were still ongoing
- (2) Given that workforce planning was showing as 20% complete, would this be completed in time to meet expected deadlines
- (3) One item had not been attributed to an officer

The Assistant Director – Corporate Policy, Strategy and Performance responded to advise that actions would only be marked as complete when they had been embedded in their processes. Some actions were ongoing and the actions generally reflected those specified by the auditors. He further advised that the item not attributed to an officer would be with the Chief Executive, however, as it was marked as complete there would be no further updates.

The Chief Executive, in response to workforce planning, advised that he would be working with Elected Members as a priority regarding this.

In response to a query from the Chair who enquired if enough time was allocated for the completion of items sitting at 15%-20% due in December 2024, the Assistant Director – Corporate Policy, Strategy and Performance advised that there was no indication that they would not be completed in time.

A Member of the Panel enquired whether Recommendation 5 on page 7 of the report, referencing making performance reports more accessible to the public, was linked to the last Action on page 13 of the report, 13 and also, in the context of information provision, the broader concept of accessibility should be captured.



The Assistant Director-Corporate Policy, Strategy and Performance confirmed the Recommendation did refer to the Action on page 13 and also advised that everything on the council's website is checked to ensure it meets accessibility guidelines.

The Panel

**Decided:** to agree the Action Plan.

The meeting ended at 10.25 a.m.

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# Audit and Governance Panel

Agenda Item No. 4

## Action Log

No	Date of Meeting	Issue	Actions	Assigned/ Re-assigned to	Update	Completed
1.	4 September 2024	Internal Audit – Progress Report (Quarter 1 2024/25)	<b>Briefing Note to be provided on Oracle Fusion</b>	Chief Financial Officer	Provided to Members w/e 1 Nov 2024	<b>Yes</b>

## Audit and Governance Panel

### Work Programme 2024

	<b>Issue</b>	<b>Actions</b>	<b>Assigned To</b>	<b>Due Date to Panel</b>	<b>Latest update</b>
1.	<b>South Ayrshire IJB External Annual Audit Report 2023-24</b>	Report to this Panel	Director of Health & Social Care	November 2024 (Annually)	Report to this Panel
2.	<b>Internal Audit Progress Report Quarter 2</b>	Report to this Panel	Chief Internal Auditor	November 2024 (Quarterly)	Report to this Panel
3.	<b>Internal Audit Plan 2024/25 – Midyear Review</b>	Report to this Panel	Chief Internal Auditor	November 2024 (Biannually)	Report to this Panel
4.	<b>Audit and Governance Panel – 2024 Annual Self-Assessment Outcome</b>	Report to Panel	Chief Financial Officer/ Chief Governance Officer	December 2024 (Annually)	Being drafted
5.	<b>Corporate Fraud Team - Activity Report and Update on National Fraud Initiative</b>	Report to Panel	Chief Internal Auditor	December 2024 (Biannually)	Being drafted
6.	<b>External Audit Reports – Progress to 31 October 2024</b>	Report to Panel	Chief Financial Officer	December 2024 (Quarterly)	Deferred from 6 November 2024
7.	<b>Treasury Management and Investment Strategy Mid-Year Update Report 2024/25</b>	Report to Panel	Chief Financial Officer	December 2024 (Quarterly)	Being drafted
8.	<b>Internal Audit – Progress Report Quarter 3</b>	Report to Panel	Chief Internal Auditor	February 2025 (Quarterly)	Not yet started
9.	<b>Treasury Management and Investment Strategy Quarter 3 Update Report 2024/25</b>	Report to Panel	Chief Financial Officer	February 2025 (Quarterly)	Not yet started

## Audit and Governance Panel

	<b>Issue</b>	<b>Actions</b>	<b>Assigned To</b>	<b>Due Date to Panel</b>	<b>Latest update</b>
10.	<b>Best Value Action Plan - Progress Report</b>	Report to Panel	Depute Chief Executive and Director of Education	February 2025 (Quarterly)	Not yet started
11.	<b>Annual Audit Plan 2024/25</b>	Report to Panel	Chief Financial Officer	March 2025 (Annually)	Not yet started
12.	<b>Proposed Internal Audit Plan 2025/26 (including Annual Review of Internal Audit Charter)</b>	Report to Panel	Chief Internal Auditor	March 2025 (Annually)	Not yet started
13.	<b>Strategic Risk Management</b>	Report to Panel	Chief Governance Officer	March 2025 (Biannually)	Not yet started
14.	<b>Audit and Governance Panel – 2023/24 Annual Report</b>	Report to Panel	Chief Financial Officer/ Chief Governance Officer	May 2025 (Annually)	Not yet started
15.	<b>Annual Accounts 2023/24</b>	Report to Panel	Chief Financial Officer	June 2025 (Annually)	Not yet started
16.	<b>Delivering Good Governance – 2023/24 Assessment</b>	Report to Panel	Chief Governance Officer	June 2025 (Annually)	Not yet started
17.	<b>Internal Audit Annual Report 2023/24</b>	Report to Panel	Chief Internal Auditor	June 2025 (Annually)	Not yet started
18.	<b>Treasury Management Annual Report 2023/24</b>	Report to Panel	Chief Financial Officer	June 2025 (Annually)	Not yet started
19.	<b>Corporate Lets</b>	Report to Panel	Director of Communities and Transformation	June 2025 (Annually)	Not yet started

## Audit and Governance Panel

	<b>Issue</b>	<b>Actions</b>	<b>Assigned To</b>	<b>Due Date to Panel</b>	<b>Latest update</b>
20.	<b>IJB Finance and Performance Report 2024 – Audit Scope</b>	Report to Panel	Chief Financial Officer	September 2025 (Annually)	Not yet Started
21.	<b>Internal Audit – Progress Report Quarter 1</b>	Report to Panel	Chief Internal Auditor	September 2025 (Annually)	Not yet started
22.	<b>Audit Scotland: Integration Joint Boards – Finance and Performance 2024</b>	Report to Panel	Chief Internal Auditor	September 2025 (Annually)	Not yet started

**South Ayrshire Council**

**Report by Chief Internal Auditor  
to Audit and Governance Panel  
of 6 November 2024**

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**Subject: Internal Audit Plan 2024/25 – Midyear Review**

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**1. Purpose**

- 1.1 The purpose of this report is to seek approval for a revision to the 2024/25 Internal Audit plan.

**2. Recommendation**

- 2.1 **It is recommended that the Panel approves the revised 2024/25 Internal Audit plan.**

**3. Background**

- 3.1 The 2024/25 Internal Audit plan was approved by the Audit and Governance Panel on 20 March 2024.
- 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 The 2024/25 Internal Audit Plan approved by the Panel on 20 March 2024 included 628 available audit days. It is proposed to amend the number of available audit days estimated in the approved plan to 613. This is required due a higher number of days being required for sickness absence in the first six months of the year than estimated at the time of audit planning.
- 4.2 It is proposed that this 15 day adjustment is made by removing one follow up assignment from the 2024/25 plan and one prior year assignment.
- 4.2.1 Since approval of the 2024/25 plan and completion of outstanding 2023/24 audit assignments, it has been established that the follow up assignment, Participatory Budgeting (Assignment No. 27), planned for 2024/25 can no longer be completed within the current plan as the action implementation dates are outwith the plan year. Five days were allocated within the 2024/25 Internal Audit Plan for this assignment.

4.2.2 A total allocation of 55 days was included within 2024/25 Internal Audit Plan for the closure of prior year assignments (Assignment No. 36). This allocation includes 10 days for the 2023/24 assignment, Health and Social Care Partnership (HSCP) - Premises, which has not yet started. It is proposed that the allocation of time for this assignment is removed from the current audit plan and the assignment is added to the 2024/25 Reserve List for consideration should additional resources become available. Internal Audit is satisfied that risk in this area has been recognised in HSCP Strategic Risk Registers and actions to mitigate the risk are being progressed by the service. If it is not possible to complete this assignment in 2024/25 it will be considered for inclusion within the 2025/26 risk based Internal Audit Plan.

4.3 There have been no significant changes around emerging risks and the environment in which audit work is carried out so there are no further amendments required to the 2024/25 plan at this time.

4.4 It is proposed that the 15 days are removed from the following areas within the 2024/25 Internal Audit Plan:

Category	2024/25 Original Allocation (Days)	2024/25 Proposed Allocation (Days)	Proposed Change (Days)
Key Corporate Systems	45	45	
Governance/Best Value	70	70	
ICT Auditing	15	15	
Directorates/Other Systems	140	140	
Regularity	80	80	
Follow Up Reviews	37	32	-5
Other Entities	50	50	
Other Commitments	191	181	-10
<b>Total of planned days</b>	<b>628</b>	<b>613</b>	<b>-15</b>

4.5 Full details of the revised 2024/25 internal audit plan and the reserve list are presented in [Appendix 1](#) and [Appendix 2](#).

4.6 The revised internal audit plan is based on an assessment of risk in the audit areas. 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. 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 or if there is long term sickness absence within the Internal Audit team.

4.7 The audit plan will continue to be reviewed throughout the remaining six months of the year 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 The risk of the proposed changes to the 2024/25 Internal Audit Plan has been assessed by Internal Audit as low and will not impact on the ability of the Chief Internal Auditor to provide an independent opinion for the year ended 31 March 2025. 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) to communicate changes to the internal audit plan to the Panel for review and approval.

## **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 3](#).

## **10. Sustainable Development Implications**

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme, 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 2024-25](#)

[Public Sector Internal Audit Standard](#)

**Person to Contact**     Cecilia McGhee, Chief Internal Auditor  
County Buildings, Wellington Square, Ayr, KA7 1DR  
Phone 01292 612432  
E-mail [Cecilia.McGhee2@south-ayrshire.gov.uk](mailto:Cecilia.McGhee2@south-ayrshire.gov.uk)

**Date:** 25 October 2024

## PROPOSED INTERNAL AUDIT PLAN 2024/25

No	Audit Area	Objectives	Days in Approved Plan 20 March 2024	Proposed Days	Proposed Days - Total
<b>Key Corporate Systems</b>					
1	Main Accounts	Follow up actions from 2023/24 audit work if required and obtain assurance controls are operating effectively.	15	15	
2	HR & Payroll	Follow up actions from 2023/24 audit work if required and obtain assurance controls are operating effectively.	15	15	
3	Procurement	Follow up actions from 2023/24 audit work if required and obtain assurance controls are operating effectively.	15	15	<b>45</b>
<b>Governance/Best Value</b>					
4	National Fraud Initiative (NFI)	Co-ordination and Monitoring of Exercise.	10	10	
5	Following the Public Pound	Ayrshire Growth Deal - Follow Up of actions from 2023/24 Assignment (if required). Review of contract management within the AGD programme.	20	20	
6	Governance and Best Value	Obtain assurance that adequate arrangements are in place for the use of consultancy services throughout the Council.	20	20	
7	Following the Public Pound	Obtain assurance that there are adequate arrangements in place across the Council to monitor the receipt and issue of grants.	20	20	<b>70</b>
<b>ICT Auditing</b>					
8	Access Controls	Obtain assurance that there are adequate controls in place over the employee access to Council networks, systems and devices within schools.	15	15	<b>15</b>
<b>Directorates</b>					
9	Health and Social Care Partnership	Financial Intervention Orders/Corporate Appointeeship - Review of the financial intervention orders/corporate appointeeship procedures to confirm carried out timeously.	15	15	

No	Audit Area	Objectives	Days in Approved Plan 20 March 2024	Proposed Days	Proposed Days - Total
10	Health and Social Care Partnership	CM 2000 review to confirm it meets expected objectives and that outputs from the system are reliable.	20	20	
11	Education	Review the use of Pupil Equity Fund (PEF) to confirm compliance with the conditions of the fund/national guidance.	15	15	
12	Strategic Change and Communities	Climate Change - scope to be agreed following development of national audit programme.	15	15	
13	Chief Executives (Human Resources)	Using Data analytics to confirm all employees have a current/valid Protection of Vulnerable Groups (PVG) Certificate in place where required.	10	10	
14	Housing Operations and Development	Review of Transport Management System post implementation to confirm it meets expected objectives.	20	20	
15	Housing Operations and Development	Review Performance information included in the Annual Return on the Charter (ARC).	15	15	
16	Housing Operations and Development	Review of Scottish Housing Regulator - Annual Assurance Statement.	20	20	
17	Housing Operations and Development	Obtain assurance that the new procedure for malicious damage invoices includes adequate controls and is operating effectively.	10	10	<b>140</b>
<b>Regularity</b>					
18	Continuous Auditing	Account Payables, Payroll and Debtors and develop the use of Continuous Audit throughout the Council.	40	40	
19	Grants	Audit of claims and annual review of procedures, Ayrshire Rural and Island Ambition Fund (ARIA).	10	10	
20	Grants	Review of evidence to support Network Support Grant claim.	5	5	
21	Self-Assessment Checklist	Internal Control Self Assessment Toolkit - Management of the Annual Process - Social Work Locations.	10	10	

No	Audit Area	Objectives	Days in Approved Plan 20 March 2024	Proposed Days	Proposed Days - Total
22	Self-Assessment Checklist	Internal Control Self Assessment Toolkit - Management of the Annual Process - Schools.	10	10	
23	Stores	Obtain assurance that there are adequate controls in place to ensure Property Maintenance stock adjustments between the stock count and end and 31/3/2024 are correctly recorded.	5	5	80
<b>Follow Up Reviews</b>					
24	Directorates	Follow up of Actions from 2023/24 Audit Assignment - <b>Waste Management.</b>	7	7	
25	ICT Auditing	Follow up of Actions from 2023/24 Audit Assignment - <b>Social Media.</b>	5	5	
26	ICT Auditing	Follow up of Actions from 2022/23 Audit Assignment - <b>Systems Access Controls.</b>	10	10	
27	Governance and Best Value	Follow up of Actions from 2023/24 Audit Assignment - <b>Participatory Budgets.</b>	5	0 (-5)	
28	Directorates	Follow up of Actions from 2023/24 Audit Assignment - <b>Cash income at Leisure facilities.</b>	5	5	
29	Governance and Best Value	Follow up of Actions from 2023/24 Audit Assignment - <b>Procurement - Framework Agreements.</b>	5	5	32
30	AVJB	Assignments approved by AVJB.	25	25	
31	IJB	Assignments approved by IJB.	25	25	50
<b>Other</b>					
32	Investigations	Allowance for investigations of irregularities.	25	25	
33	Advice and Guidance	Client requests, advice and consultancy - including participation on working groups.	10	10	
34	Transformation Programme	Allocation of time to allow Internal Audit to provide advice & guidance and support to the Transformation Programme.	30	30	
35	Contingency	Contingency budget for unplanned commitments arising during the year.	20	20	

No	Audit Area	Objectives	Days in Approved Plan 20 March 2024	Proposed Days	Proposed Days - Total
36	Closure of prior year assignments	Allowance of time for the closure of prior year audit work into 2024/25.	55	45 (-10)	
37	Management and Audit development	Internal Audit planning, annual reporting, and quarterly reporting and Chief Internal Auditor Review of assignments.	46	46	
38	Quality Assurance Improvement Programme (QAIP)	Annual self-assessment of compliance with PSIAS.	5	5	181
<b>PROPOSED TOTAL AS AT MIDYEAR REVIEW</b>					<b>613</b>

## PROPOSED RESERVE LIST 2024/25

Rank*	Audit Area	Description	Estimated Days
1	HSCP- Premises	Confirm there are adequate arrangement in place to ensure the HSCP have adequate premises to provide services/operate its business	10 <sup>1</sup>
2	Service Redesign- PDS/SPP Service	Review of new processes/procedures to obtain they include adequate controls	20
3	Direct Awards (non-framework)	Review non framework Direct Awards to confirm compliance with the Council's Standing Orders Relating to Contracts	10
4	Asset Management/Community asset transfer	Review of asset management/ community asset transfer processes/procedures to ensure they include adequate controls to protect the Council for financial loss	20
5	Service Level Agreement	ARA - Obtain assurance of compliance with SLA, specifically in relation to performance reporting.	20
6	Rent Rebates/Rent Allowances	Obtain assurance that there are adequate anti-fraud controls around the award of rent rebates and rent allowances	15
7	Asset Management/Community asset transfer	Review of asset management/ community asset transfer processes/procedures to ensure they include adequate controls to protect the Council for financial loss	20

\*Ranked in order of risk assessment

<sup>1</sup> Proposed transfer from the 2023/24 Internal Audit Plan

**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	<b>Proposed Amendment to 2024/25 Internal Audit Plan</b>
Lead Officer (Name/Position/Email)	Cecilia McGhee, Chief Internal Auditor - <a href="mailto:Cecilia.McGhee2@south-ayrshire.gov.uk">Cecilia.McGhee2@south-ayrshire.gov.uk</a>

**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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	No
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	No
<b>Foster good relations</b> 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><b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b>)</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 2024/25. Their decision on this has no specific equality implications.

**Signed :** Cecilia McGhee, Chief Internal Auditor

**Date:** 2 October 2024

**South Ayrshire Council**

**Report by Chief Internal Auditor  
to Audit and Governance Panel  
of 6 November 2024**

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**Subject: Internal Audit – Progress Report (Quarter 2 2024/25)**

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**1. Purpose**

- 1.1 The purpose of this report is to advise Members of progress of the 2023/24 internal audit plan, progress of the 2024/25 internal audit plan, directorate's progress against implementation of internal audit action plans and the status of the current Quality Assurance and Improvement Action Plan.

**2. Recommendation**

- 2.1 **It is recommended that the Panel considers the content of this report.**

**3. Background**

- 3.1 Progress against the Internal Audit annual plan and implementation of actions is reported to the Audit and Governance Panel on a quarterly basis. The last quarterly progress report was reported to Panel on 4 September 2024 and included progress for the first quarter of 2024/25 to 30 June 2024.
- 3.2 This report provides an update on the progress of the 2023/24 and the 2024/25 Plans for the second quarter to 30 September 2024 and the progress of implementation of Internal Audit actions as at 1 October 2024.
- 3.3 The Public Sector Internal Audit Standard (PSIAS) requires the Chief Internal Auditor to maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity including both periodic internal self-assessments and five-yearly External Quality Assessments (EQA). The latest EQA was completed in February 2024 and an action plan agreed to address the improvement areas identified. The full EQA report and action plan were presented to this Panel on 29 May 2024. It was agreed that progress of the implementation of the EQA action plan would be included within these Internal Audit quarterly progress reports until fully implemented. Progress against the action plan is detailed at paragraphs 4.16 – 4.19.

**4. Proposals**

- 4.1 It is proposed that Members note the updates and consider the progress made by internal audit to deliver the 2023/24 and 2024/25 Internal Audit plans in the period to 30 September 2024. It is also proposed that Members consider the progress made by directorates to implement Internal Audit actions and by Internal Audit to implement the EQA Action plan as at 2 October 2024.

### **Progress of Internal Audit Plan 2023/24**

- 4.2 Four final reports for South Ayrshire Council (SAC) have been issued since the last quarterly update report in September 2024. Of the four SAC reports issued for 2023/24, one reported substantial assurance and three reported reasonable assurance. A total of 14 improvement actions were raised within these reports and all were accepted by management
- 4.3 In addition to the four SAC audit reports issued, one audit report was also issued for the IJB (Follow Up – Performance Monitoring Arrangements). There is one assignment (HSCP Premises) from the 2023/24 Audit Plan which has not started. A summary of the status of all 2023/24 assignments as at 30 September 2024 can be found in [Appendix 1](#).

### **Internal Audit Annual Audit Plan 2024/25 Progress**

- 4.4 One final SAC reports has been issued and seven SAC assignments started during the second quarter of 2024/25. This assignment, Council Tax Refunds Anti-fraud Review, was completed using time from the allocation to contingency included within the audit plan. This assignment reports reasonable assurance and a total of four audit improvement actions were raised, three of which were accepted by management. The action not accepted was rated medium risk and related to reviewing the Council Tax Overpayments list. The Service accepted the risk in this area and advised that they were currently unable to allocate staff resource to checking the overpayment report on an ongoing basis but would allocate resources to this task if/when resources became available.
- 4.5 A summary of the of the status of all 2024/25 assignments as at 30 September 2024 can be found in [Appendix 2](#).
- 4.6 A summary of the findings for each assignment completed between 1 July 2024 and 30 September has been included in [Appendix 3](#). The full audit report for these assignments was shared with all Members after they were issued to management.

### **Performance Indicators 2024/25**

- 4.7 As agreed as part of the EQA Action Plan (action 1), performance indicators in relation to the delivery of the overall Internal Audit Service have been developed and are included in all quarterly progress reports to this Panel. Performance of members of the team and identification of training needs will continue to be monitored by the Chief Internal Auditor.

<b>Measure</b>	<b>Description</b>	<b>Target</b>	<b>Actual</b>
1. Working Draft Report	Percentage of working draft reports issued within 3 weeks of completion of fieldwork.	90%	100% (3/3)
2. Final Report	Percentage of final reports issued within 2 weeks of agreeing draft report. <i>(Quarterly Indicator)</i>	100%	100% (3/3)

Measure	Description	Target	Actual
3. Audit Plan Delivery	2023/24 Audit Plan completed to draft by 30 April 2024	90%	87% <i>(Annual Indicator)</i>
4. Audit Budget	Percentage of audits completed within budgeted days.	80%	66% (2 of 3 completed assignments)
	Direct Audit Days delivered	85%	86%
5. Audit Recommendations	Internal Audit recommendations agreed (measured from 1 April 2024)	90%	88% (7/8)
7. Client Feedback	Percentage of respondents who rated the overall quality of internal audit as satisfactory or above.	100%	100% (1 response received in period)
8. Delivery of Annual Report	Annual opinion /report presented to AGP	By 30 June annually	Target Met Reported 26 June 2024 <i>(Annual Indicator)</i>
9. Audit Plan	AGP Approval of audit charter and annual plan	By 31 March annually	Target Met Approved 20 March 2024 <i>(Annual Indicator)</i>

4.8 The internal audit plan for 2024/25, approved by the Panel on 20 March 2024, includes 28 deliverable assignments for South Ayrshire Council. There is also an allocation of time for Internal Audit to deliver audit plans for the IJB and the AVJB (assignments number 30 and 31 in the audit plan) and to audit the Ayrshire Rural and Island Fund (ARIA) 2024/25 Grant Claim. A summary of the status of 2024/25 plan for SAC deliverable assignments as at 30 September 2024 is included in the table below:

Status	No. of Deliverables	Percentage
Complete	2	7%
Work in progress	11	39%
Not started	15	54%
<b>Total</b>	<b>28</b>	<b>100%</b>

4.9 In addition to planned Internal Audit assignments, allocations of time are included within the plan for ad-hoc requests for advice and guidance, contingency assignments and investigations. There were four request for advice and guidance in the period to 30 September 2024. The requests were in relation to changes to the operation of imprest accounts resulting from bank branch closures, Hardship Fund procedures, procurement and the Ambition Fund. There were three

contingency assignments completed in the period, a Community Council appeal, the Independent Examination of East Renfrewshire Council Trusts 2023-24 Accounts and a review of the Council Tax Refund procedures.

- 4.10 As a result of a fraudulent change to SAC grant recipient bank details by an external party, Internal Audit is working in conjunction with Thriving Communities, Procurement and Finance to strengthen procedures in relation to managing the payment of Thriving Communities grants.

#### ***Implementation of Internal Audit Action Plans***

- 4.11 Six follow up assignments are included in the 2024/25 internal audit plan. Three assignment are currently in progress. The remaining assignments will be programmed into the Internal Audit work plan in line with agreed action implementation dates.
- 4.12 The follow up of all other internal audit actions is undertaken through review of Ideagen, where all recommendations are uploaded for management action. Quarterly alerts are issued from Ideagen to action owners requesting action status to be updated.
- 4.13 There are currently 4 overdue actions and 19 actions due for completion in the next six months. Full details of these action points are included in [Appendix 4](#).
- 4.14 Extensions to implementation dates may be requested by Services where progress of implementation has been impacted by factors outwith their control and/or which were not known at the time of agreeing the original due date. Up to two extensions may be agreed between the Service and the Chief Internal Auditor. An extension has been requested for all four outstanding actions. A first extension was granted for three actions, one was requested as, although work has progressed to implement the action, the ICT element of the action is now being covered by a transformation project which is due to be completed in 2025/26, one was requested to allow for the release of a new procurement training module and one was as a result of a delay by the third party supplier to provide user access to a screen for payments. A second extension was granted for one action to allow for further training on the cash handling procedures within leisure facilities to enable employees to complete the cash handling declaration.
- 4.15 Where more than two extensions to due dates have been requested, a representative from the Service will be asked to attend the AGP and provide an explanation for the request. There has been no such request made during this reporting period.

#### ***Quality Assurance and Improvement Programme (Compliance with PSIAS)***

- 4.16 The current Public Sector Internal Audit Standards (PSIAS) require that a Quality Assurance and Improvement Programme (QAIP) is developed to provide assurance that internal audit activity is conducted in accordance with the Internal Audit Charter, that it operates in an efficient and effective manner and that it is perceived to be adding value and improving operations.

- 4.17 The Quality Assurance and Improvement Programme (QAIP) covers all aspects of Audit Services and includes both periodic internal self-assessments and five-yearly External Quality Assessments (EQA). Since the PSIAS came into effect in April 2013, annual self-assessments have been performed by the Chief Internal Auditor and two EQAs have been completed. Time is allocated within the annual Internal Plans to complete this.
- 4.18 The latest EQA completed in February 2024 and reported to this Panel on 29 May 2024. The action plan resulting from the EQA contained seven improvement actions in relation to low priority areas. Six of the seven actions have been fully completed. The remaining action is not yet due for implementation. The detail of progress made against each action in the EQA action plan is included at [Appendix 5](#).
- 4.19 New Global Internal Audit Standards which become effective from January 2025 have been developed and PSIAS are currently being updated to reflect the new standards within a UK public sector context. The new PSIAS will be effective from 1 April 2025 and CIPFA have advised that updates will be subject to consultation prior to implementation. Time has been allocated within the 2024/25 Internal Plan to deliver the QAIP. This will involve completion of an annual self-assessment exercise to assess compliance with current standards and will also include further work to prepare for the implementation of the new Standards from April 2025 including participating in the CIPFA consultation.
- 4.20 The 2024/25 self-assessment has commenced and the results will be included within the quarterly update report to Panel once completed.

## **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 Audit reports include, in the action plans, a separate risk assessment detailing the risk of not implementing each of the Internal Audit recommendation. A recommendation to consider whether the Directorate risk register requires to be updated to reflect issues raised within the report is also included in the report. In addition, quarterly meetings have been set up between Risk and Safety and Internal Audit to ensure new emerging risks are included in Council Risk Registers and the Annual Internal Audit Plan where required.

## 8.2 ***Risk Implications of Adopting the Recommendations***

8.2.1 There are no risks associated with adopting the recommendations.

## 8.3 ***Risk Implications of Rejecting the Recommendations***

8.3.1 Rejecting the recommendation could result in failure to perform a scrutiny role in relation to the application of the Public Sector Internal Audit Standards (PSIAS).

## 9. **Equalities**

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

## 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**    [Public Sector Internal Audit Standard \(PSIAS\)](#)

[Report to Audit and Governance Panel of 22 March 2023 – Proposed Internal Audit Plan 2023-24 \(including Annual Review of Internal Audit Charter\)](#)

[Report to Audit and Governance Panel of 20 March 2024 – Proposed Internal Audit Plan 2024-25 \(including Annual Review of Internal Audit Charter\)](#)

[Report to Audit and Governance Panel of 29 May 2024 - External Review of Internal Audit Compliance with Public Sector Internal Audit Standards](#)

**Person to Contact**    Cecilia McGhee, Chief Internal Auditor  
County Buildings, Wellington Square, Ayr, KA7 1DR  
Phone 01292 612432  
E-mail [Cecilia.McGhee2@south-ayrshire.gov.uk](mailto:Cecilia.McGhee2@south-ayrshire.gov.uk)

**Date:** 25 October 2024



## PROGRESS AGAINST INTERNAL AUDIT PLAN 2023/24 (AS AT 30 September 2024)

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report	
<b>Key Corporate Systems</b>											
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.		✓	✓	✓					
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.		✓	✓	✓					
	Procurement	Obtain assurance that there are adequate controls included in updated procedures following implementation of Oracle Fusion and that the controls are operating effectively.		✓	✓	✓	✓	✓	✓	6 Nov 2024	
<b>Governance/Best Value</b>											
4	National Fraud Initiative	Co-ordination and Monitoring of Exercise and review of Procurement Matches.	N/A								29 May 2024
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		✓	✓	✓	✓	✓	✓	4 Sept 2024	

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
		consultants/suppliers/contractors or project management.								
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.		✓	✓	✓	✓	✓	✓	4 Sept 2024
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		✓	✓	✓	✓	✓	✓	6 Nov 2024
	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.		✓	✓	✓	✓	✓		
<b>ICT Auditing</b>										
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		✓	✓	✓	✓	✓	✓	4 Sept 2024
<b>Directorates</b>										
10	Housing, Operations and Development	Review of Waste Management procedures to obtain assurance that controls are in place and operating effectively		✓	✓	✓	✓	✓	✓	4 Sept 2024

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
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)		✓	✓	✓	✓	✓	✓	6 Nov 2024
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		✓	✓	✓	✓	✓	✓	4 Sept 2024
13	HSCP	External Providers - Confirm there are adequate arrangement in place to undertake pro- active due diligence on external provider's financial stability	Advice and Guidance Assignment – no audit report required							
	HSCP	Premises - Confirm there are adequate arrangement in place to ensure the HSCP have adequate premises to provide services/operate its business	✓							
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		✓	✓	✓	✓	✓	✓	4 Sept 2024
16	Change and Communities	Review of Cash Collection Arrangements in Leisure Facilities and sample testing		✓	✓	✓	✓	✓	✓	4 Sept 2024

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
<b>Regularity</b>										
17	Continuous Auditing	Accounts Payable, Payroll and Debtors (including Housing Rent Debtors)		✓	✓	✓	✓	✓	✓	6 Nov 2024
18	Grants	Audit of claims and annual review of procedures, Ayrshire Rural and Island Ambition Fund (ARIA)		✓	✓	✓	✓	✓	✓	4 Sept 2024
	Grants	Review of evidence to support Network Support Grant claim		✓	✓	✓	✓	N/A – Objective of the assignment was to verify contents of grant claim. Audit report not required.		4 Sept 2024
	Schools	Internal Control Self Assessment Toolkit - Management of the Annual Process		✓	✓	✓	✓	✓	✓	4 Sept 2024
21	Social Work Locations	Internal Control Self Assessment Toolkit - Management of the Annual Process		✓	✓	✓	✓	✓	✓	4 Sept 2024
<b>Follow Up Reviews<sup>1</sup></b>										
22	Regularity	Follow Up of actions from 2021/22 Audit Assignment - Museum Stores		✓	N/A	✓	✓	✓	✓	4 Sept 2024
23	Main accounting	Follow up of Actions from 2020/21 Audit Assignment - Main Accounting Review	Testing included in Fusion – Main Accounting Review							
24	ICT Auditing	Follow up of Actions from 2022/23 Audit Assignment - Systems Access Controls	Deferred to 2024/25 Plan							

<sup>1</sup> Terms of Reference are not required for follow up assignments

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
25	Directorate	Follow up of Actions from 2022/23 Audit Assignment - Void repairs		✓	N/A	✓	✓	✓	✓	4 Sept 2024
26	Directorate	Follow up of Actions from 2022/23 Audit Assignment - Fostering and Adoption		✓	N/A	✓	✓	✓	✓	4 Sept 2024
27	Main Accounting	Follow up of Actions from 2022/23 Audit Assignment - NDR Relief Review		✓	N/A	✓	✓	✓	✓	8 Nov 2023
28	Directorate	Follow up of Actions from 2022/23 Audit Assignment - Implementation of Care Inspectorate/Scottish Government Improvement Plans	Not required, original audit gave substantial assurance							
29	Governance and Best Value	Follow up of Actions from 2022/23 Audit Assignment - arrangements in place around the use of SWHub	Deferred to 2024/25 Plan							
30	Contingency	Follow up of Actions from 2022/23 Audit Assignment - Golf Club House Income Controls		✓	N/A	✓	✓	✓	✓	4 Sept 2024
<b>Other Entities</b>										
31	AVJB	Review of implementation of Voters Authority Certificate (VAC) process		✓	✓	✓	✓	✓	✓	8 Nov 2023
		Review of implementation of Non Domestic Rate (NDR) legislative changes		✓	✓	✓	✓	✓	✓	22 Feb 2024
32	IJB	Workforce Planning			✓	✓	✓	✓	✓	4 Sept 2024

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
		Follow Up – Performance Monitoring Arrangements			N/A	✓	✓	✓		
<b>Other</b>										
33	Investigations	Allowance for investigations of irregularities.	Three concluded as at 30 June 2024							26 June 2024
34	Advice and Guidance (general)	Client requests, advice and consultancy - including participation on working groups	Advice and Guidance provided in seven separate areas; safe checks, anti-fraud checks within the grant process in Thriving Communities, the treatment/recoding of Museum archives, advice on proposed changes to employability grant procedures and the process to award grants to businesses impacted by the transport restrictions as a result of the former Ayr Station Hotel fire, the proposed guidance note, application form and operational procedures for the Communities Empowerment Fund and on financial limits and process for requesting budget virement							
	Advice and Guidance (Service Reviews/ Redesign)	Allocate 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	Initial meeting with Service to discuss audit participation in the project to replace Carefirst within HSC							
36	Contingency	Contingency budget for unplanned commitments arising during the year	2 assignments completed. Review of HSC procurement of Training Courses and review of grant award process							4 Sept 2024
37	Closure of prior year assignments	Allowance of time for the closure of prior year audit work into 2022/23	One assignment (HubSw) to be concluded							
38	Management and Audit development	Internal Audit planning, annual reporting, and quarterly reporting and Chief Internal Auditor Review of assignments	Ongoing throughout the year							
39	QAIP	Annual self-assessment of compliance with PSIAS		✓	✓	✓	✓	✓	✓	29 May 2024

## PROGRESS AGAINST INTERNAL AUDIT PLAN 2024/25 (AS AT 30 September 2024)

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
<b>Key Corporate Systems</b>										
1	Main Accounts	Follow up actions from 2023/24 audit work if required and obtain assurance controls are operating effectively.		✓	✓	✓				
2	HR & Payroll	Follow up actions from 2023/24 audit work if required and obtain assurance controls are operating effectively.		✓	✓	✓				
3	Procurement	Follow up actions from 2023/24 audit work if required and obtain assurance controls are operating effectively.	✓							
<b>Governance/Best Value</b>										
4	National Fraud Initiative (NFI)	Co-ordination and Monitoring of Exercise.		✓	N/A					
5	Following the Public Pound	Ayrshire Growth Deal - Follow Up of actions from 2023/24 Assignment (if required). Review of contract management within the AGD programme.	✓							
6	Governance and Best Value	Obtain assurance that adequate arrangements are in place for the use of consultancy services throughout the Council.		✓	✓	✓				

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
7	Following the Public Pound	Obtain assurance that there are adequate arrangements in place across the Council to monitor the receipt and issue of grants.	✓							
<b>ICT Auditing</b>										
8	Access Controls	Obtain assurance that there are adequate controls in place over the employee access to Council networks, systems and devices within schools.		✓						
<b>Directorates</b>										
9	Health and Social Care Partnership	Financial Intervention Orders/Corporate Appointeeship - Review of the financial intervention orders/corporate appointeeship procedures to confirm carried out timeously.	✓							
10	Health and Social Care Partnership	CM 2000 review to confirm it meets expected objectives and that outputs from the system are reliable.		✓	✓	✓				
11	Education	Review the use of Pupil Equity Fund (PEF) to confirm compliance with the conditions of the fund/national guidance.	✓							
12	Strategic Change and Communities	Climate Change - scope to be agreed following development of national audit programme.	✓							
13	Chief Executives (Human Resources)	Using Data analytics to confirm all employees have a current/valid Protection of Vulnerable Groups (PVG)	✓							



No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
		Certificate in place where required.								
14	Housing Operations and Development	Review of Transport Management System post implementation to confirm it meets expected objectives.	✓							
15	Housing Operations and Development	Review Performance information included in the Annual Return on the Charter (ARC).		✓	✓	✓	✓	✓	✓	4 Sept 2024
16	Housing Operations and Development	Review of Scottish Housing Regulator - Annual Assurance Statement.		✓	✓	✓	✓			
17	Housing Operations and Development	Obtain assurance that the new procedure for malicious damage invoices includes adequate controls and is operating effectively.		✓	✓	✓	✓			
<b>Regularity</b>										
18	Continuous Auditing	Account Payables, Payroll and Debtors and develop the use of Continuous Audit throughout the Council.	✓							
19	Grants	Audit of claims and annual review of procedures, Ayrshire Rural and Island Ambition Fund (ARIA).	✓							
20	Grants	Review of evidence to support Network Support Grant claim.	✓							
21	Self-Assessment Checklist	Internal Control Self Assessment Toolkit - Management of the Annual Process - Social Work Locations.	✓							

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
22	Self-Assessment Checklist	Internal Control Self Assessment Toolkit - Management of the Annual Process - Schools.	✓							
23	Stores	Obtain assurance that there are adequate controls in place to ensure Property Maintenance stock adjustments between the stock count and end and 31/3/2024 are correctly recorded.		✓	✓	✓	✓	✓	✓	4 Sept 2024
<b>Follow Up Reviews</b>										
24	Directorates	Follow up of Actions from 2023/24 Audit Assignment - <b>Waste Management.</b>		✓						
25	ICT Auditing	Follow up of Actions from 2023/24 Audit Assignment- <b>Social Media.</b>		✓	N/A	✓				
26	ICT Auditing	Follow up of Actions from 2022/23 Audit Assignment - <b>Systems Access Controls.</b>	✓							
27	Governance and Best Value	Follow up of Actions from 2023/24 Audit Assignment- <b>Participatory Budgets.</b>	✓							
28	Directorates	Follow up of Actions from 2023/24 Audit Assignment- <b>Cash income at Leisure facilities.</b>		✓	N/A	✓				
29	Governance and Best Value	Follow up of Actions from 2023/24 Audit Assignment - <b>Procurement - Framework Agreements.</b>	✓							
<b>Other Entities</b>										
30	AVJB	<b>Elections Act 2022</b> - To provide assurance that the		✓	✓	✓				

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
		changes required to processes around on-line postal voters and divergence of Scottish/UK Postal and Overseas have been implemented and are operating effectively								
		<b>Staff Training - Council Tax System</b> - To provide assurance that training has been fully carried out on the new Council Tax system.	✓							
31	IJB	<b>Business Continuity and Resilience</b> – To provided assurance that there are adequate arrangements in place to ensure business continuity and resilience within the HSCP	✓							
<b>Other</b>										
32	Investigations	Allowance for investigations of irregularities.	One investigation relating to changes in bank details is currently ongoing in conjunction with other services							
33	Advice and Guidance	Client requests, advice and consultancy - including participation on working groups.	Ongoing throughout the year. As at 30 Sept 2024 A&G provided in relation to imprest account changes resulting from Bank branch closures, hardship fund procedures, procurement and the ambition fund.							
34	Transformation Programme	Allocation of time to allow Internal Audit to provide advice & guidance and support to the Transformation Programme.	✓	✓						
35	Contingency	Contingency budget for unplanned commitments arising during the year.	Ongoing throughout the year. As at 30 September 2024 Three contingency assignment concluded, community council appeal, Independent Examination of East Renfrewshire Council Trusts 2023-24 Accounts and a Council Tax Refund Anti-Fraud Review							
36	Closure of prior year assignments	Allowance of time for the closure of prior year audit work into 2024/25.	Ongoing							

No	Audit Area	Objectives	Not Started	Planning	Terms of reference Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Final report Issued	Included in AGP Progress Report
37	Management and Audit development	Internal Audit planning, annual reporting, and quarterly reporting and Chief Internal Auditor Review of assignments.	Ongoing throughout the year.							
38	Quality Assurance Improvement Programme (QAIP)	Annual self-assessment of compliance with PSIAS.	✓	✓	N/A	✓				

2023/24 Internal Audit Reports Issued in period 1 July 2024 to 30 September 2024

Assignment Name/Ref	Assurance <sup>2</sup>	No of Actions
<p><b>2024-03 Procurement – Fusion Controls</b></p> <p><i>Assignment Summary</i></p> <p>The objective of this audit was to obtain assurance that there are adequate system controls within Procurement, specifically the Purchase to Pay (P2P) and the Accounts Payables processes, following the implementation of Oracle Fusion. The assignment sought to provide assurances that there are adequate procedures, training and support in place which cover the changes resulting from the implementation of Fusion, and that controls are in place in the following areas:</p> <ul style="list-style-type: none"> <li>• Adding and changing creditors details.</li> <li>• Recording transactions, including the order, receipt and payment of goods and services.</li> <li>• Creditor payments.</li> <li>• Reconciliations.</li> <li>• User access rights and permission.</li> <li>• Monitoring and Reporting.</li> <li>• Performance management.</li> </ul> <p>This assignment did not involve testing of the operation of the controls. Testing to assess the effectiveness of the controls is included within the 2024/25 Audit Assignment in this area.</p> <p>Overall reasonable assurance was obtained in the areas within the scope of the assignment.</p>	<p>Reasonable</p>	<p>6 (3 Medium risk, 3 Low)</p>

<sup>2</sup> **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.

Assignment Name/Ref	Assurance <sup>2</sup>	No of Actions
<p>The audit gave rise to six recommendations which management agreed to implement. The main recommendations related to ensuring; approval levels are appropriate; budget overspend warnings and check funds functions are operational; and purchases are authorised by appropriate budget holders. Unless these recommendations are addressed, there is a risk that all spend is not properly authorised and of budgets being overspent.</p>		
<p><b>2024-07 Participatory Budgeting</b></p> <p><i>Assignment Summary</i></p> <p>The objective of this audit was to obtain assurance that there are adequate policies and procedures in place to ensure the Council meets its Participatory Budgeting (PB) target and that PB is imbedded within decisions on the allocation of budget where appropriated and to gain assurance that there is evidence to support the values included within the PB Activity Report 2023/24. The assignment sought to provide assurances that:</p> <ul style="list-style-type: none"> <li>• There are adequate policies and procedures in place to ensure the Council meets its PB target for the financial year and includes the seven key features of a fair and high quality PB process as detailed in the Participatory Budgeting Charter for Scotland.</li> <li>• The Council complies with principles and reporting requirements within the COSLA and Scottish Government PB framework (Community Choices 1% Framework).</li> <li>• Steps are being taken towards mainstreaming PB within decisions on the allocation of existing resources across council services.</li> <li>• The values recorded in the 2023/24 Activity Report are accurate and have been subject to public consultation.</li> </ul> <p>The assignment concluded in reasonable assurance as the Council exceeded the 1% annual target for 2023/24 and there was evidence that the community had been consulted in the areas recorded on the COSLA proforma. It was noted however that currently there is a lack of a strategic approach to PB throughout the Council. In Internal Audit's opinion it appears that PB is not fully considered by all services until they are requested to complete the COSLA proforma on a six monthly basis. This led to various updates to the proforma being required before a final position for 2023/24 was established. In addition, without a strategic approach to PB, there may be a lack of understanding of service responsibilities regarding PB. This increases the risk that the Council could fail to meet the PB target in future years if this is not implemented by all applicable Services. Internal Audit was able to obtain assurance through discussions with Senior Management and attendance at Improvement Services PB briefing delivered to relevant officers in the Council, that steps are being taken to develop a strategic approach to PB.</p> <p>The audit gave rise to 2 recommendations which management agreed to implement. The main recommendations relate to developing a Council wide strategy for Participatory Budgeting and ensuring the COSLA return included all relevant information. Unless these recommendations are addressed, there is a risk that the Council will not meet its obligations to promote and facilitate public participation in its decisions and activities and to give communities more powers to achieve their own ambitions or face reputational damage through reporting inaccuracies in PB returns.</p>	<p>Reasonable</p>	<p>2 (2 medium risk)</p>

Assignment Name/Ref	Assurance <sup>2</sup>	No of Actions
<p><b>2024-11 Housing Let Anti-Fraud Review</b></p> <p><i>Assignment Summary</i></p> <p>The objective of the audit was to obtain assurance that the procedures in place relating to the process of letting Council Houses include adequate and effective controls to mitigate, detect and deter fraud in applications submitted for Council Houses<sup>3</sup> and that there are effective controls in place to identify and detect fraudulent activities in relation to tenancy succession and the sub-letting/unauthorised occupancy of council houses The assignment sought to provide assurance that:</p> <ul style="list-style-type: none"> <li>• The existing Council house letting procedure includes adequate and effective controls to mitigate, detect and deter fraud in housing applications.</li> <li>• The existing verification checks, made by the service to confirm housing applicant information/circumstances, are sufficient, relevant and effective and include various options such as references to credit checks, council tax, council data matching and social media information.</li> <li>• The measures taken by the service to identify or mitigate instances of fraud in sub-letting, tenancy succession and unauthorised occupancy are effective and timeous.</li> </ul> <p>Overall reasonable assurance was obtained in the areas within the scope of the assignment.</p> <p>The audit gave rise to six recommendations which management agreed to implement. The main recommendations relate to updating Housing Management Policies, incorporating asylum and immigration questions in the current application process, strengthening current processes in relation to undertaking annual reviews of applicant’s circumstances and considering anti-fraud measures within other similar organisations. Unless these recommendations are addressed, there is a risk that policies will be outdated, non-compliance with asylum and immigration requirements will exist and tenancies could be awarded to applicants who have not declared material changes in circumstances via the annual review process.</p>	Reasonable	6 (1 high risk, 2 medium risk, 3 low risk)
<p><b>2024–17 Continuous Auditing</b></p> <p><i>Assignment Summary</i></p> <p>The objective of the audit was to is to assess the risk of undetected duplicate supplier payments using audit Data Analysis Software (IDEA) to review vast volumes of data.</p> <p>Testing was conducted on invoices from 1 March 2023 to 17 March 2024. Five invoices were identified which had been paid twice. This represented an overpayment of £11,139. We consider this to be immaterial in the context of invoices recorded on both Oracle EBS and Oracle Fusion over the period of</p>	Substantial	0 Actions

<sup>3</sup> Council Houses are taken to include all forms of domestic properties


Assignment Name/Ref	Assurance <sup>2</sup>	No of Actions
<p>review (£290m) however the CAP team are currently following up with the suppliers to return the funds paid in error. All invoices identified where duplicate payment had been made were recorded on</p> <p>Six duplicate payments were also identified as part of testing which had previously been identified by the CAP team/ Service and Debit Memos (totalling £53,843) had already been raised on the system to record return of funds which were paid in error.</p> <p>Non-PO stats continue to be monitored by the Procurement team to reduce these instances and increase compliance with the Council's Financial Regulations December 2023 (s14.2).</p> <p>Supplier invoices held in Oracle were identified from review containing personal client information such as names and dates of birth. In accordance with General Data Protection Regulations, the Council has a responsibility to limit unnecessary access to personal data. This finding was reported to the Procurement team to follow-up with the relevant suppliers.</p> <p>The audit gave rise to no further recommendations therefore no further action is required.</p>		





**2024/25 Internal Audit Reports Issued in period 1 July 2024 to 30 September 2024**


Assignment Name/Ref	Assurance	No. of Actions
<p><b>2025-35-04 – Council Tax refunds Anti-Fraud Review</b></p> <p>Assignment Summary</p> <p>The objective of this assignment was to obtain assurance that assurance that there are adequate controls in place and operating effectively to guard against fraudulent award of Council Tax (CT) refunds within South Ayrshire Council. The review was completed using time allocated from the contingency balance included in the 2024/25 Internal Audit Plan. The assignment sought to provide assurance that that controls are in place and working satisfactorily in the following areas;</p> <ul style="list-style-type: none"> <li>• Identification of and requests for CT refunds</li> <li>• Authorisation of CT refunds</li> <li>• Payment of CT refunds</li> </ul> <p>Overall assurance was obtained that there are appropriate and proportional controls in place to guard against the fraudulent payment of CT refunds and there were no significant issues or errors identified through audit testing.</p> <p>The audit gave rise to four recommendations, three of which management have agreed to implement. The action not accepted was rated medium risk and related to reviewing the Council Tax Overpayments list. Management has accepted this as an ongoing risk and will allocate resources to this task if/when available. The main recommendations relate to restricting the use of the shared login, ensuring endorsers’ approval limit controls are not circumvented, confirming approval limits are appropriate, reviewing the CT Overpayments list and making refunds where required. Unless these recommendations are addressed, there is a risk that fraudulent activity may not be identified, refunds may not be properly approved and the Council could suffer reputational damage through failure to make refunds where CTPs have overpaid their CT liability.</p>	<p>Reasonable</p>	<p>4 (1 high risk, 2 Medium Risk and 1 low risk)</p>

## Overdue Actions (As At 2 October 2024)





IA2023/07 System Access Controls							
Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2023/07.05 Employee Movers	30-Sep-2024	Tim Baulk	Kevin Mullen; Wendy Wesson	03-Oct-2024 Although work has been ongoing in this area, the Starters, Movers and Leavers' is now a year 2 transformation project which should be concluded by end of FY 25/26 and should deliver efficiencies in terms of the Councils approach. Therefore an extension to March 26 is requested.		55%	1 <sup>st</sup> Extension Granted to 31/3/2026

IA2024/03 Procurement - Fusion Controls							
Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/03.05 Carry out a survey of procurement users	30-Sep-2024	David Alexander	Stephen Simpson	02-Oct-2024 A report has been created within Fusion to display outstanding orders and invoices. This is available for any member of staff who has access to the procurement screens within the system. Procurement have been informing staff that this report is available. Procurement are producing a new training module for Fusion, that all staff on the system will be required to complete, regarding the ordering and invoicing process and this report will be mentioned and highlighted within this training module. This module is due to be released later in 2024/25, hence the 90% completion.		90%	1 <sup>st</sup> Extension Granted to 31/12/2024
IA2024/03.06 Restrict the ability to amend cost centres	30-Sep-2024	David Alexander	Stephen Simpson	02-Oct-2024 Procurement are considering the level of access currently granted vs the level of access actually required for each member of staff to complete their job. Communications have been drafted for service leads in regard to reviewing procurement users within each of their services.		75%	1 <sup>st</sup> Extension Granted to 31/12/2024

				Procurement are however awaiting a helpdesk call to be completed via our third party supplier in regards to procurement user access to a screen for payments. This affects what procurement users can do on Fusion and we are awaiting completion of this call prior to sending out communications in regard to a survey.			
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IA2024/16 Cash Collection Arrangements -Leisure Facilities							
Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/16.10 Cash Handling Declaration	31-Aug-2024	Alistair Mutch	Fiona Campbell	01-Oct-2024 Some staff have requested further clarification re the content of the cash handling guide - efforts ongoing to reach 100%.		90%	1st extension granted to 31/08/2024 2 <sup>nd</sup> Extension granted to 31/12/2024

## Actions Due within next 6 Months (As At 2 Oct 2024)

IA2021/40 Main Accounting System Review							
Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2021/40.06 Format of service level budget monitoring reports for all SAC services to be reviewed to include commitments and obligations to present complete spend against budget.	31-Mar-2025	Tim Baulk	Tom Simpson	26-Aug-2024 While many of the teething issues following the implementation of Oracle Fusion have been resolved, a few continue to persist with some directly related to commitments and obligations. We understand these issues to be linked to new processes surrounding the opening and closing of accounting periods and chart of accounts segments and they continue to be investigated between Finance, ICT and Procurement colleagues and our Fusion external support partners. The implementation of Fusion has been a very significant and steep learning curve and while much progress has been made, these remaining issues require to be ironed out before we can confidently include them in budget monitoring reports. An extension is requested to 31 March 2025.		90%	1st extension granted to Oracle Fusion Go Live date 31/3/23 2nd extension granted to 31/3/24 3rd extension granted to 31/3/2025 at AGP 4 Sept 2024
IA2021/40.10 Internal training to be made available to those with budget monitoring responsibilities to enhance their knowledge and skills to effectively manage their budget.	31-Mar-2025	Tim Baulk	Tom Simpson	26-Aug-2024 Existing training material is currently being reviewed and refreshed in line with current Oracle Fusion practices. This will form the basis of both face-to-face and online COAST training sessions across the organisation. An extension is requested until 31 March 2025 by which point the rollout is expected to be complete.		78%	1st extension granted to Oracle Fusion Go live date 31/3/23 2nd extension granted to 31/3/24 3rd extension granted to 31/3/2025 at AGP 4 Sept 2024
IA2021/40.11 Format of budget monitoring reports to be reviewed to enable budget holders to drill down on the information presented. Consideration should be given to providing budget holders with real time budget and expenditure information.	31-Mar-2025	Tim Baulk	Tom Simpson	26-Aug-2024 Following a period of time where the priority was identifying, understanding and resolving a number of post Go-Live teething issues with Oracle Fusion, consideration is now required as to how financial information can be most effectively presented to budget holders within the resource constraints of licensing costs. We are only now at a stage where solutions can be explored between Finance and ICT colleagues. An extension to 31 March 2025 is requested in order to identify and consider viable and affordable options.		85%	1st extension granted to Oracle Fusion go live dated 31/3/2023 2nd extension granted to 31/3/24 3rd extension granted to 31/3/2025 at AGP 4 Sept 2024
IA2021/40.15 Basis of internal recharges to be reviewed where based on historic pre-approved rates	31-Mar-2025	Tim Baulk	Tom Simpson	26-Aug-2024 Work has stalled in this area while the resolution of Oracle Fusion teething issues took a necessary priority. With many of those issues now resolved, the question of internal charging can now take a higher priority as part of budget-setting considerations for the 2025/26 and 2026/27 budgets. An extension until		35%	1st extension granted to 31/12/2022 2nd extension granted to 30/3/2023 3rd Extension Granted to

				31 March 2025 is requested, which will align with the 2025/26 budget-setting process.			31/3/2024 (AGP 6/9/2023) 4th extension granted to 31/3/2025 at AGP 4 Sept 2024
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### IA2023/12 Climate Change Duty Report

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2023/12/04 Review and update of Energy Strategy	31-Oct-2024	Christina Cox; Neil Grant	Tom Burns; Neil Grant	27-Sep-2024 The AEM draft final report and work package outputs have been received and commented upon. The AEM Recommendations Action Plan is being finalised and following this the consultant will prepare the overarching AEM document.		90%	1st extension granted to 31/10/2024

### IA2023/30/04 EE Masts Riverside Place

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2023/30/04.01 Document and implement contract management procedures	31-Dec-2024	Christina Cox	Pauline Bradley	23-Jul-2024 The review and update of contract management procedures is progressing well.		30%	

### IA2024/09 Social Media Accounts

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/09.14 Responsibilities regarding personal use of Social Media by employees	30-Nov-2024	Mike Newall	Wendy Wesson	26-Jul-2024 Wording has been developed and awaiting sign-off with Legal services.		75%	

### IA2024/10 Waste Management Procedures

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/10/01 Develop written procedures/processes for all key business operations	31-Mar-2025	Fiona Ross; NS Training	John Morrison	02-Oct-2024 We have begun process mapping procedures for key operations tasks and have officers working on their own specific areas to complete them.		60%	
IA2024/10/02 Undertake periodic reconciliations between the customers on commercial route sheets to commercial customers spreadsheet	31-Mar-2025	Fiona Ross; NS Training	Paul Dougall	24-Jul-2024 Commercial Team currently checking cancelled customers from 1/4/24 to ensure removed from route sheets and any other documents.  Annual billing now completed so team will start monitoring payments throughout the year and debt recover as required working along side legal.  We are currently looking at a system to digitalise all process in relation to commercial waste which will reduce the possibility of manual error.		50%	1st extension granted to 31/3/2025

IA2024/10/04 Implement a suitable stock control system	31-Mar-2025	Fiona Ross; NS Training	Paul Dougall	24-Jul-2024 Team leader will be visiting building works to look at there systems, however the bigger issues are around staffing levels and who in the site is responsible for the distribution of stock. This is something the service is reviewing.		20%	1st extension granted to 31/3/2025
IA2024/10/05 Ensure booking system shows details of all advanced payments	31-Mar-2025	Fiona Ross; NS Training	Paul Dougall	24-Jul-2024 Sample of data to take every 1/4 to ensure no anomalies in payments.		10%	1st extension granted to 31/3/2025

**IA2024/11 Housing Lets - Anti Fraud Review**

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/11/01 Housing Services should take action to ensure that the policy is reviewed every two years	31-Jan-2025	Michael Alexander	Chris Carroll	01-Oct-2024 Housing Policy and Strategy have engaged with Housing Services early September 2024 outlining lead Policy Officers to work with colleagues across Housing Operations to refresh and update the Housing Management Policy. An agreed workplan is to be created and actioned on.		20%	
IA2024/11/06 Housing Services should consider incorporating a section into the policy document in relation to prevention/detection of fraudulent activities or attempted fraud when applying for Council houses.	31-Jan-2025	Kenny Dalrymple	Michael Alexander	01-Oct-2024 Consideration will be given to incorporating a section into the policy document in relation to prevention/detection of fraudulent activities or attempted fraud when applying for Council houses.  Additionally, consideration will be given to strengthening existing anti-fraud measures taking account of established good practice and any data sharing restrictions.		20%	

**IA2024/16 Cash Collection Arrangements -Leisure Facilities**

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/16.06 Upload of information to paye.net and bank reconciliations	30-Nov-2024	Alistair Mutch	Denise Love	21-Aug-2024 Per Kate Copland 21/08/2024 - Pay.net transactions for Leisure are being uploaded on a regular basis by a dedicated team member in Corporate team.  The reconciliation is being prepared and approved regularly. Queries relating to the reconciliation are raised with the department or Cashiers where necessary.  There is still some improvement required with the regular uplift of funds and Finance is working with the department to resolve this.		90%	1st extension granted to 30/11/2024

				Resolution anticipated by end of November 2024. Progress now 90%.			
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**IA2024/20 School Self-Assessment Checklist results 2023/24**

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/20.01 Governance	31-Jan-2025	Lyndsay McRoberts	Gavin Cockburn			0%	
IA2024/20.08 Inventory	30-Nov-2024	Lyndsay McRoberts	Gavin Cockburn	27-Sep-2024 We are on track for completing this action by the due date in November 2024		75%	

**IA2024/21 Social Care - Self Assessment Toolkit 2023-24**

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/21.01 Completion of Self Assessment - Management to ensure that all relevant locations complete the self-assessment on an annual basis.	30-Nov-2024	Tim Eltringham	Lisa Duncan	26-Jul-2024 CFO presented findings of 23-24 Audit to DMT. Email sent to Team Leaders stressing importance of completion of Self Assessment. Training to be arranged in November prior to Self Assessment 23-24 being distributed for completion.		0%	

**IA2024/36/01 Procurement of Training Services (HSC)**

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/36/01.01 Compliance with Standing Orders Relating to Contracts	31-Oct-2024	Gary Hoey	Sheila Tyeson; Meg Williams	01-Oct-2024 the current Standing Order processes are still being refreshed, however are now close to approval. Last update outlined that Standing Order Training will be undertaken as soon as the revised processes have been approved, in order that the information received by staff is up to date and accurate. It was therefore agreed by Internal Audit that an extension for completion until the 31st October 2024 be given to this action as progression of this was out with the control of the Practice Development Team. All other training has however been complete.		85%	1 <sup>st</sup> Extension granted to 31 October

**IA2025/23 Property Maintenance Stores Yearend Balance**

Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2025/23.02 Year End Stock Reports	31-Mar-2025	Kenny Dalrymple	William Andrew	27-Sep-2024 Stock checks are now being carried out and we have now fully completed all electrical stock, all PPE and all timber in our Joinershop in addition to this		50%	

				all stock that is slow moving or has not been used in a 12 month period has now all been removed for the stores.			
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## PSIAS External Quality Assessment – Action Plan

No.	Recommendation	Management Response	Responsible Officer / Agreed Completion Date	Current Status
1	<p>The Chief Audit Executive has recognised the need to introduce client and other surveys to enhance the quality assurance and improvement framework. The peer review has identified that there is scope to consider additional key performance indicators to align to balanced scorecard reporting of performance promulgated by the Institute of Internal Auditors.</p> <p>Specifically, the annual internal audit report should be updated to include all KPIs and additional key performance indicators in relation to compliance with internal service standards e.g. timescales for issue of draft and final reports, number of audits completed on time and within budget as these can be helpful measures to assess the efficiency and effectiveness of internal audit as well as identifying any training needs, particularly for new members of staff.</p>	<p><b>Recommendation Accepted</b> Additional KPIs in relation to the delivery of the overall Internal Audit Service will be developed. Performance of members of the team and identification of training needs will continue to be monitored by the Chief Internal Auditor.</p>	Chief Internal Auditor – 30 June 2024	<b>Fully Implemented</b>
2	<p>The Chief Audit Executive has recognised the need to introduce a formal assurance mapping process to enhance the preparation of the risk-based annual audit plan.</p> <p>The covering report in relation to the annual audit plan should also be updated to include current risk factors influencing the proposed audit coverage for the year ahead.</p>	<p><b>Recommendation Accepted</b> An assurance mapping process has been introduced and was used as part of the 2024/25 Planning Process.</p> <p>The covering report in relation to the annual audit plan will be updated to include the risk factors influencing the proposed audit coverage for the year ahead going forward from the 2025/26 audit plan.</p>	<p>Complete</p> <p>Chief Internal Auditor – 31 March 2025</p>	<p><b>Fully Implemented</b></p> <p><b>Not started – due to start January 2025</b></p>
3	The Chief Audit Executive plans to update the risk and control analysis (RACA) process for minor changes identified.	<p><b>Recommendation Accepted</b> Common risk areas will be added to the RACA template. The</p>	Chief Internal Auditor – 1 April 2024	<b>Fully Implemented</b>

No.	Recommendation	Management Response	Responsible Officer / Agreed Completion Date	Current Status
	The RACA should also be updated to include other standard risk areas such as management information, quality and effectiveness, systems and procedural documentation, business continuity planning arrangements, data protection arrangements and IT logical access controls which are common risk areas.	updated template will be used going forward from 2024/25.		
4	The RACA process should be updated firstly to include an initial risk assessment which would demonstrate audit scope is focussed on areas of higher risk and secondly, to provide no overall conclusion which would then support the overall opinion for the audit.	<p><b>Recommendation Accepted</b></p> <p>The RACA template will be updated to include an initial risk assessment and an overall conclusion. A column will be added to rank the risks recorded in the RACA and allow the auditor to ensure the scope is focussed on high risk areas. An overall conclusions section will also be added to the template which will support the audit opinion.</p> <p>The updated template will used going forward from 2024/25.</p>	Chief Internal Auditor – 1 April 2024	<b>Fully Implemented</b>
5	Summary of report findings should be included in internal audit progress reports to provide context to the audit report opinions being reported to the Audit & Governance Panel.	<p><b>Recommendation Accepted</b></p> <p>Progress reports will be updated to include a brief summary of audit findings and conclusions which led to the overall audit opinion for the audit assignment.</p>	Chief Internal Auditor – from September 2024 Progress report	<b>Fully implemented</b>
6	Although the results of follow up actions are included in the internal audit progress reports, the annual report should be updated to include the results of follow up processes to support the overall audit conclusion. For example, number of recommendations made, agreed, implemented, overdue, not due at 31 March.	<p><b>Recommendation Accepted</b></p> <p>The annual report for 2023/24 and going forward will include a summary of the progress of the implementation of audit actions. This will be split between formal follow up of actions, through audit assignments, and informal follow up using information recorded by services in Ideagen.</p>	Chief Internal Auditor – 30 June 2024	<b>Fully Implemented</b>

No.	Recommendation	Management Response	Responsible Officer / Agreed Completion Date	Current Status
7	<p>The regular progress reports to Audit &amp; Governance Panel are updated to provide information on those recommendations where the risk has been accepted, particularly where the recommendations are high or medium risk and highlight to the Panel any concerns.</p> <p>The annual internal audit report should be updated to highlight any concerns regarding management's acceptance of risk which have previously been reported to the Panel.</p>	<p><b>Recommendation Accepted</b>  The annual report for 2023/24 and going forward will note where the risk has been accepted by service managers.</p>	<p>Chief Internal Auditor  – 30 June 2024</p>	<p><b>Fully Implemented</b></p>

Critical	Critical
Significant	Significant
Routine	Routine

**South Ayrshire Council**

**Report by Director of Health and Social Care Partnership  
to Audit and Governance Panel  
of 6 November 2024**

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**Subject: South Ayrshire IJB External Annual Audit Report 2023-24**

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**1. Purpose**

1.1 The purpose of this report is to present Audit Scotland's Annual Audit Report on South Ayrshire IJB's Annual Accounts for the period 2023-24.

**2. Recommendation**

**2.1 It is recommended that the Panel:**

**2.1.1 considers the Annual Audit report of South Ayrshire IJB for period 2023-24; and**

**2.1.2 notes the contents of the Annual Audit report for 2023-24.**

**3. Background**

3.1 South Ayrshire Integrated Joint Board is specified in legislation as a 'section 106' body under the terms of Local Government Scotland Act 1972 and as such is expected to prepare annual accounts in accordance with the Code of Practice on Accounting for Local Authorities in the United Kingdom supported by International Financial Reporting Standards (IFRS) unless legislation or statutory guidance requires different treatment.

3.2 The IJB's Annual Accounts are audited by Audit Scotland who have been appointed by the Accounts Commission for the period 2022-23 until 2026-27. Audit Scotland are an independent body whose responsibilities are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice 2021, and supplementary guidance and International Standards on Auditing in the UK.

3.3 Auditors give an independent opinion on the financial statements and other information within the annual report and accounts. They also review the arrangements within the IJB to manage its performance and use of its resources and aim to support improvement and accountability.

3.4 The IJB is responsible for maintaining accounting records and preparing financial statements that give a true and fair view. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant

legislation and establishing effective arrangements for governance, propriety and regularity to deliver on strategic plan objectives.

3.5 South Ayrshire IJB Annual Accounts for 2023-24 were approved by the IJB on 11 September 2024, alongside presentation of the Annual Audit report by Audit Scotland (Appendix 1).

3.6 The IJB agreed that the Annual Audit report be presented to the Council's Audit and Governance Panel for information. The report will also be presented to NHS Ayrshire and Arran Audit and Risk Committee in November 2024.

#### **4. Proposals**

4.1 Audit Scotland's opinion on the Annual Accounts of the South Ayrshire IJB are unmodified and the financial statements give a true and fair view of the financial statements of the IJB.

4.2 Key messages included:

- The IJB has in place a medium-term financial plan, providing a transparent forecast of its challenging financial position over the medium term to 2027-28. This shows a cumulative gap of £20m. Given the reducing levels of reserves held, future savings must be made through the transformation of services to bridge this gap.
- The IJB recognises the importance of transformation to its long-term financial sustainability and has so far committed over £3m to transformation projects.
- The IJB has a clear strategic vision that is supported by its partners.
- Governance arrangements are appropriate and operating effectively.
- Performance management arrangements are effective with indicators and targets kept under review.

#### **5. Legal and Procurement Implications**

5.1 Production and audit of the annual accounts is a statutory requirement.

5.2 There are no procurement implications arising from this report.

#### **6. Financial Implications**

6.1 The report provides an independent opinion on the financial statements and has been prepared in accordance with the statutory guidance.

#### **7. Human Resources Implications**

7.1 Not applicable.

**8/**

## **8. Risk**

### **8.1 *Risk Implications of Adopting the Recommendations***

8.1.1 There are no risks associated with adopting the recommendations.

### **8.2 *Risk Implications of Rejecting the Recommendations***

8.2.1 There are no risks associated with rejecting the recommendations.

## **9. Equalities**

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as 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 Priority 4 of the Council Plan: Efficient and effective enabling services and the report aligns with IJB Strategic Priority "We are an ambitious and effective partnership".

## **13. Results of Consultation**

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

13.2 Consultation has taken place with Councillor Hugh Hunter, Portfolio Holder for Health and Social Care, and the contents of this report reflect any feedback provided.

**Background Papers**     [South Ayrshire IJB Annual Accounts 2023-24](#)

**Person to Contact**     **Lisa Duncan, Chief Finance Officer SAIJB**  
**Elgin House, Ailsa Hospital, Ayr, KA6 6 AB**  
**Phone 01292 612392**  
**E-mail [Lisa.Duncan2@south-ayrshire.gov.uk](mailto:Lisa.Duncan2@south-ayrshire.gov.uk)**

**Date: 25 October 2024**

# South Ayrshire Integration Joint Board

Proposed 2023/24 Annual Audit Report



 AUDIT SCOTLAND

Prepared for South Ayrshire Integration Joint Board and the Controller of Audit

September 2024

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# Key messages

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## 2023/24 Annual Accounts

1. Our audit opinions on the Annual Accounts of the South Ayrshire Integration Joint Board (the IJB) are unmodified. The financial statements give a true and fair view of the financial position of the IJB.

## Financial management and sustainability

2. The IJB's 2023/24 budget was underspent by £7.292 million primarily due to unfilled vacancies and lower than budgeted demand for Children's Services.
3. At 31 March 2024 reserves total £17.468 million (£19.829 million in 2022/23).
4. The 2024/25 budget is balanced. The IJB has in place a medium-term financial plan, providing a transparent forecast of its challenging financial position over the medium-term to 2027/28. This shows a cumulative gap of £20 million. Given the reducing levels of reserves held, future savings must be made through the transformation of services to bridge this gap.
5. The IJB recognises the importance of effective transformation to its long-term financial sustainability and has so far committed over £3 million to transformation projects.

## Vision, leadership and governance

6. The IJB has a clear strategic vision that is supported by its partners.
7. A review of the Integration Scheme remains ongoing, and the final revised scheme is scheduled for consideration by the partners in 2024/25.
8. Governance arrangements are appropriate and operating effectively.

## Use of resources to improve outcomes

9. Performance management arrangements are effective with indicators and targets kept under review. These arrangements contribute to the IJB's Best Value duty. Performance in relation to the ministerial group national measures on health and community care shows results against 2023/24 targets have largely been achieved. However, for most of the indicators, there is a worsening position when compared to 2022/23.

# Introduction

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**1.** I, Fiona Mitchell-Knight (Audit Director), have been appointed by the Accounts Commission as auditor of South Ayrshire Integration Joint Board for the period from 2022/23 until 2026/27. The 2023/24 financial year was the second of my five-year appointment. My appointment coincided with the new Code of Audit Practice which was introduced for financial years commencing on or after 1 April 2022.

**2.** My team and I would like to thank members, senior management, and other staff, particularly those in finance, for their cooperation and assistance in this year.

**3.** This report summarises the findings arising from our 2023/24 audit of South Ayrshire Integration Joint Board (the IJB). The scope of the audit was set out in our [2023/24 Annual Audit Plan](#) presented to the Performance and Audit Committee on 20 February 2024. This Annual Audit Report comprises:

- significant matters arising from an audit of the IJB's Annual Accounts
- conclusions on the following wider scope areas that frame public audit as set out in the [Code of Audit Practice 2021](#):
  - Financial Management
  - Financial Sustainability
  - Vision, Leadership, and Governance
  - Use of Resources to Improve Outcomes.
- a review of the arrangements put in place by the IJB to secure Best Value.

**4.** This report is addressed to the Board of the IJB and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

## Responsibilities and reporting

**5.** The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing Annual Accounts that are in accordance with proper accounting practices. The IJB is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

**6.** The responsibilities of the independent auditor are established by the Local Government (Scotland) Act 1973 and the [Code of Audit Practice 2021](#), and supplementary guidance and International Standards on Auditing in the UK.

**7.** Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management of the IJB from its responsibility to address the issues we raise and to maintain adequate systems of control.

**8.** This report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, the responsible officers, and dates for implementation.

## Communication of fraud or suspected fraud

**9.** In line with ISA (UK) 240 (*The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*), in presenting this report to the Performance and Audit Committee (P&AC) we seek confirmation from those charged with governance of any instances of actual, suspected, or alleged fraud that should be brought to our attention. Should members have any such knowledge or concerns relating to the risk of fraud within the IJB, we invite them to communicate this to the appointed auditor for consideration prior to the Annual Accounts being certified.

## Auditor Independence

**10.** We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services, therefore the 2023/24 audit fee of £33,360 as set out in our 2023/24 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**11.** We add value to the IJB by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, arrangements to ensure the best use of resources and financial sustainability
- sharing intelligence and good practice identified.

# 1. Audit of 2023/24 Annual Accounts

The IJB is required to prepare Annual Accounts comprising financial statements and other related reports. These are the principal means of accounting for the stewardship of public funds.

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## Main judgements

Our audit opinions on the Annual Accounts of the South Ayrshire Integration Joint Board (the IJB) are unmodified.

The audited part of the Management Commentary, Annual Governance Statement and Remuneration Report were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

Key risks arising from the audit of the IJB's Annual Accounts were presented to the Performance and Audit Committee (P&AC) on 20 February 2024 in our Annual Audit Plan. There are no significant matters from that work to draw to the attention of members.

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## Our audit opinions on the Annual Accounts of the IJB are unmodified.

**12.** The IJB's Annual Accounts for the year ended 31 March 2024 were approved by the IJB on 11 September 2024. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the Management Commentary, Annual Governance Statement and Remuneration Report were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

**13.** We concluded that there were no matters upon which we are required to report, by exception, to the Accounts Commission.

## The unaudited Annual Accounts were received in line with the agreed audit timetable.

14. The unaudited Annual Accounts were received in line with our agreed audit timetable on 10 June 2024. The Annual Accounts submitted for audit were of a good standard and supporting working papers were reasonable. IJB staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

## Our audit testing reflected the calculated materiality level.

15. Broadly, the concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the financial statements, and hence impact their opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature. It is ultimately a matter of the auditor's professional judgement.

16. Our initial assessment of materiality was carried out during the risk assessment and planning phase of the audit. This was reviewed on receipt of the unaudited Annual Accounts and is summarised [exhibit 1](#).

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### Exhibit 1 Materiality levels

Materiality level	Amount
<b>Overall materiality:</b> This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 2% of gross expenditure as at 31 March 2024.	£5.755 million
<b>Performance materiality:</b> This acts as a trigger point. If the aggregate of errors identified during the financial statements' audit exceeds performance materiality this would indicate that further audit procedures should be considered. We have assessed performance materiality at 70% of overall materiality.	£4.030 million
<b>Reporting threshold:</b> We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£0.285 million

Source: Audit Scotland

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## **We have no significant findings to report on the Annual Accounts.**

**17.** Under ISA (UK) 260 (*Communication with Those Charged with Governance*), we communicate significant findings from the audit to the IJB, including our view about the qualitative aspects of the IJB's accounting practices.

**18.** The Code of Audit Practice also requires all auditors to communicate key audit matters within the Annual Audit Report under ISA (UK) 701 (*Communicating key audit matters in the Independent Auditor's Report*). These are matters that we judged to be of most significance in our audit of the financial statements.

**19.** We have no issues to report from the audit.

**20.** The qualitative aspects of the IJB's accounting practices, accounting policies, accounting estimates and accounts disclosures are satisfactory and appropriate.

**21.** In accordance with normal audit practice, a few presentational and disclosure amendments were discussed and agreed with management. The disclosure changes were satisfactory.

## **No misstatements were identified.**

**22.** It is our responsibility to request that all misstatements, other than those below our reporting threshold are corrected, although the final decision on making the correction lies with those charged with governance.

**23.** There were no identified misstatements within the Annual Accounts above our reporting threshold. In addition, we have no unadjusted misstatements to report.

## **Our audit work responded to the risk of material misstatement we identified in the Annual Accounts.**

**24.** We have obtained audit assurances over the identified significant risk of material misstatement in the Annual Accounts. [Exhibit 2](#) sets out the significant risk of material misstatement to the financial statements we identified in our 2023/24 Annual Audit Plan. It also summarises the further audit procedures we performed during the year to obtain assurances over this risk and the conclusions from the work completed.

**Exhibit 2**  
**Significant risk of material misstatement in the Annual Accounts**

Audit risk	Assurance procedures planned	Results and conclusion
<p><b>1. Risk of material misstatement due to fraud caused by the management override of controls</b></p> <p>As stated in ISA (UK) 240 (<i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>), management is in a unique position to perpetrate fraud because of their ability to override controls that otherwise appear to be operating effectively.</p>	<p>Assurances to be obtained from the auditors of NHS Ayrshire and Arran and South Ayrshire Council on the completeness, accuracy and allocation of income and expenditure.</p> <p>Evaluate any significant unusual transactions outside the normal course of business.</p>	<p><b>Results:</b> We obtained assurances from the auditors of NHS Ayrshire and Arran and South Ayrshire Council over the completeness, accuracy and allocation of income and expenditure.</p> <p>We evaluated any significant unusual transactions outside the normal course of business.</p> <p><b>Conclusion:</b> We did not identify any incidents of management override of controls through our audit testing.</p>

Source: Audit Scotland

**The audited part of the Management Commentary, Annual Governance Statement and Remuneration Report were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.**

**25.** The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 requires IJBs to prepare and publish, along with the financial statements, a Management Commentary, Annual Governance Statement, and a Remuneration Report, which are consistent with the disclosures made in the financial statements.

**26.** Our audit work established that these were consistent with the financial statements and prepared in accordance with relevant regulations and guidance.

## 2. Financial management and sustainability

Financial management means having sound budgetary processes, and the ability to understand the financial environment and whether internal controls are operating effectively. Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

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### Main judgements

The IJB has appropriate financial management arrangements in place.

The IJB's 2023/24 budget was underspent by £7.292 million primarily due to unfilled vacancies and lower than budgeted demand for Children's Services.

At 31 March 2024 reserves total £17.468 million (£19.829 million in 2022/23).

The 2024/25 budget is balanced. The IJB has in place a medium-term financial plan, providing a transparent forecast of its challenging financial position over the medium-term to 2027/28. This shows a cumulative gap of £20 million. Given the reducing levels of reserves held, future savings must be made through the transformation of services to bridge this gap.

The IJB recognises the importance of effective transformation to its long-term financial sustainability and has so far committed over £3 million to transformation projects.

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### The IJB has appropriate financial management arrangements in place.

27. Comprehensive budget monitoring reports are presented to each meeting of the IJB. These contain detail on the year-to-date financial position, forecast outturn for the year and, progress in delivering savings and update on financial risks of the in-year financial plan. The information is provided at timely intervals throughout the year which enables scrutiny from members.



## The IJB's 2023/24 budget was underspent by £7.292 million primarily due to unfilled vacancies and lower than budgeted demand for Children's Services.

28. The Annual Accounts show a budget underspend of £7.292 million for 2023/24 (£5.273 million underspend in social care services and £2.019 million in health services). Of the total underspend, £5.172 million was earmarked for future budgets and £2.120 million was transferred to the IJB's unallocated (contingency) fund.

29. The main factors for the underspend were the continued workforce challenges and a lower than budgeted demand for foster and kinship carers. As is the case nationally, the IJB struggled to recruit health and social care professionals which resulted in underspends in both in-house and purchased frontline health and care services. The IJB's and its partners' ability to meet the rising demand for their services and maintain service quality, is weakened by unfilled vacancies.

## There was a net reduction of £2.361 million in total reserves.

30. The IJB holds a general fund reserve, which is used to smooth financial variations over the years. At 31 March 2024, the general fund balance amounted to £17.468 million compared to £19.829 million at 31 March 2023.

31. The main movements arose from the 2023/24 underspend, resulting in £7.292 million being transferred into the reserve in year. This was split between earmarked (£5.172 million) and unallocated (£2.120 million).

32. However, this increase in reserves was offset by the use of £9.161 million of earmarked reserves to support the in-year budget. There was a net reduction of £3.030 million in the unallocated (contingency) reserve, with £2 million of this being transferred to the earmarked Improvement and Innovation Fund. [Exhibit 3](#) below sets out the reserve balances of the IJB between 2021/22 to 2023/24.

### Exhibit 3

#### IJB reserves 2021/22 to 2023/24

General Fund	2021/22	2022/23	2023/24
	£m	£m	£ m
Earmarked	23.198	12.532	13.231
Unallocated (contingency)	5.506	7.297	4.237
<b>Total reserves</b>	<b>28.704</b>	<b>19.829</b>	<b>17.468</b>

Source: South Ayrshire IJB Annual Accounts 2023/24

**33.** Given the level of funds held in reserve, it is essential that the IJB has a clear plan on how and when monies will be spent. The Medium-Term Financial Forecast (MTFF) approved by the IJB in May 2023, led to the creation of an Improvement and Innovation Fund. The purpose of this reserve is to set aside a specific sum of money from current uncommitted reserves to be used to improve services to ensure future financial sustainability. The funding will be allocated to specific projects and investments on a non-recurring basis and in line with IJB's current strategic objectives.

**34.** At the time of approval of the 2024/25 budget in March 2024, the IJB carried out its annual review of its reserves. Its Reserves Strategy recommends that the IJB will aspire to hold at least 2% of its annual budgeted expenditure as an uncommitted reserve. The uncommitted reserve balance as at 31 March 2024 of £4.237 million, represents 2% of the IJB'S 2024/25 budget of £207.768 million (excluding the set aside budget of £30.626 million).

### **The 2024/25 budget is balanced.**

**35.** The 2024/25 budget of £238.394 million (inclusive of the estimated set aside budget of £30.626 million) was approved by the IJB in March 2024. There was a total delegated funding increase for 2024/25 of £6.665 million. However, pressures of £10.736 million were estimated. The resulted in a funding gap of £4.071 million.

**36.** The budget identified achievable savings to cover the £2.571 million of the funding gap. In addition, £1.500 million of uncommitted reserves will be utilised in 2024/25 to fund the transition to a smaller number of beds at Biggart Hospital. This non-recurring funding is needed for the transition period until the beds close and costs can be reduced from use of additional bank staff.

**37.** The IJB's Improvement and Innovation Fund aims to improve services and contribute to the financial sustainability of the organisation through non-recurring investment in specific projects. To date, £3.167 million has been committed to over thirty projects and a further £2 million is earmarked for future investment.

**38.** The budget proposals were developed with Board member involvement. This included the IJB Budget Working Group who scrutinised the pressures and savings proposals prior to the presentation and approval of the budget at the IJB meeting in March.

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### **Good practice**

The narrative that supports the 2024/25 budget provides a transparent account of the approach taken by the IJB to set its budget. This includes details on identified savings together with a risk rating for the likely achievement of these. Additionally, the budget makes use of robust evidence-based assumptions.

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**The 2024/25 budget is balanced. The IJB has in place a medium-term financial plan, providing a transparent forecast of its challenging financial position over the medium-term to 2027/28. Given the reducing levels of reserves held, future savings need to be made through the transformation of services.**

**39.** In our Annual Audit Plan, we identified the IJB's financial sustainability as a significant wider scope audit risk. Financial sustainability looks forward to the medium-term to consider whether the organisation is planning effectively to continue to deliver its services or the way in which they should be delivered. It is acknowledged that medium-term planning was difficult during the pandemic and during the current period of financial uncertainty. One-year funding settlements exacerbate this. The immediate priority continues to be responding to the current and emerging service challenges. In particular, the Accounts Commission's July 2024 report on [Integration Joint Boards: Finance and Performance 2024](#) notes that there is a growing level of unmet and more complex needs, deepening challenges in sustaining the workforce, alongside increasing funding pressures. The uncertainty around the direction of the plans for a National Care Service has also contributed to the difficult context for planning and delivering effective services.

**40.** The IJB Chief Officer, Chief Financial Officer and both partners are committed to ensuring the IJB has a clear financial and operational strategy underpinning its service priorities. In May 2023, the IJB approved its Medium-Term Financial Forecast (MTFF) covering the period 2024/25 to 2027/28.

**41.** The purpose of the MTFF is to provide a clear direction on how the IJB will manage its financial resources in the short to medium-term to ensure they are deployed effectively to achieve its priorities and objectives. The plan provides members with a fuller picture of the likely challenges the IJB will face in the coming years which should help to focus attention and inform decisions on improvement and savings projects for the years ahead.

**42.** The document presented to members was clear, comprehensive, and outlined a transparent forecast of the IJB's financial position for the years ahead. The plan considers a range of scenarios and assesses the impact of known pressures on the IJB's finances such as, inflation, pay awards, the challenging economic climate, the impact of the National Care Service and workforce challenges.

**43.** The plan outlined an anticipated financial position covering best, mid, and worst-case scenarios ([exhibit 4](#)). Over the course of the 4 years, the budget position shows a best case £2.650 million in total to invest or worst case £23.357 million of savings to deliver.

**Exhibit 4****MTFF - 2024/25 - 2027/28**

Scenario	2024/25 £'million	2025/26 £'million	2026/27 £'million	2027/28 £'million	Cumulative total £'million
<b>Best case</b>	1.854	2.181	(0.688)	(0.697)	2.650
<b>Mid case</b>	(1.935)	(1.064)	(1.046)	(1.063)	(5.108)
<b>Worst case</b>	(6.059)	(5.997)	(5.584)	(5.717)	(23.357)

Source: SAIJB Medium Term Financial Forecast 2024-2028

**44.** As part of the 2024/25 budget setting process, management presented an update to the MTFF. The position to 2027/28 was revised based on the assumption of flat cash settlements in future years (in line with the flat-cash budget settlement for 2024/25). As a result, the financial gap over the 4-year period was reported as £19.969 million. The budget for 2024/25 is balanced, this then leaves £15.898 million of savings to be achieved over the next three years to ensure financial sustainability. Management have confirmed that further work will be undertaken during 2024/25 to develop a three-year savings plan together with a refresh of the medium-term financial forecast.

### **The IJB recognises the importance of effective transformation to its long-term financial sustainability and has so far committed over £3 million to transformation projects.**

**45.** The Accounts Commission's July 2024 report on [Integration Joint Boards: Finance and Performance 2024](#) emphasised the need for a more significant transformation of services to achieve financial sustainability. This is becoming increasingly important as recurring savings get more difficult to identify and achieve.

**46.** The IJB has recognised that the challenging financial environment it is operating in will likely continue for some years to come. The IJB established an earmarked Transformation and Improvement Fund in June 2023. Initially, this had £4 million allocated to it. The fund aims to support the IJB's financial sustainability through the redesign of services and investments in new technologies. These funds are allocated on a non-recurring basis.

**47.** To date there is just over £3 million worth of projects that have been identified and funding committed to. All projects are linked to the IJB's strategic priorities and detail the anticipated improvement of the investment. Examples of the projects include:

- Funding of £0.187 million to extend the Board's 2023/24 stroke rehabilitation pilot.

## 2. Financial management and sustainability | 15

- £0.450 million is to be invested in the Racecourse Road Intermediate Care Unit. This unit was set up in December 2022 to reduce delayed transfers of care. This funding will ensure the unit can continue.
- £0.500 million to support the implementation of the Board's Digital Strategy.

**48.** Projects are at various stages of implementation and will cross over financial years. The June 2024 update to the IJB noted an anticipated programme spend of £1.795 million during 2024/25. The main challenge to most of the projects is the ability to recruit staff given the short-term non-recurring nature of the projects. The IJB recognises that it may have to offer permanent posts to progress the projects. It will then manage its establishment through the natural turnover of staff over the medium-term.

**49.** There has been reporting of the Improvement and Innovation Fund during 2023/24 but at the June 2024 Board meeting members agreed to regular reporting on the projects within the programme. This will be reported alongside the budget monitoring reports. This reporting will provide an update on the total committed funds to date together with the spend and projected spend in the financial year. The status of each project is also monitored through a red/amber/green (RAG) rating. All projects include what strategic priorities the investment and subsequent improvement is seeking to achieve. This approach will ensure there is appropriate organisational oversight and scrutiny of the Improvement and Innovation Fund.

### **Financial systems of internal control operated effectively.**

**50.** The IJB is reliant on the systems of its partner bodies, NHS Ayrshire and Arran and South Ayrshire Council, for its key financial systems including ledger and payroll. All IJB transactions are processed through the respective partners' systems and all controls over those systems are within the partner bodies rather than the IJB.

**51.** As part of our audit approach, we sought assurances from the external auditors of NHS Ayrshire and Arran and South Ayrshire Council. These assurances confirmed there were no significant weaknesses in the systems of internal control for either the health board or the council that could result in a risk of material misstatements to the Annual Accounts of the IJB.

### **Standards of conduct and arrangements for the prevention and detection of fraud and error were appropriate.**

**52.** The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We reviewed the arrangements in place at NHS Ayrshire and Arran and South Ayrshire Council through consideration of the work by partner body auditors and found them to be adequate. The IJB has a Code of Conduct in place to which members subscribe and the Members' Registers of Interest are publicly available on the websites of the partner bodies.

**53.** Appropriate arrangements are in place for the prevention and detection of fraud and error. We are not aware of any specific issues we require to bring to your attention.

# 3. Vision, leadership and governance

The IJB must have a clear vision and strategy and set priorities for improvement within this vision and strategy.

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## Main Judgements

The IJB has a clear strategic vision that is supported by its partners.

A review of the Integration Scheme remains ongoing, and the final revised scheme is scheduled for consideration by the partners in 2024/25.

Governance arrangements are appropriate and are operating effectively.

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## The IJB has a clear strategic vision that is supported by its partners.

**54.** The Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB to prepare a strategic plan that sets out the arrangements in place to carry out the integration functions over the period of the plan. The Act also requires that the plan set out how those arrangements are intended to achieve, or contribute to achieving, the national health and wellbeing outcomes.

**55.** To support the IJB in achieving these responsibilities, it has established a clear strategic vision as set out in its Strategic Plan 2021-2031. The plan contains seven strategic objectives to improve outcomes over the next ten years.

- We focus on early intervention and tackling inequality.
- We nurture and are part of communities that care for each other.
- We work together to give you the right care in the right place.
- We help to build communities where people are safe.
- We are an ambitious and effective partnership.
- We are transparent and listen to you.
- We make a positive impact beyond the services we deliver.

**56.** The IJB provides services as set out in its Integration Scheme. The Strategic Plan objectives aim to give direction to the services provided and commissioned by the IJB and are based on its engagement with its partners and other key stakeholders together with consideration of national outcomes.

**57.** The IJB is required to refresh its Strategic Plan every three years to ensure it is relevant and up to date. The review of the Strategic Plan is now underway. This includes the development of a new action plan together with a refresh of the main document to bring this in line with the current landscape. The updated document will be presented to the Board following the summer recess and will be published in September 2024. The new action plan will be monitored by the P&AC.

#### **A review of the Integration Scheme remains ongoing, and the final revised scheme is scheduled for consideration by the partners in 2024/25.**

**58.** The Public Bodies (Joint Working) (Scotland) Act 2014 places a legal duty on councils and health boards to review the Integration Schemes at least every 5 years to consider whether any changes are necessary or desirable. The Integration Scheme for the IJB was last updated in 2019. The other Councils (North and East Ayrshire) aligned with NHS Ayrshire and Arran had carried out their reviews in the preceding year.

**59.** The IJB and its partners have agreed on a timetable for the review of the Integration Scheme. This will allow South Ayrshire Council to re-align itself with the other Councils which have Integration Schemes with NHS Ayrshire and Arran. Officers from the IJB and its partners are working closely with colleagues in North and East Ayrshire Councils and with NHS Ayrshire and Arran to undertake the review. This will ensure a consistent pan-Ayrshire approach for the Integration Schemes. The review is ongoing.

**60.** Five sub-groups were set up relating to specific workstreams:

- scope of services delegated
- resources
- governance and legal
- care governance
- communication and engagement.

**61.** The output from the sub-groups and any subsequent change to the Integration Schemes will be considered by the partners, NHS Ayrshire and Arran and South Ayrshire Council, during 2024/5.



## **Governance arrangements are appropriate and operating effectively.**

**62.** There continues to be an increasing focus on demonstrating the best use of public money. Openness and transparency in how a body operates and makes decisions is key to supporting understanding and scrutiny. Transparency means that the public has access to understandable, relevant, and timely information about how the body is taking decisions and using resources.

**63.** For 2023/24 the IJB held its meetings in person. All P&AC meetings continued to be held remotely. The meeting papers and minutes are available on the IJB's website. Following our recommendation last year, the IJB has improved the administrative support for meetings and has put in place arrangements for members of the public to be able to observe the live online meetings of the P&AC or attend meetings of the of the IJB.

**64.** We consider that governance arrangements are appropriate and generally support effective scrutiny, challenge and decision making. We welcome the actions taken by management to improve the administrative support to the IJB and its members.

# 4. Use of resources to improve outcomes

The IJB needs to make best use of its resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities.

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## Main Judgements

Performance management arrangements are effective with indicators and targets kept under review. These arrangements contribute to the IJB's Best Value duty.

Performance in relation to the ministerial group national measures on health and community care shows results against 2023/24 targets have largely been achieved. However, for most of the indicators, there is a worsening position when compared to 2022/23.

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### **Performance management arrangements are effective with indicators and targets kept under review. These arrangements contribute to the IJB's Best Value duty.**

**65.** Integration Joint Boards have a statutory duty to have arrangements to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives, and holding partners to account.

**66.** We have not undertaken any specific Best Value work in 2023/24. However, based on our findings in this report, we consider that the IJB has arrangements in place to secure Best Value. This is evidenced through:

- a clear strategy (Strategic Plan 2021-31) and performance reporting, including its framework for continuous improvement.
- established governance and decision-making arrangements.
- recognition that strategic priorities must be delivered within the financial and workforce resources available.

**67.** The Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB to produce an annual performance report covering areas such as assessing performance in relation to national health and wellbeing outcomes, financial

performance, and best value, reporting on localities, and the inspection of services.

**68.** The Annual Performance Report 2023/24 was presented to the P&AC in August 2024. The report is informative and transparent. It details in a balanced way the IJB's performance in the year, including its financial performance.

**69.** The IJB has effective arrangements in place for managing and reviewing performance.

**Performance in relation to the ministerial group national measures on health and community care shows results against 2023/24 targets have largely been achieved. However, for most of the indicators, there is a worsening position when compared to 2022/23.**

**70.** When assessing the performance of the IJB, we have considered the Ministerial Strategic Group for Health and Community Care (MSGHCC) measures that are used to track performance in Integration Authorities. [Exhibit 5](#) sets out the IJB's results against these measures for 2023/24.

## Exhibit 5

### National performance measures (age 18+)

Measures	23/24 performance and (target)	Improving from 22/23
Unplanned admissions	● 13,374 (15,927)	No
Emergency department attendances	● 22,819 (28,328)	No
Unplanned bed days (acute)	● 134,750 (119,328)	No
Emergency bed days (mental health)	● 16,686 (28,122)	No
Emergency bed days geriatric long-stay)	● 8,750 (4,362)	Yes
Delayed transfers of care (all reasons)	● 36,909 (23,533)	Yes
End of life care	● 87.5% (87.5%)	Yes
Balance of spend	● 95.5% (95.1%)	*N/A

\*Data for the balance of spend across institutional and community services was not reported nationally in 2022/23.

Source: [South Ayrshire IJB - Annual Performance Report 2022/23 and 2023-24](#)

**71.** We reported in our [2022/23 Annual Audit Report](#) on the ongoing challenges the IJB and its partners were having with the number of delayed transfers of care. The 2022 results were poor. The IJB and its partners implemented several actions to address this.

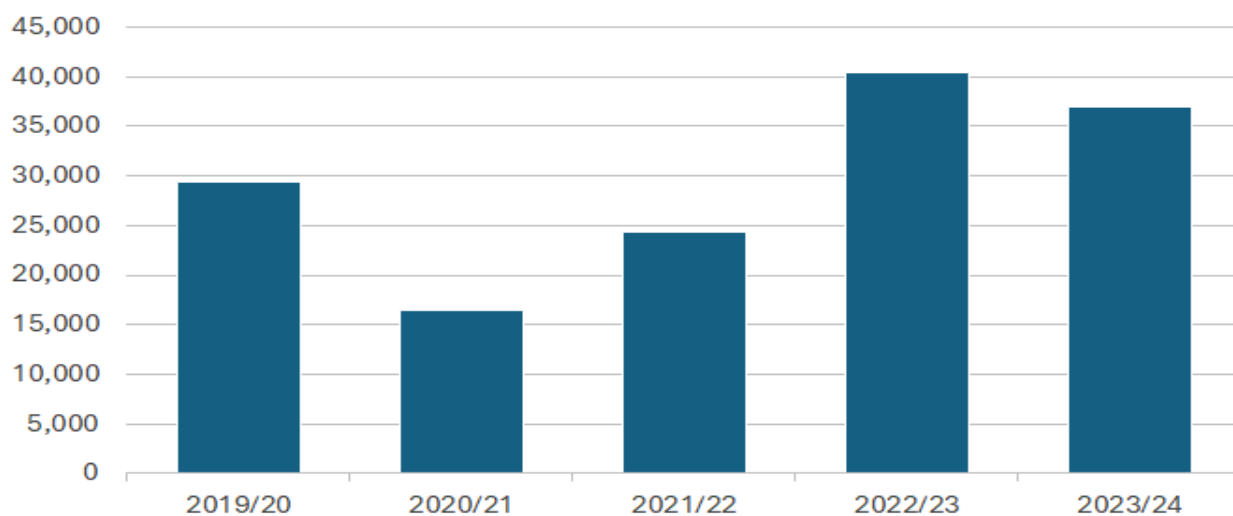
**72.** The most recent data from MSGHCC and the IJB's Annual Performance Report 2023-24 ([exhibit 6](#)) confirms that these arrangements are having an impact, with an 8.6% reduction in delayed discharges. The rate is still one of the highest in Scotland, but the IJB and its partners are committed to improving this position going forward.

**73.** Whilst there is a need for caution when drawing conclusion from national comparisons, the Accounts Commission's [Integration Joint Boards: Finance and Performance 2024](#) report makes it clear that IJB's need to make best use of available data. This needs to include effective data sharing between partners and key stakeholders. To that end, it is important that members and management of South Ayrshire IJB satisfy themselves that the performance results of it are fully assessed on a continual basis and that these results are used to effectively inform how to improve outcomes for people who use its services.

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## Exhibit 6

### Number of bed days occupied by delayed transfers of care (all reasons)



Source: [South Ayrshire IJB 2023/24 Annual Performance Report](#)

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# Appendix 1. Action Plan

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## Follow-up of 2022/23 recommendation

Issue/Recommendation	Update on agreed management action / timing
<p><b>b/f 1. Public access to meetings</b></p> <p>It is not clear from the IJB's website and meeting papers if members of the public are able to observe/attend the live online meetings of the IJB. Additionally, from review of its website, there are no on demand recordings of the IJB meetings which limits public access further.</p> <p>The IJB should review its arrangements to allow members of the public easier access to IJB meetings through webcasting, whether live or access to on demand recordings.</p>	<p><b>Implemented</b></p> <p>For 2023/24 the IJB held its meeting in person. All Performance and Audit Committee (P&amp;AC) meetings continued to be held remotely. The meeting papers and minutes are available on the IJB's website. Following our recommendation last year, the IJB has improved the administrative support for meetings and has put in place arrangements for members of the public to be able to observe the live online meetings of the P&amp;AC or attend meetings of the of the IJB.</p> <p><a href="#">See paragraph 63.</a></p>

# South Ayrshire Integration Joint Board

## 2023/24 Annual Audit Report

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

Phone: 0131 625 1500 Email: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

## 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	
Lead Officer (Name/Position/Email)	##, ## - ##@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	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children’s Rights	-	-

**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 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	-	-
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	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

**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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low



## 5. Summary Assessment

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<b>NO</b>
<b>Rationale for decision:</b>  <b>This report advises the Panel of External Audit of South Ayrshire IJB Accounts 23-24. Members' decision on this has no specific equality implications</b>	
<b>Signed :</b> Lisa Duncan	<b>Service Lead CFO -SAIJB</b>
<b>Date:</b> 7 <sup>th</sup> September 2024	