

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



19 February 2025

**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, 26 February 2025 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 meeting of 29 January 2025 (copy herewith).
4. Action Log and Work Programme (copy herewith).

### **External Audit Report**

5. Best Value Action Plan – Progress Update – Submit report by the Depute Chief Executive and Director of Education (copy herewith).

### **Internal Audit Report**

6. Internal Audit – Progress Report (Quarter 3 2024/25) – Submit report by the Chief Internal Auditor (copy herewith).

### **Other Governance Reports**

7. International Financial Reporting Standard 16 – Update to Accounting for Lease Contracts - Submit report by the Chief Financial Officer (copy herewith).
8. Treasury Management and Investment Strategy Quarter 3 Update Report 2024/25 - Submit report by the Chief Financial Officer (copy herewith).

For more information on any of the items on this agenda, please telephone June Chapman,  
Committee Services on 01292 272015, 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**

Minutes of a hybrid webcast meeting on 29 January 2025 at 10.00 a.m.

Present in County Hall: Councillors Julie Dettbarn (Chair), Chris Cullen, Alan Lamont and Brian McGinley

Present Remotely: Councillors George Weir and Kenneth Bell

Apologies: Councillor Mary Kilpatrick and Cameron Ramsay

Attending in County Hall: M. Newall, Chief Executive; T. Baulk Chief Financial Officer; W. Carlaw, Service Lead – Democratic Governance; L. Reid, Assistant Director of Communities and Transformation, K. Anderson, Assistant Director of Corporate Policy, Strategy and Performance, J. Chapman, Committee Services Officer; and E. Moore, Clerical Assistant.

Attending Remotely: C. Cox, Assistant Director of Planning and Development

**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.

Councillor Bell was online but there was an issue with the connection. The Chair requested that Councillor Lamont contact him.

**2. Call-in from Cabinet.**

The Panel noted that there were no call-ins from Cabinet of 21 January 2025.

### 3. **Minutes of Previous Meetings.**

The Minutes of the meeting of 4 December 2024 (issued) and 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 Chief Financial Officer advised that there was one action outstanding from the 4 December 2024 meeting, and it had now been completed.

Following a question from a Panel Member on the outcome of the Action Log, the Chief Financial Officer advised that his part in that Action Log was now completed, and the information had now been passed to the Chief Executive and Chief Governance Officer for further consideration.

The Service Lead - Democratic Governance confirmed that discussions had taken place in relation to the possibility of extending the self-evaluation process to Service and Partnerships Performance Panel, however, this would involve a bespoke template for that Panel.

The Panel

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

Councillor Lamont advised that Councillor Bell's screen had frozen and that he was in the process of trying to rejoin the meeting, he was present with no declarations.

### **External Audit Reports**

#### 5. **Accounts Commission: Transformation in Councils - Sector-Led Change and Collaboration to Achieve Financial Sustainability**

There was submitted a report (issued) of 20 January 2025 by the Assistant Director of Communities and Transformation advising of the Accounts Commission: Transformation in Councils - Sector-Led Change and Collaboration to Achieve Financial Sustainability.

“”

(1) A member asked for clarification as to what was meant by fully adopted in the context of the Appendices; and the Assistant Director of Communities and Transformation advised that, in terms of the self-assessment, Corporate Leadership Team (CLT), agreed that evidence the Council held would be assessed, a statement would be provided on whether it was felt that the Council was not adopting the principle, was developing it or had fully adopted it. The self-assessment was something that the Council had decided to take forward and was not a requirement of Audit Scotland, but in the Council's developing approach to continuous improvement and self-evaluation, CLT agreed that this exercise would be beneficial particularly in light of

the fact that external audit are currently assessing the Council in terms of its adoption of the five principles.

- (2) A member queried that on page 2 the evidence listed referred to a methodology that was used to assess transformation proposals against strategic objectives and requested more information about that methodology. The Assistant Director of Communities and Transformation advised that a scoring criterion was used, and that stringent governance was in place in relation to transformation proposals. An initial project brief was developed which proceeded to the transformation board. This was considered along with the methodology to review the proposal. There were several things that were scored. Risk was looked at, investment requirements proposed, benefits, ability to be able to progress the proposal and the impact on staff, customers, and residents. A score was then produced, though this was not the only thing used to assess the proposal, but it was a piece of supporting evidence.
- (3) A member commented that page 12 mentioned engaging with staff and looking for innovation and enquired if consideration had been given to engage with elected members. The Assistant Director of Communities and Transformation advised that a presentation had been delivered to all members on Shaping Our Future Council and officers had carried out engagement with them. She also stated that there was regular engagement with Cabinet and the Administration through the Executive Leadership Team.
- (4) A member commented with regards to appendix two and some of the areas that had been identified as developing. They asked for clarification as to whether timescales would be applied; and the Assistant Director of Communities and Transformation advised that, in terms of timescales, it was anticipated that some of these areas would come back through the external audit report. which would be presented to this Panel and the Council would be expected to give a response to each of the recommendations in the report, including timescales. Some of the activity was underway already and some of it was close to being resolved but this would be firmed up once the outcome of the external audit was received.
- (5) A member questioned whether the Council had anything in development that it was considering adding to the existing collaborations or would Council focus on the contents of Appendix 2, page 10 with shared services. The Chief Executive advised that in conjunction with East and North Ayrshire Councils, the Council was exploring all shared services for several reasons, obviously efficiencies but also in terms of resilience.
- (6) A member commented on exhibit 3 of the transformation report and noted that the focus required to be on service users, was really about delivering things in a different way and required national impetus. The Assistant Director of Communities and Transformation stated that she had been involve with transformation for several years and was pleased to note that a Transformation fund was now available with just over £5m that services could bid for. All services were represented on the Transformation Board. She advised that great progress was being made, the governance arrangements had been established and the Council was moving into business as usual for Transformation.

- (7) A member commented that the Council had learned a lot from the work done in Wallacetown and that the report should not be seen as a burden but rather as an opportunity to show that changes could be made. The Chief Executive thanked the member for his good points and advised that he had met with the controller of Audit Scotland last week and she had stated that nationally the pace of change was understandably not as quick as everyone would like but that is because of the difficulties set out. The Chief Executive stated that the Community Partnership in South Ayrshire was excellent and had been recognised nationally regarding the work that had been undertaken in Wallacetown.
- (8) The Chair commented that she was pleased to see the report before this Panel and thanked those who had spoken to the report and looked forward to seeing all the items on the page going from development to adopted.
- (9) A member commented that exhibit two of the Appendix regarding "barriers to transformation" had 11 headings but could have had many more as it was a work in progress. He stated that it was reassuring to hear that there had been budget allocated and sought assurance that where barriers were identified that had not been there previously, there were resources available to deal with these. The Assistant Director of Communities and Transformation advised that she was confident that all the resources were in place in terms of the financial and staffing resources and that barriers to change would always be encountered. A matured risk and issues process was now in place and if barriers were encountered, they could be escalated to the transformation board chaired by the Chief Executive.

The Panel, having scrutinised the contents of the report.

**Decided: to approve the report.**

## **6. External Audit Reports – Progress to 31 December 2024**

There was submitted a report of 22 January 2025 by the Chief Financial Officer providing Members with an update on the progress that the Council was making in relation to external audit improvement actions.

The Chief Financial Officer introduced the report; referred to table 4.1 entitled "Progress to 31 December 2024" and advised that, there were four audit actions resulting from two previous annual reports, the 2022 -2023 Audit in September 2023 and the annual report in 2023 which was reported in September 2024. One final action outstanding on the first report had now been completed and was being embedded in the annual accounts process. The three actions that were outstanding in the report for September were all in progress and were nearly completed. An extension was being sought to the end of the financial year, 31 March 2025.

- (1) A Member queried why the Citadel Leisure Centre Report that was due in December 2024 had been postponed until March 2025 and would it be reported to Cabinet once it was ready; and the Chief Financial officer advised that he was not sure of the exact details of the postponement. He stated that there was an expectation that it would be reported before Christmas but once Officers had completed the process the report was

not quite ready resulting in Officers asking for a delay. It was expected to come to Cabinet before the end of the financial year.

- (2) A member questioned if an extension was granted would it have any implications on the budget coming forward; and the Chief Financial Officer initially stated that it would not but then further stated that potentially in terms of the Common Good report it may have implications but consideration was currently underway regarding how best to manage that through this and future budget setting processes.
- (3) The Assistant Director - Planning and Development commented that she had checked the terms of the Citadel Report and it was now complete and ready to go. She advised that the next Council meeting assigned for 6 February 2025 was a special meeting and accordingly the report would be deferred to the March meeting.
- (4) A Member thanked officers for the report and questioned whether the Council would ensure that formal procedures were in place to validate staff on the payroll and could confirmation be given that this system would be in place year on year. The Chief Financial Officer reported that the Fusion system allowed reports to be run, so it now became an efficient process. It was rolled out in this financial year 2024-25 and the teething problems had now been resolved. Checks would be undertaken once a year to confirm all employees as part of the annual year end shut down process. Some Councils had problems with ghost employees, but this year's evidence indicated that was not an issue for this Council.
- (5) A Member asked further if Oracle Fusion had assisted in this process; and the Chief Financial Officer stated that it had, and Oracle Fusion was now embedded. He further advised that the system allowed various reports to be developed that could be used to interact and improve the Council's internal processes and forms.

The Panel, having scrutinised the contents of the report,

**Decided:** to approve the report.

The meeting ended at 10:49.

# Audit and Governance Panel

Agenda Item No. 4

## Action Log

No	Date of Meeting	Issue	Actions	Assigned/ Re-assigned to	Update	Completed
			No outstanding actions			



# Audit and Governance Panel

## Work Programme 2025



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	<b>Issue</b>	<b>Actions</b>	<b>Assigned To</b>	<b>Due Date to Panel</b>	<b>Latest update</b>
1.	<b>Internal Audit – Progress Report Quarter 3</b>	Report to Panel	Chief Internal Auditor	26 February 2025 (Quarterly)	Report to this Panel
2.	<b>Treasury Management and Investment Strategy Quarter 3 Update Report 2024/25</b>	Report to Panel	Chief Financial Officer	26 February 2025 (Quarterly)	Report to this Panel
3.	<b>Best Value Action Plan - Progress Report</b>	Report to Panel	Depute Chief Executive and Director of Education	26 February 2025 (Quarterly)	Report to this Panel
4.	<b>Accounting Policy change – IFRS16 implications</b>	Report to Panel	Chief Financial Officer	26 February 2025	Report to this Panel
5.	<b>Annual Audit Plan 2024/25</b>	Report to Panel	Chief Financial Officer	26 March 2025 (Annually)	Being Drafted
6.	<b>Proposed Internal Audit Plan 2025/26 (including Annual Review of Internal Audit Charter)</b>	Report to Panel	Chief Internal Auditor	26 March 2025 (Annually)	Being Drafted
7.	<b>Best Value Thematic Management Report - Transformation</b>	Report to Panel	Depute Chief Executive	26 March 2025	Being Drafted
8.	<b>Strategic Risk Management</b>	Report to Panel	Chief Governance Officer	26 March 2025 (Biannually)	Being Drafted

## Audit and Governance Panel

	<b>Issue</b>	<b>Actions</b>	<b>Assigned To</b>	<b>Due Date to Panel</b>	<b>Latest update</b>
9.	<b>External Audi Reports – Progress to 31 March 2025</b>	Report to Panel	Chief Financial Officer	26 May 2025 (Quarterly)	Not yet started
10.	<b>Audit and Governance Panel – 2023/24 Annual Report</b>	Report to Panel	Chief Financial Officer/ Chief Governance Officer	26 May 2025 (Annually)	Not yet started
11.	<b>Best Value Action Plan – Progress Update</b>	Report to Panel	Depute Chief Executive and Director of Education	26 May 2025 (Quarterly)	Not yet started
12.	<b>Corporate Fraud Team- Activity Report and 2023/2024 National Fraud Initiative Update</b>	Report to Panel	Chief Internal Auditor	26 May 2025	Not yet started
13.	<b>External Review of Internal Audit Compliance and Public Sector Internal Audit Standards</b>	Report to Panel	Chief Internal Auditor	26 May 2025	Not yet started
14.	<b>Annual Accounts 2023/24</b>	Report to Panel	Chief Financial Officer	June 2025 (Annually)	Not yet started
15.	<b>Delivering Good Governance – 2023/24 Assessment</b>	Report to Panel	Chief Governance Officer	June 2025 (Annually)	Not yet started
16.	<b>Internal Audit Annual Report 2023/24</b>	Report to Panel	Chief Internal Auditor	June 2025 (Annually)	Not yet started
17.	<b>Treasury Management Annual Report 2023/24</b>	Report to Panel	Chief Financial Officer	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>
18.	<b>Corporate Lets</b>	Report to Panel	Director of Communities and Transformation	June 2025 (Annually)	Not yet started
19.	<b>Corporate Fraud Team - Activity Report and Update on National Fraud Initiative</b>	Report to Panel	Chief Internal Auditor	June 2025 (Biannually)	Not yet started
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
23.	<b>South Ayrshire IJB External Annual Audit Report 2024-25</b>	Report to this Panel	Director of Health & Social Care	November 2025 (Annually)	Not yet started
24.	<b>Audit and Governance Panel – 2024 Annual Self-Assessment Outcome</b>	Report to Panel	Chief Financial Officer/ Chief Governance Officer	December 2024 (Annually)	Not yet started

**South Ayrshire Council**

**Report by Depute Chief Executive and Director of Education  
to Audit and Governance Panel  
of 26 February 2025**

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**Subject: Best Value Action Plan – Progress Update**

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**1. Purpose**

1.1 The purpose of this report is to update Members on the progress toward delivering the Council's Best Value Action Plan.

**2. Recommendation**

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

**2.1.1 scrutinises the content of the Best Value Action Plan update report;**

**2.1.2 considers the progress through the narrative set out within [Appendix 1](#).**

**3. Background**

3.1 The Accounts Commission's approach to Best Value has evolved since Best Value was introduced 20 years ago and is now fully integrated within annual audit work. Best Value at the Council will be assessed comprehensively over the period of the audit appointment and will include an annual evaluation of the Council's approach to demonstrating improvement in the effective use of resources and public performance reporting.

3.2 In addition to the annual work on Best Value, thematic reviews as directed by the Accounts Commission are undertaken. In 2022/23 the focus was on the effectiveness of Council leadership in developing new local strategic priorities following the elections in May 2022 and the 2023/24 report focused on workforce innovation.

3.3 This action plan includes actions for both thematic reviews.

3.4 The 2024/25 thematic audit on Transformation is currently under way and is due to be considered by Audit and Governance Panel in March 2025. Any actions arising from the audit will be added to the Best Value Action Plan.

**4/**

#### **4. Proposals**

4.1 Progress towards the actions and the accompanying narrative is attached as [Appendix 1](#).

4.2 In summary, 52 of the 53 actions are complete and the remaining one is on target.

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

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

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

6.1 Not applicable

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

7.1 Not applicable

#### **8. Risk**

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

8.1.1 There are no risks associated with adopting the recommendations.

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

8.2.1 Rejecting the recommendations would result in reputational damage and criticism from Audit Scotland, the Accounts Commission and the Scottish Government.

#### **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 integrated 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 delivery of all the Council's strategic objectives and strategic outcomes.

## **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 Martin Dowey, Portfolio Holder for Corporate and Strategic, and the contents of this report reflect any feedback provided.

13.3 Consultation has also taken place with members of the Best Value Working Group, and the contents of this report reflect any feedback provided.

**Background Papers**      **Report to Audit and Governance Panel of 28 June 2023 – [Best Value Thematic Work in South Ayrshire Council 2022/23](#)**

**Report to Cabinet of 29 August 2023 – [Best Value Thematic Work in South Ayrshire Council 2022/23](#)**

**Report to Audit and Governance Panel of 4 October 2023 – [Best Value Action Plan 2023](#)**

**Report to South Ayrshire Council of 7 December 2023 – [Accounts Commission's Findings on Best Value in South Ayrshire](#)**

**Report to Audit and Governance Panel (Special) of 26 September 2024 – [Final Report on the 2023/24 Audit](#)**

**Person to Contact**      **Kevin Anderson, Assistant Director – Corporate Policy, Strategy and Performance.**  
**County Buildings, Wellington Square, Ayr KA7 1DR**  
**Phone 01292 612982**  
**E-mail [kevin.anderson@south-ayrshire.gov.uk](mailto:kevin.anderson@south-ayrshire.gov.uk)**

**Date: 18 February 2025**

# Best Value Improvement Action Plan

Generated on: 18 February 2025

## COMPLETE

**A new officer's group will be established to support and improve consultation across the organisation. We will continue to work alongside the Consultation Institute to improve our consultation processes**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
A new officer's group will be established to support and improve consultation across the organisation. We will continue to work alongside the Consultation Institute to improve our consultation processes	Jane Bradley	100%	31-Jan-2022	31-Jan-2022	09-Jun-2022 Officers group established and officers commenting on the Teams channel already provide support and guidance for colleagues. Training for Consul has been rolled out.

**A new online platform will be launched in January 2022 and will provide an opportunity for residents to let public services and community groups know what is important to the people of South Ayrshire**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
A new online platform will be launched in January 2022 and will provide an opportunity for residents to let public services and community groups know what is important to the people of South Ayrshire	Jane Bradley	100%	31-Jan-2022	31-Jan-2022	09-Jun-2022 South Ayrshire Community Conversations' (Consul) Training has been rolled out to internal officers and 3rd sector partners. The platform will be piloted in July 2022 as part of the consultation to amend the Community Council Boundaries in North Carrick.

**Agree monitoring process for Ward Capital Investment Process and outcomes.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Agree monitoring process for Ward Capital Investment Process and outcomes.		100%	30-Sep-2023	30-Sep-2023	31-Oct-2023 Paper presented to Cabinet in September 2023

**Agree revised structure for Sustainability and Climate Change Team to ensure support is available to policymakers.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Agree revised structure for Sustainability and Climate Change Team to ensure support is available to policymakers.	Kevin Anderson	100%	31-Dec-2023	31-Aug-2024	16-Sep-2024 New structure has been approved by ELT and recruitment has taken place for new posts'

**Align future budget papers to the Council Plan.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Align future budget papers to the Council Plan.	Tim Baulk	100%	31-Mar-2024	31-Mar-2024	13-Mar-2024 The 2024/25 budget was approved by council on 29 February 2024. The budget proposals included information on which Council Priority investment decisions and savings proposals were linked to ensure decisions makers were aligning decision to Council priorities.

**An annual log of all consultations and engagement will be published**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
An annual log of all consultations and engagement will be published	Jane Bradley	100%	31-Dec-2022	31-Mar-2023	27-Feb-2023 Officers group established who will now log consultations. Information will be published in April 2023 and annually thereafter in line with reporting cycle.



**Arrange training with members of Audit and Governance and Service and Partnership Performance Panel**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Arrange training with members of Audit and Governance and Service and Partnership Performance Panel	Catriona Caves	100%	31-Oct-2023	31-Oct-2023	27-Nov-2023 Training was completed and very well received-consideration will be given to the same workshop being incorporated in Members Training to assist with scrutiny each five year terms because of the importance of this role in the Council and the number of new members. The training provided foundation training for less experienced members and the business training a very good level of more detailed training.

**As part of the development of the new Council Plan a greater emphasis will be on measuring outcomes**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
As part of the development of the new Council Plan a greater emphasis will be on measuring outcomes	Mike Newall	100%	31-Dec-2022	31-Dec-2022	22-Feb-2023 Draft Council Plan priorities due to be agreed at Council in March. Each priority is supported by outcomes and these will be used to monitor and measure progress.

**Assess the impact of the Community Engagement Strategy noting how feedback has influenced outcomes.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Assess the impact of the Community Engagement Strategy noting how feedback has influenced outcomes.	George Hunter	100%	31-Mar-2024	31-Mar-2024	13-May-2024 Thriving Communities continue to engage with local communities to help influence keys decisions in their local community. The Thriving Communities Team Leader is currently updating the 'Placemaking' South Ayrshire <a href="#">Placemaking in South Ayrshire</a> - website and is currently supporting communities to develop community led action plans or support groups who are interested in developing a local Place Plan. Examples include Ayr East where both Community Councils have joined together to engage with the local community to identify local priorities. Work in North Ayr is ongoing and includes engagement activity in Wallacetown, Dalmilling and Lochside. The Consultation on priorities in Prestwick are currently live and this will influence how

					<p>regeneration funding will be allocated. In the villages of Monkton, Symington and Tarbolton the number of people engaged continues to increase.</p> <p>In addition to work to develop local plans, Thriving Communities are working alongside the HSCP to organise Participatory Budgeting events during 2024. Funding from HSCP and Thriving Communities will provide opportunities for local groups and organisations to influence where funding should be allocated.</p> <p>Thriving Communities have also launched the empowering communities fund (£30,000) that offer groups the opportunity to apply for funding that will assist them to build capacity or enhance capital assets.</p> <p>The Council's leadership team have agreed that responsibility for community engagement should move to the corporate performance team to ensure consistency among services. This action will be closed off and an updated action will be added to reflect the change.</p>
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**Consider opportunities for further cross-party collaboration to help deliver on the Council Plan**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Consider opportunities for further cross-party collaboration to help deliver on the Council Plan		100%	30-Nov-2023	30-Nov-2023	18-Dec-2023 The Best Value Working Group have agreed to encourage all Member Officer Working Groups to align to the Council Plan. The annual ward capital funding will be agreed collaboratively with all ward members.

**Consideration of medium for delivery of training – ie by Hybrid training where Members can be both present in person and attending on-line**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Consideration of medium for delivery of training – ie by Hybrid training where Members can be both present in person and attending on-line	Catriona Caves	100%	31-May-2022	31-Aug-2022	17-Oct-2022 Members are able to access training both in Hybrid and in person. On occasion there are some sessions which are run as purely in person sessions.

**Continue to progress the delivery of projects, focussing on moving projects from the scoping/exploratory phase and into delivery**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Continue to progress the delivery of projects, focussing on moving projects from the scoping/exploratory phase and into delivery	Stuart MacMillan	100%	31-Mar-2022	31-Mar-2022	24-Oct-2022 There will be a continued focus on moving projects into implementation.

**Convene a Corporate Working Group to develop a workforce plan for 2022-25 that links to the Council's strategic priorities and improvement areas in relation to Best Value**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Convene a Corporate Working Group to develop a workforce plan for 2022-25 that links to the Council's strategic priorities and improvement areas in relation to Best Value	Eileen Howat	100%	31-Dec-2021	31-Dec-2021	03-Aug-2022 Complete, a workforce planning group has been convened.

**Conversion of all training to on-line Coast training courses and production of online Member's pack**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Conversion of all training to on-line Coast training courses and production of online Member's pack	Catriona Caves	100%	28-Feb-2022	31-Aug-2022	08-Feb-2023 Arrangements in place for conversion of training to online COAST modules where appropriate, online Members' Induction pack delivered May 2022

**Develop a clear understanding of public needs, preferences, and priorities through a robust and recurring engagement process, aligned with the local government electoral cycle**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Develop a clear understanding of public needs, preferences, and priorities through a robust and recurring engagement process, aligned with the local government electoral cycle	Jane Bradley	100%	31-Dec-2022	31-Mar-2023	13-Feb-2023 An online engagement survey has been implemented to support the development of the Council Plan with the opportunity for ongoing engagement over the next few months. Timescales for the development of the Council Plan and supporting Service Plans has been set out with a target to deliver these by June 2023.

**Develop a Long-Term Financial Outlook (LTFO) that draws together all known factors which affect the Council's financial position and its financial sustainability over the longer term (i.e., a ten-year period). The LTFO will be refreshed bi-annually**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Develop a Long-Term Financial Outlook (LTFO) that draws together all known factors which affect the Council's financial position and its financial sustainability over the longer term (i.e., a ten-year period). The LTFO will be refreshed bi-annually	Tim Baulk	100%	31-Dec-2022	31-Dec-2022	21-Feb-2022 The Long Term Financial Outlook (LTFO) and Medium Term Financial Plan (MTFP) was considered and approved by Leadership Panel in 2021.

**Develop a Medium-Term Financial Plan (MTFP) that provides a clear understanding of the anticipated resources available to the Council in the short and medium term (i.e. three years) in order to deliver its priorities and objectives. The MTFP will be updated annually**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Develop a Medium-Term Financial Plan (MTFP) that provides a clear understanding of the anticipated resources available to the Council in the short and medium term	Tim Baulk	100%	31-Dec-2022	31-Dec-2022	19-Jan-2022 Plan developed and approved

**Develop a public-facing communication plan to publicise and explain the significant financial challenges facing the Council for the foreseeable future**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Develop a public-facing communication plan to publicise and explain the significant financial challenges facing the Council for the foreseeable future	Tim Baulk; Jane Bradley	100%	31-Mar-2022	31-Mar-2023	13-Feb-2023 The comms plan has been implemented including information videos to outline to the public what the financial challenges will be.

**Develop method to encourage council staff to suggest project ideas and promote successful projects.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Develop method to encourage council staff to suggest project ideas and promote successful projects.	Stewart McCall	100%	31-Mar-2024	31-Mar-2024	26-Mar-2024 On 6th March the Council approved new proposals for 'Shaping Our Future' Council, in response to the need to improve the pace of change and transformation. This includes changes at a Chief officer and senior management level, with updated responsibilities and re-allocation of resource to drive change activity forward and realise benefits that will ensure the sustainability of the council. The Strategic Change Programme and Change Executive is being replaced with a wider Transformation Portfolio and Transformation Board chaired by the Chief Executive. The Council approved the establishment of the Transformation Fund – a capital and revenue fund available to support delivery of activity and focussed on achieving long term benefits and efficiencies. A Service Leads session was held to communicate changes to staff and seek buy in to move the agenda forward with services. Communications were issued to all staff on the fund launch – email comms targeted to CLT/ Service Leads, and discussed at staff meetings. Comms were issued and distributed to all staff via a staff bulletin and SWAY. This has resulted in staff across the organisation coming forward with ideas and projects that can progress to business case. A Transformation Communications Plan is in development for wider implementation to staff and stakeholders.

**Develop processes to support Elected Member]s in setting clear, prioritised objectives based on the Council Plan and the projected needs of the public, including service redesign, reduction, and cessation where appropriate**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Develop processes to support Elected Member]s in setting clear, prioritised objectives based on the Council Plan and the projected needs of the public,	Kevin Anderson	100%	31-Dec-2022	31-Mar-2023	22-Feb-2023 Further engagement between the Administration, the Council Leadership Team and the Budget Working Group have taken place to help set the high level priorities. These priorities were made available to the public, staff and partners to comment on and the feedback was incorporated into the final plan.

**Development of a Communications Strategy including the roll out of key messages to staff, stakeholders, partners and the public on the launch of the Change Programme; key themes and outputs and the benefits that will be achieved**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Development of a Communications Strategy including the roll out of key messages to staff, stakeholders, partners and the public on the launch of the Change Programme; key themes and outputs and the benefits that will be achieved	Stuart MacMillan	100%	31-Mar-2022	31-Mar-2022	19-Jan-2022 Communication Strategy approved and implemented, and updates provided to the Strategic Change Executive

**Engage the Improvement Service on aspects of Best Value**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Engage the Improvement Service on aspects of Best Value	<del>Eileen Howat</del>	100%	31-Dec-2022	31-Dec-2022	04-Jan-2023 Director of Strategic Change and Communities in regular contact with Improvement Service to ensure they can assist in delivery of Best Value

**Engage with external partners (e.g. Improvement Service) to ensure that the design and delivery of community engagement improvement actions are effective and reflects best practice**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Engage with external partners (e.g. Improvement Service) to ensure that the design and delivery of community engagement improvement actions are effective and reflects best practice	Jane Bradley	100%	31-Mar-2022	31-Mar-2022	09-Jun-2022 Thriving Communities are liaising with the HSP, 3RD Sector and other CPP partners to improve community engagement across CPP. It is proposed that the existing CPP Communities Reference Group is refreshed and called Community Engagement Coordination Group. (Proposal Attached). Internally improvements have already taken place, this includes the established consultation officer's group, engagement with Community Councils and the roll out of Place Standards toolkit. Initial meetings have taken place with the Improvement Service and a presentation was delivered by them to Senior Management. Early engagement has commenced in relation to best practice engagement activity.

**Ensure clear and continued linkage between the LTFO and MTFP with other key strategic documents, including the Council Plan, Workforce Plan, Long Term Financial Linkage evidenced in future strategic developments. Executive Leadership Team (ELT) and Corporate Leadership Team (CLT) Ongoing and aligned to Council Plan and Workforce Plan Strategy and Treasury Management Strategy**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Ensure clear and continued linkage between the LTFO and MTFP with other key strategic documents	Tim Baulk	100%	31-Dec-2022	31-Mar-2023	16-Feb-2023 <b>Update from Tim Baulk</b>  The Long Term Financial Outlook (LTFO) and Medium Term Financial Plan (MTFP) published in October 2021 are an essential component of the overall financial framework, that sets the context for medium term and annual financial planning and ensures that resources are targeted towards achieving Council priorities. The updated MTFP in November 2022 reinforced this linkage by clearly stating that the purpose of a Medium-Term Financial Plan (MTFP) is to provide a clear direction on how the Council will manage its financial resources in the short to medium term to ensure they are deployed effectively to achieve Council Priorities and objectives. It plays a vital part of decision-making and forms the basis of the Council's stewardship over taxpayer's funds. It is an integral part of the Council's financial and planning framework.

					The setting of the new Council Plan and the new Priorities contained with Plan, together with the resulting Service Plans, require to be taken forward within the context of the financial resources available as outlined within the LTFO and updated MTFP. Future iteration of both the LTFO and MTFP will continue this process of determining the overall financial environment and setting the financial envelope for the achievement of the Council priorities.
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**Ensure clear strategic links between the new LOIP and existing Council Plan**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Ensure clear strategic links between the new LOIP and existing Council Plan	Kevin Anderson	100%	31-Mar-2024	31-Mar-2024	24-Nov-2023 Similarly to the Council Plan 23-28, the draft LOIP priorities use Place and Wellbeing as high level strategic themes. These themes have been used to develop priority areas for each Strategic Delivery Partnership to advance. The draft priorities were agreed by the Community Planning Executive in November 2023 and consultation is planned during the first quarter of 2024. The new LOIP will be presented to the Community Planning Board in April 2024 for approval

**Establish a new Thriving Communities service has been established to lead community engagement across South Ayrshire**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Establish an new Thriving Communities service has been established to lead community engagement across South Ayrshire	Jane Bradley	100%	31-Mar-2022	31-Mar-2022	19-Jan-2022 A new Thriving Communities service has been established and implementation of new structure and formation of community based locality teams is ongoing



**Explore options for the future iterations of the Council Plan with Members and community planning partners and consider how reporting could be improved**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Explore options for the future iterations of the Council Plan with Members and community planning partners and consider how reporting could be improved	Mike Newall	100%	31-Dec-2022	31-Dec-2022	22-Feb-2023 Draft Council Plan priorities due to be agreed at Council in March. If approved, officers will work with members to develop a new Performance Management Framework that will be agreed by Cabinet.

**Further develop new Member induction training**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Further develop new Member induction training	Catriona Caves	100%	30-Apr-2022	30-Apr-2022	13-Jun-2022 A timetable of Induction Training was completed and an electronic new member's induction pack provided to all members and uploaded on a freshly designed new members page on the Core ( the Council's intranet)

**Further work is required to align Place Plan development with localities and advance participatory budgeting approaches to place via Community Planning Long term ambitions linked with Community Plan for 23/28. A restructured Regeneration team needs considered through our Economy and Regeneration Service, through which, joint work supporting a refresh of older place plans should be advanced. New structure anticipated December 2024, with ongoing Place work over new Council Plan 23/28. Recruitment is underway for an officer within Thriving Communities to deliver remaining Place Plans. In addition, methodologies for Local Place Plans are being progressed by Planning, in coordination with Thriving Communities and Economy & Regeneration Services.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Align Place Plan development with localities and advance participatory budgeting approaches to place via Community Planning	George Hunter	100%	31-Dec-2023	31-Jul-2024	16-Sep-2024 Place planning in South Ayrshire is at different stages of development in each of the localities across South Ayrshire.  The localities at the most advanced stage are Monkton and Tarbolton, each with a drafted community action led plan. These plans should be finalised by October 2024. A total of 11 localities Symington, Loans, Annbank, Ayr North, Ayr East, Ayr South (Fort/Seafield), Dunure, Maybole, Kirkmichael, Straiton,

				<p>and Crosshill, currently have an open community consultation. The consultation is based on the Place Standard Toolkit, with an online survey, a paper copy of the same survey and a children's version of the survey.</p> <p>Another two localities who will be launching their consultation in coming weeks are Minishant and Barrhill. Other localities interested in place planning but currently without capacity and/or resource to work on place planning are Prestwick, Coylton, Mossblown and Dundonald.</p> <p>Other localities such as Dailly, Ballantrae and Colmonell have managed to develop independent community action plans and in Troon the community were supported to develop Troon Together plan.</p> <p>Areas including Girvan, Pinmore, Pinwherry, Maidens, Kirkoswald, Turnberry and Barr are at the early stages due to various reasons.</p> <p>Six PB events in conjunction with Health and social care partnership are planned in each locality, applications received were screened by sub-panel of LPP's. Online voting was offered this time and is/was open for 4 weeks prior to the event taking place:</p> <p>To date and planned:</p> <p>Troon – 3/9 - 460 online votes and 30 in person to vote and 72 paper copies were submitted  Prestwick – 5/9 - 743 online votes and 1 in person to vote  Ayr South – 9/9 - 551 online votes and 2 in person to vote  Maybole – 12/9 - 568 online votes so far  Girvan – 26/9 – 359 online votes so far  Ayr North – 1/10 – 135 online votes so far</p>
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**Implementation of internal effective mechanisms for reporting programme progress and in particular tracking benefits**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Implementation of internal effective mechanisms for reporting programme progress and in particular tracking benefits	Stuart MacMillan	100%	31-Mar-2022	31-Mar-2022	13-Jun-2022 <b>Benefits Realisation Plan has been approved by Strategic Change Executive (26 August 2021). It was also shared at Service and Performance Panel on 29 March 2022 which noted the approach that the Council</b>

					<b>is taking to benefit realisation and implementing trackers.</b>
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**Improve accuracy of recording attendance figures at member briefings.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Improve accuracy of recording attendance figures at member briefings.	Catriona Caves	100%	31-Mar-2024	31-Mar-2024	28-Nov-2023 Attendance figures are reviewed as to subject matter and appropriate audience, and online training access is recorded

**Officers and members will re-establish approaches to self-evaluation across the council using How Good Is Our Council (HGIOC) to develop a framework to support ongoing evaluation for improvement.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Officers and members to re-establish approaches to self-evaluation across the council using How Good Is Our Council (HGIOC) to develop a framework to support ongoing evaluation for improvement.	Kevin Anderson	100%	31-Dec-2023	31-Dec-2023	24-Nov-2023 Following an options appraisal of the tools available, The Best Value Member/Officer Working group has agreed to adopt the Improvement Service's Public Sector Improvement Framework (PSIF) and integrate self-evaluation into the service planning process. The Improvement Service have agreed to support the Council to do this and a series of meetings and training sessions are planned in the run up to service plans being updated in Spring 2024.

**Officers continue to develop Integrated Impact Assessment Tool including clear proposals for reporting and analysis. A report will be submitted to Cabinet for approval.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Continue to develop Integrated Impact Assessment Tool	Kevin Anderson	100%	30-Sep-2023	30-Sep-2023	24-Nov-2023 New Integrated Impact Assessment agreed by Cabinet in September 2023. IIA to be rolled out to the Strategic Change and Communities directorate over Nov/Dec 23 with full rollout to the Council and HSCP during 2024

**Officers will review new reporting format to ensure that it reflects the Accounts Commission’s Statutory Performance Information Direction.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Officers will review new reporting format to ensure that it reflects the Accounts Commission’s Statutory Performance Information Direction.	Kevin Anderson	100%	30-Aug-2023	30-Aug-2023	30-Oct-2023 Reporting format options to be circulated to CLT. All options under development take cognisance of the Account Commission’s Statutory Performance Information Direction. new status update --

**Ongoing dialogue with elected members on the details of the Place Plans to be used to advance place-based activity.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Ongoing dialogue with elected members on the details of the Place Plans to be used to advance place-based activity.	George Hunter	100%	31-Mar-2024	31-Mar-2024	13-Mar-2024 The role of Team Leader Place Planning was fulfilled on the 11th of September 2023. The actions from the existing place plans for Ayr North and Girvan were reviewed and present to the elected members. Thriving Communities (place planning) is working in collaboration with Planning and Development team in view of creating support material and guidance for community led bodies to develop Community led Action Plans and Community led Local Place Plans. Progress depends on community council groups capacity and resources.

**Update Local Government Benchmarking Framework (LGBF) report format to take account of the recommendations from Audit Scotland.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Update Local Government Benchmarking Framework (LGBF) report format to take account of the recommendations from Audit Scotland.	Kevin Anderson	100%	30-Jun-2024	30-Jun-2024	16-Sep-2024 Feedback from Service Leads after the first LGBF data packs were sent out in May 2024, has resulted in a process of refining and refreshing the information which will be included in the next iteration of the packs. New packs will have a sharper focus on reflecting longitudinal data of both the indicators and Family Group performance over a 5-year period. They will also include links to the underlying data of the more complex indicators and guidance on how final data is calculated. Commentary supplied in the Local Finance Return (LFR) will also be included where performance has varied significantly from previous year.

**Provide elected members with a final report on the outcomes of the ICT Strategy 2021-23 and the Digital Strategy.**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Provide elected members with a final report on the outcomes of the ICT Strategy 2021-23 and the Digital Strategy.	Tim Baulk	100%	30-Nov-2023	30-Nov-2023	18-Dec-2023 New Strategy approved by Council on the 7th of December.

**Recommendation The council should develop performance measures and targets to monitor the impact of its workforce planning approach with data on future skills and capacity projections or any plans for various scenarios detailed. Additionally, workforce data such as the number of casual staff, age profile of staff and staff turnover should also be reported regularly to members. Paragraph 14**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
As part of the Council's revised Transformation Process, specific workforce targets and expectations will be set, cascaded, and reported against.	Lyndsay McRoberts	100%	31-Dec-2024	31-Dec-2024	18-Feb-2025 Given the significant financial challenges currently facing the Council, it is imperative to ensure that the workforce is strategically aligned with evolving service delivery requirements and workforce priorities. There is no single or straightforward solution to overcoming these financial pressures. To effectively respond to the shifting financial landscape of local government, organisational structures must remain flexible and adaptable through the application of Service Redesign principles. Work has been ongoing over the past 6 months to build capacity at Service Lead level to ensure decisions around workforce planning are service-led and result in more efficient delivery. To this end, there have been work targeted around policy alignment and refresh to support the service redesign training that is ongoing. Work is ongoing to develop flexible retirement policy and refreshed VSVER policy. To support recruitment and retention several policies have been developed including employee assistants and work related to employee benefits. Over the next six months it is expected that these policies will be approved and the service re-design training will be completed. This will enable Service Leads to look at their own service with a focus on efficiency and transformation supported by appropriate policy and process. It is anticipated the HOD Directorate will begin the process first with other small service areas working with OD alongside.

**Recommendation The council should measure and report on the impact that digital technology has on its service delivery and outcomes, including how this can shape its workforce of the future. Paragraph 37**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Value added/benefits realisation to become embedded into revised Transformation Process and associated structure	Louise Reid	100%	31-Dec-2024	31-Dec-2024	30-May-2024 The Transformation Benefits Realisation Plan was approved by the Transformation Board on 1 May 2024. The 4-stage benefits process is being implemented across the portfolio and projects, including roles and responsibilities, and reporting arrangements. L&D sessions for staff on the implementation of a benefits-led approach to delivery is being developed in the context of the Transformation Communications Plan.

**Report to Service and Performance Panel on training that is delivered with details of Member attendance**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Report to Service and Performance Panel on training that is delivered with details of Member attendance	Catriona Caves	100%	31-Dec-2022	31-Dec-2022	27-Feb-2023 <a href="https://www.south-ayrshire.gov.uk/media/7680/item-4-Elected-Members-Briefings-Training-Update/pdf/item_4_20230207_SPP_EM_Training.pdf?m=638108411000630000">https://www.south-ayrshire.gov.uk/media/7680/item-4-Elected-Members-Briefings-Training-Update/pdf/item_4_20230207_SPP_EM_Training.pdf?m=638108411000630000</a>

**Return to PDP and personalisation of training needs with new Members intake**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Return to PDP and personalisation of training needs with new Members intake	Catriona Caves	100%	30-Apr-2022	31-Dec-2022	12-Jan-2023 Political Skills Self-Assessment Tool has been introduced and rolled out to Members.

**Review content of the Council Performance and Best Value web pages**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Review content of the Council Performance and Best Value web pages		100%	30-Sep-2023	30-Sep-2023	30-Oct-2023 Work has been carried out to complete the refresh of the layout of the public performance reporting webpage – there are now 5 tiles which people can navigate on the following areas: South Ayrshire Council Performance Reporting (this section includes Council performance and Service Performance), Benchmarking (LBGF information and my 'mylocalcouncil' access), External Audit (Audit Scotland Reports), Community Planning Partnership (link to the CPP webpage and access to annual progress reports for the LOIP) and Best Value (Assurance Report, Progress Updates and Self Evaluation)

**Review governance arrangements across the Council to integrate its approach to transformation and change; avoid duplication, promote recovery from covid and inform best practice**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Review governance arrangements across the Council to integrate its approach to transformation and change; avoid duplication, promote recovery from covid and inform best practice	Louise Reid	100%	31-May-2022	31-May-2023	27-Feb-2023 A proposed governance model has been developed by Officers subject to completing a review of existing governance arrangements. This model will now be taken forward with relevant Officers to refine reporting requirements and avoid duplication.

**Review the Medium-Term Financial Plan (MTFP)**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Review the Medium-Term Financial Plan (MTFP)	Tim Baulk	100%	30-Nov-2023	30-Nov-2023	05-Dec-2023 The MTFP was approved at Cabinet on 28th Nov 2023. The budget strategy contained in the document will be used as the basis of the budget setting process for 2024/25 and beyond.

**Review the performance monitoring framework to improve public performance reporting**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Review the performance monitoring framework to improve public performance reporting	Mike Newall	100%	28-Feb-2022	28-Feb-2022	21-Feb-2022 The review of the Performance Monitoring Framework was approved at the Service and Performance Panel that took place on Tuesday 8th February 2022.

**Secure additional funding to add temporary resources to key areas of Best Value**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Secure additional funding to add temporary resources to key areas of Best Value	Eileen Howat	100%	31-Dec-2022	31-Dec-2022	04-Jan-2023 Resource requirements will now be considered by Best Value Working Group

**The council should improve performance reporting**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
The council should improve performance reporting	Kevin Anderson	100%	20-Jun-2023	20-Jun-2023	30-Oct-2023 New Performance Management Framework aligned to the Council Plan 23-28 was approved by Cabinet in June 2023. Improving the accessibility of performance information has been carried over and is a stand-alone action in this plan

**The council should make sure that its transformation work is fully aligned and integrated to its Covid-19 recovery planning work and improve its approach to its strategic change programme**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
The council should make sure that its transformation work is fully aligned and integrated to its Covid-19 recovery planning work and improve its approach to its strategic change programme	Kevin Anderson	100%	20-Jun-2023	20-Jun-2023	30-Oct-2023 Updated and refocused strategic change programme agreed by <a href="#">Cabinet in June 2023</a> .



**Thriving Communities will be responsible for engaging with local communities to help develop local place plans – November – March 2022 already underway and planned**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Thriving Communities will be responsible for engaging with local communities to help develop local place plans	Jane Bradley	100%	31-Dec-2022	31-Dec-2022	13-Feb-2023 Place plans now complete. Recruitment is underway to appoint an Officer to take forward the delivery of these, working with communities to establish priorities and an action plan.

**Update Leadership Panel on the development and delivery of the South Ayrshire Way Strategic Change Programme**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Update Leadership Panel on the development and delivery of the South Ayrshire Way Strategic Change Programme	Stuart MacMillan	100%	31-Dec-2022	31-Dec-2022	21-Jul-2022 To date, the following updates have been provided: <ul style="list-style-type: none"> <li>• Leadership Panel - 15 February</li> <li>• Service and Improvement Panel - 29 March</li> <li>• Cabinet - 14 June</li> </ul> An update will also go to the Service Improvement Panel in October.

**Update Long-Term Financial Plan (LTFP)**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Update Long-Term Financial Plan (LTFP)	Tim Baulk	100%	30-Nov-2023	30-Nov-2023	24-Nov-2023 The three year Medium Term Financial Plan and ten year long term financial plan have been combined in to one five year Medium Term Financial Plan. This 5 year MTFP will be presented to Cabinet for approval on 28th Nov 2023.

**Workforce Plan Implementation**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Workforce Plan Implementation	Jane Bradley	100%	31-Mar-2022	31-Mar-2022	22-Nov-2022 The draft workforce plan was considered at Service and Performance panel in October 2022 and is now being progressed to Cabinet in November 2022.

**INCOMPLETE**

**Recommendation The council should prioritise the development of workforce planning reporting tools in Oracle Fusion to aid managers in decision making. Paragraph 39**

Action	Managed By	Progress	Original Due Date	Current Due Date	Latest Note
Projects and procurement activities related to Fusion enhancement will be required to consider workforce planning data and reporting, and how they improve the development of future workforce plans.	Stewart McCall; Wendy Wesson	30%	31-Mar-2025	31-Mar-2025	28-Jan-2025 ICT have a working group, with service input and progress has been made, a further working group has been set up to look at enhancing reporting across the services



**South Ayrshire Council**

**Report by Chief Internal Auditor  
to Audit and Governance Panel  
of 26 February 2025**

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**Subject: Internal Audit – Progress Report (Quarter 3 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 6 November 2024 and included progress for the second quarter of 2024/25 to 30 September 2024.

3.2 This report provides an update on the progress of the 2023/24 and the 2024/25 Plans for the third quarter to 31 December 2024 and the progress of implementation of Internal Audit actions as at 22 January 2025.

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 4.17 to 4.21.

**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 31 December 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 22 January 2025.

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

- 4.2 One final report for South Ayrshire Council (SAC), Records Management, has been issued since the last quarterly update report in November 2024. This assignment concluded with reasonable assurance. A total of 3 improvement actions were raised within this report and all were accepted by management
- 4.3 It was agreed at the November AGP that one 2023/24 assignment, HSCP – Premises, would be deferred and included on the 2024/25 Reserve List, to be completed should resources become available. The remaining two 2023/24 assignments, Main Accounting Fusion Controls and Payroll and HR Fusion controls, are being completed alongside the 2024/25 assignments in these areas and findings from both year’s audit work will be reported together once complete. A summary of the status of all 2023/24 Internal Audit Plan as at 31 December 2024 can be found in [Appendix 1](#).

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

- 4.4 Two final reports for South Ayrshire Council (SAC) have been issued since the last quarterly update report in November 2024, the Review of Scottish Housing Regulator Annual Assurance Statement and the Follow Up Review Social Media Accounts. Both audits reported substantial assurance with one outstanding action noted within the follow up review which management are progressing. A Network Support Grant claim was also certified in this period.
- 4.5 In addition to the two SAC audit reports issued, an audit report was also issued for the Ayrshire Valuation Joint Board (Elections Act 2022). A further two draft reports have been issued and are currently being cleared with service management. A summary of the of the status of all 2024/25 plan as at 31 December 2024 can be found in [Appendix 2](#).
- 4.6 A summary of the findings for each assignment completed between 1 October 2024 and 31 December 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. The Performance included in the table below relates to delivery of the SAC Internal Audit Plan, performance in relation to delivery of the IJB and AVJB plans is included within their annual audit reports. 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.	100%	100% (4/4)

Measure	Description	Target	Actual
2. Final Report	Percentage of final reports issued within 2 weeks of agreeing draft report. <i>(Quarterly Indicator)</i>	100%	100% (2/2)
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%	50% (1 of 2 completed assignments)
	Direct Audit Days delivered	85%	85%
5. Audit Recommendations	Internal Audit recommendations agreed (measured from 1 April 2024)	90%	100% (3/3)
7. Client Feedback	Percentage of respondents who rated the overall quality of internal audit as satisfactory or above.	100%	100% (4/4)
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 revised internal audit plan for 2024/25, approved by the Panel on 6 November 2024, includes 27 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 31 December 2024 is included in the table below:

Status	No. of Deliverables	Percentage
Complete	4	15%
Work in progress	17	63%
Not started	6	22%
<b>Total</b>	<b>27</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 five request for advice and guidance in the period to 31 December 2024. The requests were in relation to changes to the operation of imprest accounts resulting from bank branch closures, Hardship Fund procedures, procurement, the Ambition Fund and bank reconciliations. 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. A review of taxi and private hire vehicle licence checks and a review of ward capital projects were ongoing as at 31 December 2024.
- 4.10 As a result of a fraudulent change to SAC grant recipient bank details by an external party, Internal Audit worked in conjunction with Thriving Communities, Procurement and Finance to strengthen procedures in relation to managing the payment of Thriving Communities grants. New procedures for One Time Payments to third parties have been developed and are available to all relevant staff and Finance staff work with the bank to secure repayment of the fraudulent payment.

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

- 4.11 Five follow up assignments are included in the revised 2024/25 internal audit plan. Four assignments are currently in progress. The remaining assignment 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 Lead and the Chief Internal Auditor. A first extension has been requested for two of the four outstanding actions and a second extension requested for the remaining two outstanding actions. A second extension was requested for action IA2023/12/04, this is to allow third party consultation on the energy strategy to be completed, which is largely outwith the control of the service. The extension to action IA2023/30/04.01 was requested to allow the conclusion of staff training through the delivery of fortnightly workshops on the updated procedures developed by a project management advisor. A second extension was requested for action IA2024/03.04 to allow the Standing Orders training module and Procurement processes module to be added to the Council's online Training platform, COAST, and rolled out to all staff. One action IA2024/36/01.01 relates to the delivery of training on Council Standing orders to the Health and Social Care Partnership. Completion of this action is reliant on the development and roll out of the Standing Order training module which is expected to go live in February 2025 (action IA2024/03.04), an extension has been requested to coincide with the roll out of the training module. Requests for these four extensions have been agreed with the Chief Internal Auditor.

- 4.15 There were a further five extensions agreed for actions due to be completed within the next six months.
- 4.16 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)***

- 4.17 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.
- 4.18 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.
- 4.19 The latest EQA was 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](#).
- 4.20 New Global Internal Audit Standards (GIAS) which became effective from January 2025 have been developed and the existing PSIAS updated to reflect the new standards within a UK public sector context. The new Public Sector standards were subject to consultation and become effective in Council from 1 April 2025. Time has been allocated within the 2024/25 Internal Audit 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.
- 4.21 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 recommendations. A recommendation to consider whether the Directorate risk register requires to be updated to reflect issues raised within the report is also included in all audit reports. 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 integrated 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](#)**

**Report to Audit and Governance Panel of 6 November 2024 -  
[Internal Audit Plan 2024/25 – Midyear Review](#)**

**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:** 17 February 2025

## PROGRESS AGAINST INTERNAL AUDIT PLAN 2023/24 (AS AT 31 December 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.		✓	✓	✓	✓	✓	✓	26 Feb 2025
<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							
14	HSCP	Premises - Confirm there are adequate arrangement in place to ensure the HSCP have adequate premises to provide services/operate its business	Deferred (included on 2024/25 Reserve List)							
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
19	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
20	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							

<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	
24	ICT Auditing	Follow up of Actions from 2022/23 Audit Assignment - Systems Access Controls	Deferred to 2024/25 Plan								
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	

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	
32	IJB	Workforce Planning			✓	✓	✓	✓	✓	4 Sept 2024	
		Follow Up – Performance Monitoring Arrangements			N/A	✓	✓	✓	✓	6 Nov 2024	
<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	2022/23 Assignments Complete								
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 31 December 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.		✓	✓	✓	✓	✓	✓	26 Feb 2025
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.	✓	✓	N/A	✓				
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.	✓	✓	N/A	✓				
21	Self-Assessment Checklist	Internal Control Self Assessment Toolkit - Management of the Annual Process - Social Work Locations.	✓	✓	N/A	✓				

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.	✓	✓	N/A					
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>		✓	N/A					
25	ICT Auditing	Follow up of Actions from 2023/24 Audit Assignment- <b>Social Media.</b>		✓	N/A	✓	✓	✓	✓	26 Feb 2025
26	ICT Auditing	Follow up of Actions from 2022/23 Audit Assignment - <b>Systems Access Controls.</b>	✓		N/A					
27	Governance and Best Value	Follow up of Actions from 2023/24 Audit Assignment- <b>Participatory Budgets.</b>	Deferred to 2025/26 IA Plan							
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>	✓	✓	N/A					
<b>Other Entities</b>										
30	AVJB	<b>Elections Act 2022</b> - To provide assurance that the		✓	✓	✓	✓	✓	✓	26 Feb 2025

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 completed in conjunction with other services. Procedures Updated and funds recovered							
33	Advice and Guidance	Client requests, advice and consultancy - including participation on working groups.	Ongoing throughout the year. As at 31 Dec 2024 A&G provided in relation to imprest account changes resulting from Bank branch closures, hardship fund procedures, procurement, the ambition fund and bank reconciliations.							
34	Transformation Programme	Allocation of time to allow Internal Audit to provide advice & guidance and support to the Transformation Programme.	✓	✓	N/A ( Advice and Guidance Assignment)	✓				
35	Contingency	Contingency budget for unplanned commitments arising during the year.	Ongoing throughout the year. As at 31 December 2024 three contingency assignment concluded, community council appeal, Independent Examination of East Renfrewshire Council Trusts 2023-24 Accounts, and Council Tax Refund Anti-Fraud Review. The draft report for review of the Taxi Vehicle Licence process has been issued and is being agreed with service management and the review of Ward Capital Projects is currently 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
36	Closure of prior year assignments	Allowance of time for the closure of prior year audit work into 2024/25.	Ongoing (two fusion audits outstanding – being completed together with 2024/25 assignments in this area)							
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 October 2024 to 31 December 2024

Assignment Name/Ref	Assurance <sup>2</sup>	No of Actions
<p><b>2024-08 Records Management</b></p> <p><i>Assignment Summary</i></p> <p>The aim of the assignment is to obtain assurance that there are adequate arrangements in place and operating effectively within the Council to ensure compliance with Public Records Scotland Act. The assignment sought to provide assurances that there are adequate controls in place to ensure the Council complies with records management legislation and good practice guidance specifically in the following areas:</p> <ul style="list-style-type: none"> <li>• Policy and Procedures</li> <li>• Responsibilities</li> <li>• Creation and Maintenance</li> <li>• Closure, Retention and disposal</li> <li>• Monitoring and reporting</li> <li>• Security of Data</li> </ul> <p>Overall reasonable assurance was obtained in the areas within the scope of the assignment.</p> <p>The audit gave rise to three recommendations which management agreed to implement. The recommendations relate to evidence of reviewing Records Management Plan and Record Management policies and procedures, updating the Performance Update Review templates to reflect the current position on an annual basis and obtaining confirmation from Services of compliance with records management procedures. Unless this recommendation is addressed, there is a risk that Records Management may not fully meet its statutory duties in relation to records management.</p>	<p>Reasonable</p>	<p>3 (2 Medium risk, 1 Low)</p>

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<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.


**2024/25 Internal Audit Reports Issued in period 1 October 2024 to 31 December 2024**


Assignment Name/Ref	Assurance	No. of Actions
<p><b>2025-16 – Scottish Housing Regulator Annual Assurance Statement</b></p> <p><i>Assignment Summary</i></p> <p>The purpose of the review is to assess whether the Council is meeting its regulatory requirements, as set out by the Scottish Housing Regulator (SHR), when making their Annual Assurance Statement. The assignment sought to provide assurance that the statements about service delivery and service performance made in the South Ayrshire Council Annual Assurance Statement are factual and accurate and can be supported by sufficient and reliable evidence provided by the service.</p> <p>Substantial assurance was obtained that the Council’s Housing Service is meeting its regulatory requirements in relation to the categories detained in paragraph 2.2 above and this is reflected in the 2023/24 annual assurance statement.</p> <p>There were no recommendations arising from this assignment.</p>	<p>Substantial</p>	<p>0</p>
<p><b>2025-25 Follow Up Review – Social Media Account</b></p> <p><i>Assignment Summary</i></p> <p>The aim of this audit was to follow up the progress of the 15 action plan points raised in report AI/2024/09 – Social Media Accounts to assess that they have been effectively implemented. Of the 15 actions agreed, 12 were followed up as part of this review. Actions IA2024/09.11 and IA2024/09.12 were low risk priority actions and Action IA2024/09.14 was not due for completion until after the completion of this assignment and were not followed up as part of this review. These three actions will be included in the informal follow up of actions included in the quarterly Internal Audit progress reports to the Audit and Governance Panel. 11 of the 12 actions were sufficiently completed. One action relating to updating the social media policy had not been implemented at the date of the follow up review. An extension to the due date was given to allow the action to be fully completed.</p>	<p>92% Sufficiently Implemented</p>	<p>1 (further action required to ensure fully implemented)</p>




## Overdue Actions (As At 22 January 2025)



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	06-Jan-2025 Final draft copy has now been shared but is still with the consultants to complete the final document version.		95%	1st extension granted to 31/10/2024 2 <sup>nd</sup> extension agreed to 30 April 2025



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	14-Jan-2025 We are working with a project management advisor to put in place robust but proportionate project management procedures. Fortnightly workshops are being held and good progress has been made.  Request to change completion date to 31st March 2025.		80%	1st extension agreed to 31/03/2025


IA2024/03 Procurement - Fusion Controls							
Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/03.04 Process for reporting outstanding orders and invoices to be established and communicated	31-Dec-2024	David Alexander	Stephen Simpson	21-Jan-2025 The Standing Orders training module and Procurement processes module are scheduled to go live on COAST for all users in February 2025. Communications will be distributed to all staff who have either a role in approving/administering contracts or ordering/invoicing the system. These modules will ensure staff have understood the rules which need to be followed when dealing with external contractors prior to accessing any systems.		90%	Extension to 31/12/2024 agreed at AGP 6/11/2024 2 <sup>nd</sup> extension agreed to 28/2/2025


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	21-Jan-2025 Procurement Services are still in the process of developing and updating the current Standing Order Training. Regular updates on the status of this training are requested by Gary Hoey, Sheila Tyson and Meg Williams, however there is still no completion date for this process. Until Procurement deliver on the updated Standing Order processes this training cannot be rolled out to PDT staff to complete the outstanding actions of the Internal Audit plan.		85%	Extension agreed to 31/3/2025 to coincide with the roll out of procurement training (action IA2024/03.04)



## Actions Due within next 6 Months (As At 22 January 2025)



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		78%	1st extension granted to Oracle Fusion Go live date 31/3/23 2nd extension granted to 31/3/24



				March 2025 by which point the rollout is expected to be complete.			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 31 March 2025 is requested, which will align with the 2025/26 budget-setting process.		35%	1st extension granted to 31/12/2022 2nd extension granted to 30/3/2023 3rd Extension Granted to 31/3/2024 (AGP 6/9/2023) 4th extension granted to 31/3/2025 at AGP 4 Sept 2024

<b>IA2024/07 Participatory Budgeting 2023-24</b>							
<b>Action</b>	<b>Due Date</b>	<b>Managed By</b>	<b>Assigned To</b>	<b>Latest Note</b>	<b>Status</b>	<b>Progress</b>	<b>Agreed Revisions</b>
IA2024/07.01 Develop a strategic approach to Participatory Budgeting	31-May-2025	Kevin Anderson	Susan McCardie	21-Jan-2025 The process to develop a strategic approach to participatory budgeting has begun and will reference the national PB Charter for Scotland. We are awaiting confirmation on whether we will be getting a post who will lead on this work however in the meantime, we will continue to develop the strategic framework.		25%	



IA2024/08 Records Management							
Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/8/01 Review Schedule	30-Apr-2025	Catriona Caves	Deborah McVey	<p>21-Jan-2025 Record Retention Schedule progress is ongoing, as Information Governance work with services to update retention periods while supporting the migration of electronic records to M365 Sharepoint.</p> <p>This is approximately 25% completed – and this will continue to be an ongoing project over the next year while we also support the Transformation Project (M365)</p> <p>I would therefore request that this action's due date be revised, to allow us to update progress again in another 6 months.</p>		25%	

IA2024/09 Social Media Accounts							
Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2024/09.05 Social Media Access Controls	31-May-2024	Jane Bradley; Kevin Mullen	Gillian Farrell; Anne Yeo	<p>23-Dec-2024 As part of IA2025/25 follow-up review, extension granted to 31 Jan 2025.</p> <p>The Senior ICT Security Officer advised that it is anticipated that this guidance will be complete by 31 December 2024.</p>		99%	1 <sup>st</sup> Extension agreed to 31 Jan 2025
IA2024/09.14 Responsibilities regarding personal use of Social Media by employees	30-Nov-2025	Mike Newall	Wendy Wesson	23-Dec-2024 As part of 2025/25 follow-up extension granted to 31 Jan 2025		75%	1 <sup>st</sup> Extension agreed to 31 Jan 2025

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	John Morrison	14-Jan-2025 Meetings arranged with Gillian Boyce in January 2025 to finalise Process Maps.		75%	
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	14-Jan-2025 Commercial Waste Team are carrying out periodic reviews between commercial route sheets and customer spreadsheets.		75%	1st extension granted to 31 March 2025


IA2024/10/04 Implement a suitable stock control system	31-Mar-2025	Fiona Ross; NS Training	Paul Dougall	14-Jan-2025 We have introduced and improved stock control for all waste sacks. Stock control for bins will not improve until new facility is constructed at Waste Transfer Station which will enable us to move all containers indoors.		50%	1st extension granted to 31 March 2025
IA2024/10/05 Ensure booking system shows details of all advanced payments	31-Mar-2025	Fiona Ross; NS Training	Paul Dougall	14-Jan-2025 Worked in partnerships with ICT to ensure system developments are improved.		95%	1st extension granted to 31 March 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	<p>21-Jan-2025 Lead Officers from both Housing Policy &amp; Strategy and Housing Operations have been identified to review each of the sections of the existing policy document. The Officer group is next scheduled to meet on Wednesday 22 January 2025 to agree the workplan for the policy review. It is anticipated that the review process will take around 3 months to prepare proposals, and thereafter any necessary consultation with tenants will be undertaken. It will then be determined if any proposed changes require formal council approval.</p> <p>To allow all processes to be completed and time for any necessary panel/council approvals for proposed changes to policies, it is requested that the due date is extended to 31 October 2025.</p>		40%	1 <sup>st</sup> Extension agreed to 31 October 2025
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	<p>21-Jan-2025 As part of the policy review work underway, a section will be incorporated into the policy document in relation to prevention/detection of fraudulent activities or attempted fraud when applying for Council houses. Discussions are underway with Revenues and Benefits, and consideration will be given to strengthening existing anti-fraud measures taking account of established good practice and any data sharing restrictions.</p> <p>At the present time, existing safeguards and statements are in place on the housing application, to make applicants aware that the Council has a duty to manage public funds, and</p>		40%	1 <sup>st</sup> Extension granted to 31 October 2025




				<p>to prevent and detect fraud. It also advises applicants how their personal information will be used by the Council, and that where appropriate, relevant information will be shared with other agencies. Furthermore, the declaration included on the housing application form clearly states that If the Council gives an applicant a tenancy based on false or misleading information, the Council may take legal action to get the property back.</p> <p>To allow all processes to be completed, any required tenant consultation and time for any necessary panel/council approvals for proposed changes to policies, it is requested that the due date is extended to 31 October 2025.</p>			
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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 -Training should be provided as highlighted within the Self-Assessment toolkit responses to increase awareness within the Head Teacher/ EYC Manager role of key Council Governance Frameworks and mandatory training.	31-Jan-2025	Lyndsay McRoberts	Gavin Cockburn	20-Jan-2025 Education Quality Improvement Managers require more time to establish an HT induction & training programme, It is anticipated this will be ready for the new school session commencing August 2025.		60%	1 <sup>st</sup> Extension granted to 30 August 2025

**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	30-Dec-2024 We have continued to carry out monthly stock checks and close stores to carry this out, there has not been any concerns with stock levels to date, this will continue to end of year on 31/03/2024 with 3 more monthly checks already in the diaries to complete.		75%	

IA2025/35/05 Taxi and Private Hire Vehicle Licence checks							
Action	Due Date	Managed By	Assigned To	Latest Note	Status	Progress	Agreed Revisions
IA2025/35/05.01 Procedures and sample checking	31-Mar-2025	Karen Briggs	Laura McChristie			0%	
IA2025/35/05.02 Police checks	31-Mar-2025	Karen Briggs	Laura McChristie			0%	
IA2025/35/05.03 Return of old plates	31-Mar-2025	Karen Briggs	Laura McChristie			0%	

## 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></p> <p>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></p> <p>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>Outstanding - Audit Planning Process Started January 2025, draft report to be submitted to AGP for Approval 26 March 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></p> <p>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 Chief Financial Officer  
to Audit and Governance Panel  
of 26 February 2025**

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**Subject: International Financial Reporting Standard 16 – Update  
to Accounting for Lease Contracts**

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**1. Purpose**

- 1.1 The purpose of this report is to inform Members of the upcoming changes to the reporting of leases due to the mandatory implementation of International Financial Reporting Standard (IFRS) 16 and to seek approval to add a new accounting policy in advance of the 2024/25 financial year end

**2. Recommendation**

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

**2.1.1 notes the mandatory implementation of IFRS16 for 2024/25; and**

**2.1.2 approves the introduction of a new draft IFRS16 Accounting Policies shown in 4.3.**

**3. Background**

- 3.1 From 1 April 2024, a new International Financial Reporting Standard, IFRS 16, is coming into effect for Local Authorities. IFRS 16 introduces a new 'Right of Use' asset class to the balance sheet and recognises a corresponding lease liability. This is a mandatory requirement and applies to all leases - property, land, vehicles, plant, and equipment.
- 3.2 IFRS 16 is primarily intended to bring more transparency to leases in companies' financial statements. By reducing the number of leases that are off balance sheet and allowing users of financial statements to make more informed comparisons between companies in particular sectors, the result is greater transparency.
- 3.3 Despite not having the same comparative and investment requirements as the private sector, IFRS 16 also applies to the public sector. So, whilst finance leases are already accounted for as an asset and corresponding lease liability on the Council Balance sheet, from 1 April 2024 any operating leasing commitments must also be accounted for on the balance sheet (aside from some exemptions).

- 3.4 An operating Lease permits the use of an asset without transferring the ownership rights of said asset whereas a Finance Lease. The majority of existing operating leases held by the Council will come on to the balance sheet in 2024/25.
- 3.5 Any operating lease agreements (new and existing) now create a new debt in the Council's accounts, over the life of the lease. This has financial implications for the Council's Treasury Management Strategy, its Capital Programme, and its Financial Statements. Under IFRS 16, all leases are now classified as capital expenditure and must be included in the Capital Programme.
- 3.6 The standard also considers 'Embedded Leases' which exist if there is an explicit or implicit identified asset in the contract and the customer controls the use of the asset, in order to continue the service. Work needs to be undertaken to identify these leases.
- 3.7 Previous Operating and Finance Lease arrangements where the Council is the lessee will now be accounted for under the new standard. There is no change where the Council act as a lessor.

## **4. Proposals**

### **4.1 *Key matters for consideration***

- 4.1.1 When a lease contract is signed, this commits the Council to a debt liability in exchange for the control of an asset for a fixed period of time. It is, therefore, important that the correct 'value for money' procedures are undertaken, and the correct approvals are in place for the value of the lease agreement. This is managed through the Councils Scheme of Delegation.
- 4.1.2 Under the new standard a lease will require to be included in the Capital Programme for the total value of the leased asset and, therefore, contracts previously paid through revenue will now need to be included in the Capital Programme at their total cost over the life of the scheme and funded through the creation of a debt, which is equivalent to the total lease liability. The debt will be financed through the annual lease payment to the supplier through Capital Financing from Current Revenue (CFCR) payments shown in revenue.
- 4.1.3 The Council will require to amend the prudential indicators reported in the Treasury management strategy and will be reported in the Treasury Management and Investment Strategy 2025-26:
- 4.1.4 Under the standard, the Council is able to set a de-minimis policy to exclude smaller office furniture type leases from the technical accounting requirements. The Council's current de-minimis level is £5,999. In line with procurement procedures i.e. approval over £10,000 is the minimum requirement, it is intended to now increase the de-minimis level to £10,000. This will then allow all new contracts to be captured.
- 4.1.5 A disclosure of the value of leases falling under this policy will be required within the Council's Statement of Accounts. At the time of writing report the value of the lease liability is estimated to be £1.812m. The data will continue to be collated with a final figure reported in Annual Accounts for 2024-25.

4.1.6 The standard also makes provision to exclude any leases than run for less than 12 months or that have less than 12 months remaining on 1 April 2024. The Council will also be required to disclose the value and number of leases that fall into this category as part of the Statement of Accounts. As part of considering whether lease arrangements should be included in the exemption, the Council needs to consider what the intention is rather than just the legal form of the lease arrangement. If the lease arrangement has previously been allowed to run on and/or there is no alternative provision for this asset or service, then the lease should be accounted for on this basis. This poses some difficulties when calculating and accounting for lease arrangements but does more accurately reflect the Council's exposure to debt and asset base.

## 4.2 **PPP arrangements**

4.2.1 The new standard also impacts the accounting for Service Concession Arrangements (SCA's). Under the previous accounting standard, International Accounting Standard (IAS) 17, when the value of payments change in a way which is not predetermined in the lease contract (for example where payments are increased in line with an inflation index such as RPI or CPI) the increase in payments arising from indexation is treated in the same way as finance costs and expensed in the period to which the payment relates. This additional payment is known as contingent rent.

4.2.2 Under IFRS 16 a different treatment is applied: where indexation or changes in a rate affect future payments, the lease liability is remeasured. The net present value of future payments that comprise the liability is recalculated based on the revised level of payments. Increases (or reductions) in expenditure are realised as increases (or reductions) in the amortisation charge taken against the remeasured liability.

4.2.3 The Treasury Team, alongside the Councils Treasury Management consultants, have determined a revenue benefit in the short to medium term linked to the councils three PPP arrangements. [Appendix 1](#) shows the combined repayment comparisons between IAS17 and the new IFRS16 requirements.

4.2.4 For 2024/25 this benefit is estimated to be a reduced revenue cost of £1.788m, and whilst this figure will be finalised at the year end, it is considered prudent to include the impact of this change on the overall financial status of the council for 2024/25. This has been factored into recent Budget Management Reports to Cabinet.

## 4.3 **New Accounting Policy**

4.3.1 It is proposed that the following draft wording be added to the Council's Accounting Policies for the financial year 2024/25 thereby ensuring compliance with the Cipfa Code of Practice requirements. A final version of the policy will be included in the draft Annual Accounts for 2024/25 presented to the Audit and Governance Panel in June 2024.

*PPP (to be added to current accounting policy)*

*Under IFRS16, where indexation (or other changes in a rate) affects future service concession payments, the lease liability requires to be remeasured. Instead of*

*expensing the increased payment, the net present value of future payments that comprise the liability is recalculated based on the revised level of payments.*

### *Right of Use assets*

*The Council adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short term leases i.e. existing leases that expire on or before 31 March 2025, and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.*

*As noted under the PPP policy above, with effect from 1 April 2024 IFRS16 also applies to Service Concession Agreements and recognition of the resultant remeasurement of the lease liability.*

- 4.4 Members are asked to note the mandatory implementation of IFRS16 for 2024/25 and agree the introduction of the new draft IFRS16 Accounting Policies as outlined in 4.3 above.

## **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 As outlined in above.

## **7. Human Resources Implications**

- 7.1 Not applicable.

## **8. Risk**

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

- 8.1.1 There are no risks associated with adopting the recommendations.

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

- 8.2.1 Should the recommendations be rejected, then the Council will not be in compliance with the CIPFA Code of Practice on Treasury Management.

## **9. Equalities**

- 9.1 The proposals in this report do not require to be assessed through an Integrated Impact Assessment.

## **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 Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

## **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 Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

### **Background Papers**

**CIPFA IFRS 16**

### **Person to Contact**

**Tim Baulk, Chief Financial Officer**  
**County Buildings, Wellington Square, Ayr, KA7 1DR**  
**Phone 01292 612620**  
**E-mail [tim.baulk@south-ayrshire.gov.uk](mailto:tim.baulk@south-ayrshire.gov.uk)**

**Date: 17 February 2025**

### Revised PPP schedule of payments

Year ending	Period no.	Total previous charges	New LFR schedule	Variance
		IAS 17 £'000	IFRS 16 £'000	
31/03/2025	1	4,448	2,660	(1,788)
31/03/2026	2	4,675	2,810	(1,865)
31/03/2027	3	4,907	2,968	(1,939)
31/03/2028	4	5,143	3,135	(2,009)
31/03/2029	5	4,991	3,311	(1,680)
31/03/2030	6	5,217	3,498	(1,719)
31/03/2031	7	5,448	3,694	(1,754)
31/03/2032	8	5,684	3,902	(1,782)
31/03/2033	9	5,926	4,122	(1,804)
31/03/2034	10	6,721	4,354	(2,367)
31/03/2035	11	7,001	4,599	(2,402)
31/03/2036	12	7,288	4,858	(2,431)
31/03/2037	13	7,583	5,131	(2,453)
31/03/2038	14	7,886	5,420	(2,467)
31/03/2039	15	9,417	5,725	(3,693)
31/03/2040	16	5,805	6,047	242
31/03/2041	17	3,119	6,387	3,268
31/03/2042	18	3,295	6,746	3,451
31/03/2043	19	3,480	7,126	3,646
31/03/2044	20	3,676	7,527	3,851
31/03/2045	21	3,883	7,950	4,067
31/03/2046	22	4,101	8,398	4,296
31/03/2047	23	4,332	8,870	4,538
31/03/2048	24	4,576	9,369	4,793
		<b>128,605</b>	<b>128,605</b>	<b>0</b>