



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Audit and Scrutiny Committee

A Meeting of the **Audit and Scrutiny Committee** of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Tuesday, 31 January 2023** at **10:00** to consider the undernoted business.

Meeting Arrangements - Hybrid Meetings

This meeting will be held on a predominantly physical basis but with provision, by prior notification, for remote attendance by Elected Members in accordance with the provisions of the Local Government (Scotland) Act 2003. Where possible, the meeting will be live-streamed and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>.

1 Declarations of Interest

Members are requested to give notice of any declarations of interest in respect of items of business on the Agenda.

2 Minutes

The accuracy of the Minutes of the Meeting of the Audit and Scrutiny Committee held on 15 November 2022 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

3 Elected Member Service Requests

Submit report by the Head of Democratic Services on the Elected Member constituent services request process (copy enclosed).

4 Internal Audit Reports Issued

Submit report by the Head of Service (Finance) on the findings of Internal Audit work completed between November and December 2022 (copy enclosed).

5 Urgent Items

Any other items which the Chair considers to be urgent.

6 Exclusion of the Public - Para 1

Resolve in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following item of business on the grounds indicated in terms of Paragraph 1 of Part 1 of Schedule 7A of the Act.

Non Disclosure of Information

In terms of Standing Order 21 (Disclosure of Information), the information contained within the following report is confidential information within the meaning of Section 50A of the 1973 Act and shall not be disclosed to any person by any Member or Officer.

7 Internal Audit Report Issued (exempted item)

Submit report by the Head of Service (Finance) on the findings of an Internal Audit review completed in November 2022 (copy enclosed).

Webcasting

Please note: this meeting may be filmed/recorded/live-streamed to the Council's internet site and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>, where it will be capable of repeated viewing. At the start of the meeting, the Provost/Chair will confirm if all or part of the meeting is being filmed/recorded/live-streamed.

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Generally, the press and public seating areas will not be filmed. However, by entering the Council Chambers, using the press or public seating area or (by invitation) participating remotely in this meeting, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in them for webcasting or training purposes and for the purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the meeting. This will constitute your revocation of consent.

If you have any queries regarding this and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact dataprotectionofficer@north-ayrshire.gov.uk.

Audit and Scrutiny Committee Sederunt

John Bell (Chair)
Donald Reid (Vice Chair)
Eleanor Collier
Cameron Inglis
Tom Marshall
Matthew McLean
Davina McTiernan
Ian Murdoch
John Sweeney

Chair:

Apologies:

Attending:

At a Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m. involving participation by remote electronic means and physical attendance within the Council Chambers, Irvine.

Present (Physical Participation)

John Bell, Donald Reid, Eleanor Collier, Matthew McLean, Davina McTiernan and John Sweeney.

Present (Remote Participation)

Tom Marshall.

In Attendance (Physical Participation)

R. McCutcheon, Executive Director, Y. Baulk, D. Hammond, T. Reaney and C. McAuley, Heads of Service, C. Dempster, Senior Manager and M. McNeil, Manager (Place); Caroline Cameron, Director, and K. Logan, Senior Manager (HSCP); A. McClelland and R. Arthur, Heads of Service (Communities); M. Boyd, F. Walker, and A. Craig, Heads of Service, D. Forbes, L. Miller, and J. Hamilton, Senior Managers, D. McCaw and H. Clancy, Committee Services Officers (Chief Executive's Service).

Also in Attendance (Physical Participation)

T. Biondi and G. Milliken (Petitioners, Kilwinning) and W Frew (Petitioner, Irvine).

Also in Attendance (Remote Participation)

P. Kenny (Deloitte) and G. Houston (Petitioner, Saltcoats).

Chair

Councillor Bell in the Chair.

Apologies

Cameron Inglis and Ian Murdoch.

1. Chair's Remarks

The Chair agreed, in terms of Standing Order 10.8, that two further petitions, on Proposed Car Parking Charges: East Road, Kirkgate and West Road, Irvine and Proposed Car Parking Charges: Saltcoats Town Centre and Surrounding Areas be considered as urgent items and, in terms of Standing Order 10.5, further agreed to vary the order of business to allow the urgent items to be considered at Agenda Item 4 (Petition: Proposed Car Parking Charges: Owenward East and Almswall Road Car Parks, Kilwinning) as the terms of both Petitions were the same in essence as the Kilwinning Petition.

2. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 11 and Section 5 of the Code of Conduct for Councillors.

3. Minutes

The Minutes of the Meeting of the Audit and Scrutiny Committee held on 27 September 2022 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

4. Annual Report on the 2021/22 Audit

Submitted report by the Head of Finance on the Annual Audit report for 2021/22 and receive verbal report by the external auditor. Appendix 1 to the report detailed letters of representation to be signed by the Head of Finance as the responsible officer for North Ayrshire Council. The External Auditor's report, which summarised the findings of their audit, was attached as Appendix 2 to the report.

Pat Kenny of Deloitte provided a verbal report on the appendices to the report, including highlighting quality indicators in terms of the impact on the execution of their audit and also the two significant risk areas namely (1) Recognition of Covid-19 Related Income, and (2) Management Override of Controls which were both "green" and satisfactory.

The Committee agreed to (a) note the findings of the 2021/22 audit of the financial statements as contained in the External Auditor's annual report at Appendix 2; (b) note the agreed Action Plan as outlined on Page 30 of the Final Report; and (c) approve the audited Annual Accounts for signature.

5. Accounts Commission's Report: Scotland's Financial Response to Covid-19

Submitted a report by the Head of Service (Finance) on the findings of the recently published Accounts Commission report. A link to the full report was provided within the Executive Summary which reflected on the impact of the Covid-19 pandemic on the Scottish Government, Councils and other public sector bodies including fiscal context in which these bodies operated and the ongoing development and implementation of plans for financial recovery.

Members asked a question and were provided with further information in relation to processing and conditions concerning the allocation of business grants.

The Committee agreed to note (i) the findings of the Accounts Commission report; (ii) the recommendations contained in the report; and (iii) North Ayrshire's approach in relation to the recommendations.

6. Year End Performance Reporting: Council Plan Year End Progress Report 2021-22, Annual Performance Report 2021-22 and Local Government Benchmarking Framework (LGBF) Report 2020-21

Submitted report and received a presentation by the Head of Service (Democratic) on progress with the Council Plan priorities. The Council Plan Year End Progress Report and supporting performance measures were set out in Appendices 1, 2 and 3 to the report. Appendix 4 to the report detailed the Council Plan Annual

Performance Report while Appendix 5 detailed the status of the Council's performance indicators within the 2020-21 LGBF.

The Committee agreed to note (i) the Council Plan year End Progress Report and supporting performance measures as set out at Appendices 1,2 and 3 to the report; (ii) the Council Plan Annual Performance Report as set out at Appendix 4 to the report; and (iii) the status of the Council's performance indicators within the 2020-21 LGBF report as set out at Appendix 5 to the report.

7. Petitions: Proposed Car Parking Charges

Submitted three reports by the Head of Service (Democratic) on the terms of petitions received in respect of car parking charges at (i) Oxenward East and Almswall Road Car Parks, Kilwinning and requesting that the Council maintain free parking in Kilwinning; (ii) East Road, Kirkgate and West Road, Irvine and requesting that the Council maintain free parking in Irvine; and (iii) Saltcoats Town Centre and surrounding areas and requesting that the Council maintain free parking in Saltcoats. The reports outlined full details of each petition.

The Head of Service (Democratic) outlined the process for consideration of the petitions, whereby each petition would be taken in turn, with petitioners allocated ten minutes each to address the Committee and answer any questions. The Head of Service (Commercial) would then address the Committee in response to the three petitions.

(i) Owenward East and Almswall Road Car Parks, Kilwinning

The principal spokespersons, Tom Biondi and Graham Milliken, outlined the objections to the proposed car parking charges from shopkeepers and local residents and highlighted various matters, including the following:-

- the total number of signatures having risen to more than 2,900 written and 1,933 online;
- North Ayrshire's Fair for All vision in terms of working together, engaging and supporting local communities;
- the Town Centre Parking Strategy 2014-2020, which stated that parking would be free;
- the lack of consultation on the introduction of parking charges;
- the creation of inequality, with parking charges not applicable for all towns in North Ayrshire;
- the impact on local business income in Kilwinning;
- that Kilwinning and its surrounding areas were identified as a significant area of deprivation within the Scottish Index of Multiple Deprivation;
- the ongoing struggle of local businesses and residents in terms of the cost-of-living crisis and recovery from the Covid-19 pandemic; and
- existing customers having stated they would shop elsewhere if charges were to be introduced.

The spokespersons gave examples of how local residents would be affected by the introduction of parking charges.

The Committee then proceeded to hear the terms of the second petition.

(ii) East Road, Kirkgate and West Road, Irvine

The principal spokesperson, William Frew, outlined the objections to the proposed car parking charges from shopkeepers and local residents and highlighted various matters, including the following:-

- the ongoing struggle for small local businesses in the area;
- the disruption and lost business arising from the recent regeneration of the high street area;
- the slow recovery for businesses following the Covid-19 pandemic;
- hardship in relation to the cost-of-living crisis;
- the increase in overheads for businesses;
- the unfair advantage to larger shops with free parking areas if charges were introduced elsewhere in the town;
- the demise of the Kilmarnock and Ayr Town Centres following the introduction of pay-and-display parking charges; and
- the lack of consultation with regard to the introduction of the parking charges.

The Committee then proceeded to hear the terms of the third petition.

(iii) Saltcoats Town Centre and Surrounding Areas

The principal spokesperson, Gerard Houston, outlined the objections to the proposed car parking charges from shopkeepers and local residents and highlighted various matters, including the following:-

- the total number of written signatures having risen to more than 4000;
- the effect of the Covid-19 pandemic and the cost-of-living crisis on local businesses;
- that access to short stay parking/pick ups would be essential to keep small businesses running;
- that independent family-run businesses would be affected by the parking charges and not larger businesses;
- the reliance on the car parks for staff parking, when staff were also struggling with cost-of-living rises;
- the potential for encouraging parking in residential areas, which would cause additional difficulties in the town;
- existing restrictions in Dockhead Street, Saltcoats and the extension of the restricted vehicular access between 10am and 4pm, which already affected footfall for local businesses; and
- the lack of consultation with local traders and the general public.

The spokesperson provided details regarding a meeting to be held in the Argyle Centre, Saltcoats for the general public and traders, with invitations being extended to all local Councillors and MPs.

Members asked questions of all spokespersons and received responses in relation to:-

- the initial proposal approved in 2019 which was delayed due to the Covid-19 pandemic;
- the number of car parks in the local areas which were already short-stay and time-limited; and
- whether petitioners considered that penalties should be imposed on those who parked all day in short stay car parks or whether there should be no limitation on any car park.

Spokesperson responses additionally mentioned Kirkgate, Irvine parking being utilised for school pickups, the use of the East Road car park, Irvine, for the Portal and the view that the College in Kilwinning should have more adequate parking provision for their specific use on campus.

A briefing note by the Head of Service (Commercial) was detailed at Appendix 1 to the report. This provided background information on Decriminalised Parking Enforcement (DPE) and the proposed introduction of car parking charges, a key outcome of which would be improved regulation of traffic in town centres by directing long-stay patrons to free parking slightly further out while providing chargeable and short-stay parking close to retail and other town centre services. The proposals would also encourage alternative more active and sustainable modes of transport and aimed to reduce the volume of traffic travelling through town centres by facilitating the use of public transport. Information was also provided in relation to movement within car parks, where parking charges would help with vehicle turnover, use of disabled parking bays, and the ban on pavement parking to be introduced in late 2023.

The Council meeting, at its meeting on 21 September 2022, agreed that, in the light of the deepening financial crisis, a proposal be brought back to Cabinet to reconsider the level of charges proposed in the 2022/23 budget. This report would be submitted to Cabinet in January 2023, following Elected Member Engagement Sessions in December 2022.

Members asked questions of the Head of Service (Commercial) in relation to:-

- previous methods of consultation with Elected Members on charges to be applied;
- the location of the one-hour free parking in Kilwinning where a response would be provided to Members;
- monitoring of car park usage where charges were to be applied;
- Elected Member engagement sessions which would include information on resident parking permit requirements;
- the feasibility study model and assumptions around fines and collection rates;
- the estimated costs in connection with Wardens (in the region of £120,000);
- a post pandemic review of town centre footfall which indicated more normal parking behaviours;
- reports on all the car parks in terms of usage and capacity; and

- the current position regarding on street parking charges.

Councillor Sweeney, seconded by Councillor McLean, moved that the Committee accept the three petitions and ask Cabinet to note their content when considering the report on the level of car parking charges at their meeting on 24 January 2023. As there was no amendment, the motion was declared carried.

The Head of Service (Democratic) further clarified to the petitioners that, while additional petition signatures could continue to be collected, the petition had been accepted by the Audit and Scrutiny Committee and there would be no further consideration of the petitions regardless of any increase in signatories.

In terms of Standing Order 6.8, the Chair agreed that the meeting be adjourned at 11.30 a.m. for a short comfort break. The meeting reconvened at 11.40 a.m. with the same Members and officers present and in attendance (as previously by remote electronic means or in person).

8. 2021-2022 Complaints Report

Submitted report by the Head of Service (Democratic) on the Council's complaint performance and the volumes and trends of complaints received in Financial Year 2021-22. The report detailed the volume of complaints received and closed, complaints closed at each stage, complaint outcomes, the average time in working days for a full response at each stage, complaints closed within timescale, complaint timescale extensions, trends identified from upheld/partially upheld complaints and changes or improvements made as a result of complaints. The Corporate Complaints Annual Report 2021/22 was attached as an Appendix to the report.

Members asked questions and were provided with further information in relation to the following:-

- timescales on when a service request became a complaint and how these were dealt with by the relevant Service;
- potential underestimation of complaints which could be attributed to the closure of Council buildings throughout the pandemic;
- the prospect of a wider report on the operation of complaints input on the Lagan system;
- the process in terms of a non-resolved stage 2 complaint proceeding to the Ombudsman; and
- a manufacturing fault with the purple wheelie bin lids, which had now been resolved.

The Head of Service (Democratic) undertook to prepare a report for submission to the Audit and Scrutiny Committee on the operation of the Lagan system.

The Committee agreed to note the information contained within the report.

9. Workforce Absence 2019-2022

Submitted report by the Head of Service (People & ICT) providing a year-end summary of sickness absence for the period 2019/20 to 2021/22. The report provided a summary of the sickness absence levels and associated productivity for the three-year period from 2019-2022 to 2021-2022 and highlighted the policies, procedures and proactive interventions to support the Council's workforce.

The Head of Service (People & ICT) undertook to provide a response to the Committee in terms Councillor Marshall's questions on (i) the Office of National Statistics' absence rate figure when compared to the Council figure; and (ii) the difference between the absence rate figure and the loss of productivity figure.

The Committee agreed to note the absence levels over the last three years and the support provided to the workforce.

10. Internal Audit and Corporate Fraud Action Plans: Quarter 2 Update

Submitted report by the Head of Service (Finance) on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2022. Appendix 1 to the report provided full details of one Internal Audit action which was not completed within the agreed timescale.

Members asked a question and were advised that work was ongoing with IT to complete the Data Protection Impact Assessment in order to progress with the upgrade and that this would be completed by the end of December 2022.

The Committee agreed to note (i) the current position with the implementation of the Internal Audit and Corporate Fraud actions; and (ii) challenges which were faced by those services which had not implemented actions within the previously agreed timescales.

11. Corporate Fraud Team Update Report

Submitted report by Head of Service (Finance) on the work of the Corporate Fraud Team between April and September 2022.

The Senior Manager (Audit, Fraud, Safety and Insurance) highlighted investigations which had been carried out across a range of areas, including employee related matters, as well as Council Tax, Discretionary Housing Payments, Scottish Welfare Fund, Blue Badges and Housing tenancy issues. The Committee was advised that joint working with the Department for Work and Pensions (DWP) had paused during the Covid-19 pandemic but had since recommenced. This formal joint working arrangement was in place for cases where suspected frauds relate to both Housing Benefit and Council Tax Reduction.

The Senior Manager further advised that the International Fraud Awareness Week would run from 13-19 November 2022, with events being held across North Ayrshire to raise knowledge and awareness of the Corporate Fraud Team.

Members asked questions and were provided with further information in relation to

the following:-

- the value assigned to a blue badge by the Cabinet Officer; and
- the 26 tenancies recovered by Housing and the Corporate Fraud Team.

The Committee agreed to note the work carried out by the Corporate Fraud Team between April and September 2022.

12. Internal Audit Reports Issued

Submitted report by the Head of Service (Finance) on the findings of Internal Audit work completed between September and October 2022. The findings from three audit assignments were detailed at Appendix 1 to the report, together with the respective executive summaries and action plans.

The Committee agreed to note the outcomes from the Internal Audit work completed as set out in the report.

13. National Fraud Initiative (NFI) in Scotland 2022

Submitted report by the Head of Service (Finance) providing an overview of the NFI 2020/21 exercise outcomes. The Council's financial recoveries from the 2020/21 exercise amounted to £0.091m. External audit also assessed the Council's planning and progress in terms of the NFI with recommendations as appropriate. The National Fraud Initiative (NFI) Report was detailed at Appendix 1 to the report.

The Committee agreed to note the outcomes of the exercise.

14. Urgent Items

There were no further urgent items for consideration.

15. Exclusion of the Public – Para 1

The Committee resolved in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following item of business on the grounds indicated in terms of Paragraph 1 of Part 1 of Schedule 7A of the Act.

16. Investigation Reports Issued

Submitted report by the Head of Service (Finance) on investigation reports finalised since the last meeting.

Noted.

The meeting ended at 12.30 p.m.

NORTH AYRSHIRE COUNCIL**31 January 2023****Audit & Scrutiny Committee**

Title: **Elected Member Service Requests****Purpose:** To inform the Audit and Scrutiny Committee of the Elected Member constituent service request/query process and performance for the period 1st April to 30th September 2022.**Recommendation:** That the Committee notes the report and the information provided.

1. Executive Summary

- 1.1 This report details how Councillor service requests and queries logged on behalf of constituents are classified and handled in the Council's Customer Record Management system EMPro (formerly called *Lagan*).
- 1.2 The process for logging complaints is distinct from that relating to Councillor service requests.
- 1.3 Performance in terms of response times for the period 1st April to 20th September 2022 is highlighted for the information of Members and is subject to ongoing monitoring by the Executive Leadership Team.

2. Background

- 2.1 The current system for handling Elected Member service requests was derived following a workshop involving Councillors, Members Services and Council Officers with a view to enhancing and streamlining the process some years ago. Several improvements were identified and implemented as a result of the review, some of which reflected parts of the Council's Two Stage complaint handling procedure. The process which is in place is detailed below.
- 2.2. Councillors are automatically provided with a unique NAC Member online account when elected, allowing Members to log constituent requests and queries directly into EMPro quickly, easily and at any time. Councillor service requests and queries raised on behalf of constituents that require little investigation or are non-complex in nature will be investigated, actioned (if applicable) and responded to by the relevant Service by no later than 5 working days. Such cases are known as **Stage One** cases and this mirrors the terminology and timescale of a Stage One corporate complaint.

- 2.3 Councillor requests and queries raised on behalf of constituents that require detailed investigation, third party involvement or are complex in nature will be investigated, actioned (if applicable) and responded to by the relevant service by no later than 20 working days. Such cases are known as **Stage Two** cases and this also mirrors the terminology and timescale of a Stage Two corporate complaint.
- 2.4 All Councillor cases are logged with a default position of Stage One. If the Service investigating the matter determines it is complex or requires detailed investigation before a response can be provided, the Service will update the case to Stage Two which will automatically recalculate the due date to 20 working days from the date the case was first logged. Again, this process mirrors the Stage One to Stage Two escalation process within the Council's Two Stage corporate complaint handling procedure.
- 2.5 When cases are logged, notification of timescales are provided to Councillors and updates provided in the event the status of a case changes from Stage One to Stage Two. Services screen Councillor enquiries when they are logged to ensure that they are escalated for urgent action in the event that this is required.
- 2.6 Appendix 1 details the process flow followed when a constituent approaches a Councillor with a request or a query which requires Council involvement.
- 2.7 During the period from 1st April until 30th September 2022, 1,995 service requests were logged on the EM Pro system, 1,703 of which were raised by Councillors. The remaining 292 service requests were enquiries from MPs or MSPs.

93% of MP/MSP requests were closed on time and 89% of Councillor requests were closed on time. Requests that did not meet timescales were due to multiple factors, including:

- operational pressures
- employee absence/annual leave
- reduced/lack of resources
- further information required to progress requests (including from third parties)
- request complexity including cross-service enquiries

Whilst there is no national target for timescales to deal with Councillor enquiries, using the analogy with the complaints process where the national target of 80% is set for dealing with stage 1 complaints, the performance level for responding to stage 1 Councillor enquiries at 89% represents positive performance.

- 2.8 Only one Councillor enquiry was treated at Stage 2 during the period. Several enquiries would have qualified for consideration at Stage 2 of the process in view of their complexity, which would in turn have affected the performance statistics by reducing the number of cases breaching the target response time.

Where requests breach (or are going to breach) their due dates, Services are advised to keep Elected Members updated so they can manage their constituents' expectations.

- 2.9 Six monthly management team reviews monitor performance on an ongoing basis. The reasons for Services breaching response times are detailed in paragraph 2.7. It should be noted that some Services were still facing challenges in the post Covid 19 period

which has affected response times however the internal escalation processes in place ensure that urgent enquiries requiring immediate service intervention are dealt with quickly.

- 2.10 Complaints follow a separate route under the Scottish Public Service Ombudsman model complaint handling procedure. Appendix 2 details the process for logging complaints when a constituent approaches a Councillor wishing to raise a complaint about the Council.

3. Proposals

- 3.1 It is proposed that the Committee review and note the report.

4. Implications/Socio-economic Duty

Financial

- 4.1 None.

Human Resources

- 4.2 None.

Legal

- 4.3 None.

Equality/Socio-economic

- 4.4 None.

Climate Change and Carbon

- 4.5 None.

Key Priorities

- 4.6 The Two Stage Councillor Service Request Handling Process supports the Council's key priority of delivering more effective and efficient service provision. It demonstrates commitment through focussing on service improvement and delivery for North Ayrshire residents, customers and visitors

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 None.

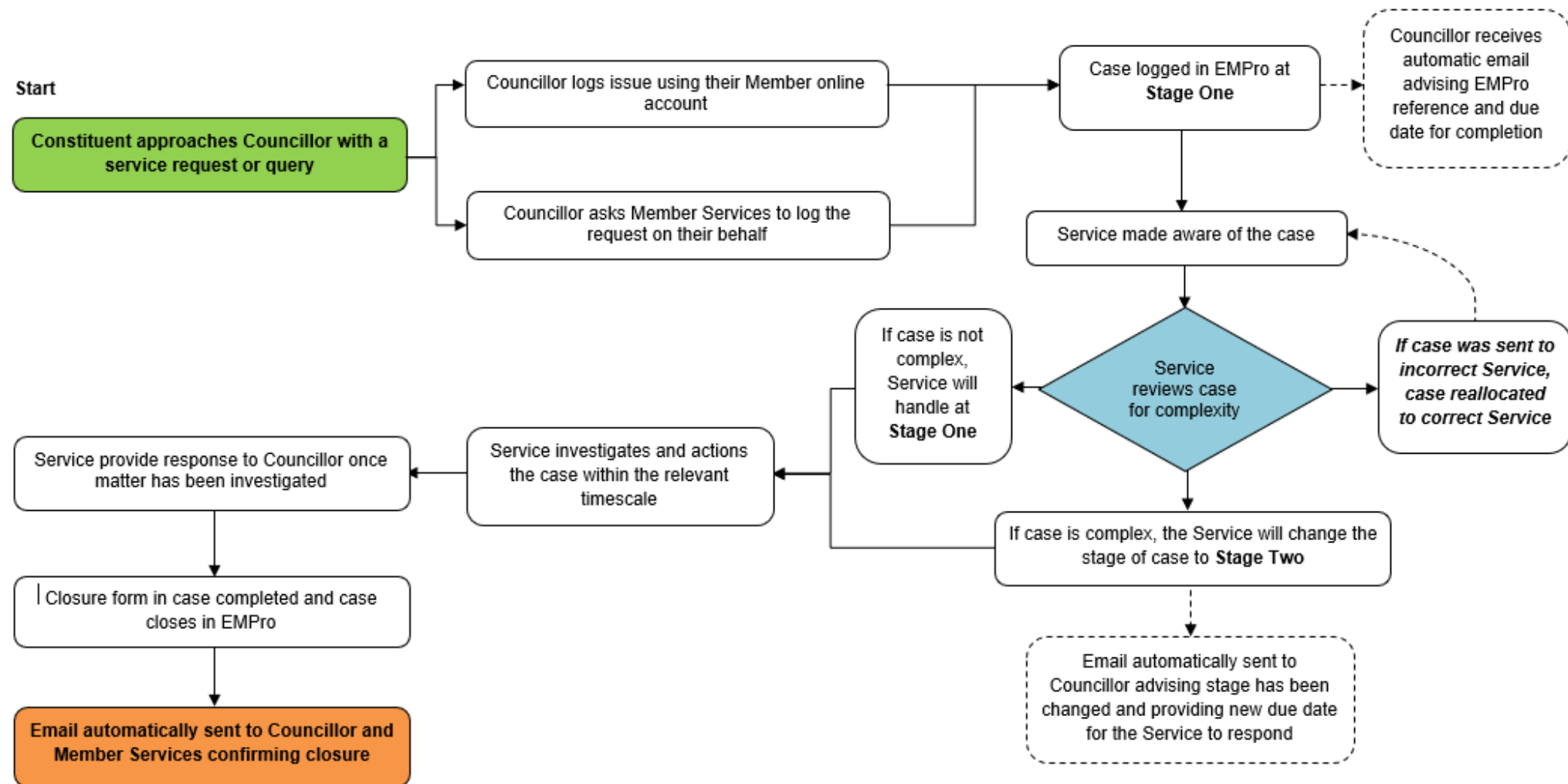
Aileen Craig
Head of Service (Democratic)

For further information please contact **Darren Miller, Information Governance**, on **(01294) 322988** or **darrenmiller@north-ayrshire.gov.uk**

Background Papers

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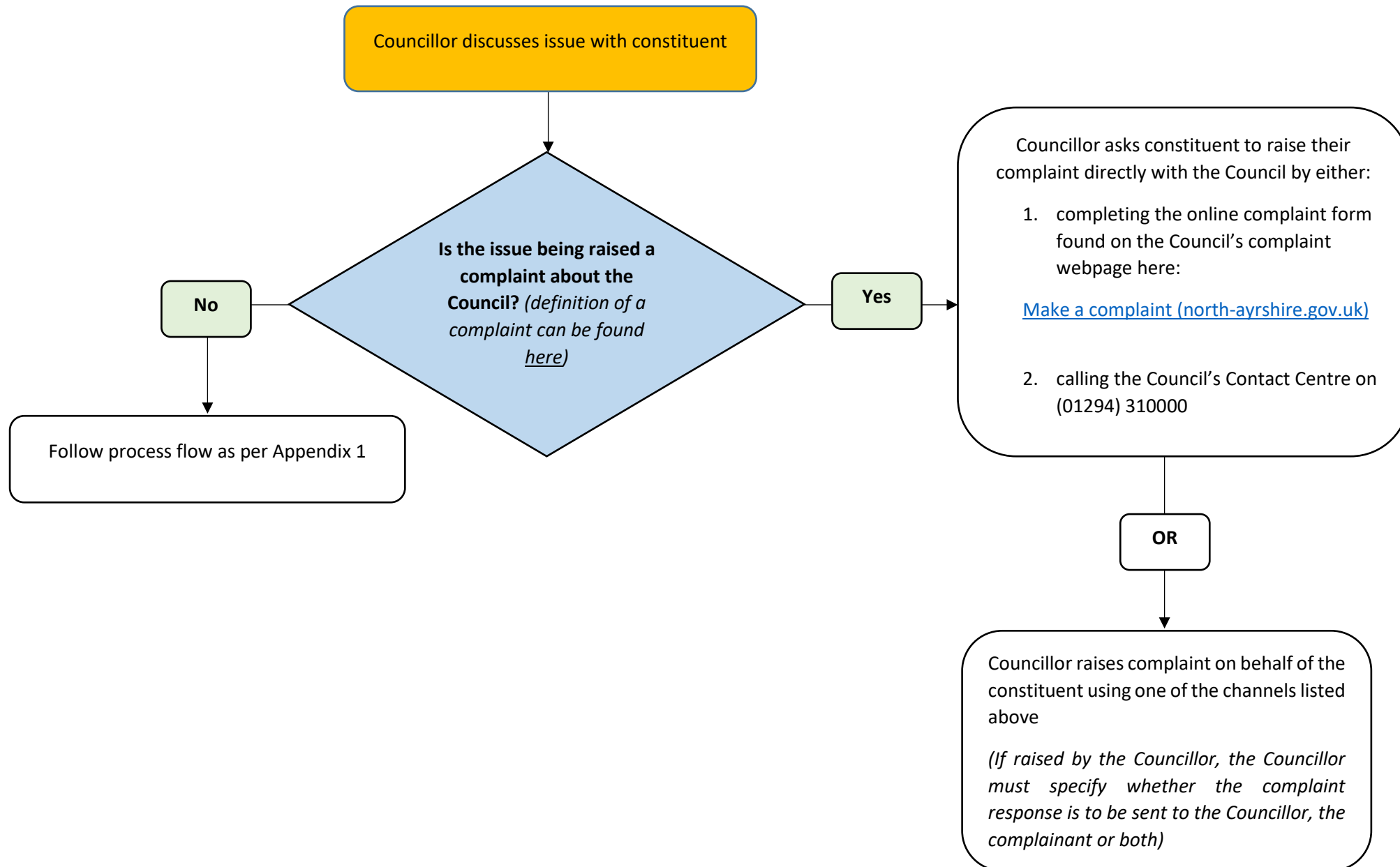
Appendix 1: Process for when service requests/queries are received from constituents



Stage One requests – typically non-complex matters that require little/no investigation. Timescale to resolve **5 working days**

Stage Two requests – complex matters that require detailed investigation. Timescale to resolve **20 working days**

Appendix 2: Process for when complaints are received from constituents



NORTH AYRSHIRE COUNCIL

31 January 2023

Audit and Scrutiny Committee

Title: Internal Audit Reports issued

Purpose: To inform the Committee of the findings of Internal Audit work completed between November and December 2022.

Recommendation: That the Committee considers the outcomes from the Internal Audit work completed.

1. Executive Summary

- 1.1 The Council's local Code of Corporate Governance requires effective arrangements to be put in place for the objective review of risk management and internal control. Internal Audit is an important element in this framework as it reviews internal controls and offers Elected Members and officers an objective and independent appraisal of how effectively resources are being managed.
- 1.2 The remit of the Audit and Scrutiny Committee includes the monitoring of Internal Audit activity. The submission and consideration of regular reports assists the Committee in fulfilling this remit.

2. Background

- 2.1 This report provides information on Internal Audit work completed between November and December 2022. Internal control reviews have been completed in respect of the areas detailed in Appendix 1 to this report. The aim of these reviews is to provide assurance that the internal control framework within the areas examined is appropriate and operating effectively.
- 2.2 The findings from each audit assignment have been notified in writing to the Chief Executive, the Section 95 Officer and the relevant Executive Director and Head of Service on the completion of each assignment. Where appropriate, this has included an action plan with recommendations for improving internal control. Appendix 1 includes the report and action plan from each audit.
- 2.3 The findings from five separate audit assignments are detailed at Appendix 1 to this report and the levels of assurance for each are noted in the table below:

Audit Title	Assurance Level
Facilities Management Procurement	Substantial
Accounts Payable Transaction Testing Q2	Reasonable
Gifts and Hospitality	Substantial
Transport – Journeys and Hires	Substantial
Scottish Housing Regulator Annual Assurance Statement	Substantial

3. Proposals

- 3.1 It is proposed that the Committee considers the outcomes from the Internal Audit work completed between November and December 2022.

4. Implications/Socio-economic Duty

Financial

- 4.1 None.

Human Resources

- 4.2 None.

Legal

- 4.3 None.

Equality/Socio-economic

- 4.4 None.

Climate Change and Carbon

- 4.5 None.

Key Priorities

- 4.6 The work of Internal Audit helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 The relevant Services are consulted on Internal Audit findings during each audit assignment.

Mark Boyd
Head of Service (Finance)

For further information please contact **Laura Miller, Senior Manager (Audit, Fraud, Safety and Insurance)**, on **01294 324524**.

Background Papers

None.

FACILITIES MANAGEMENT PROCUREMENT

1 Background

- 1.1 Facilities Management (FM) procurement was last audited in 2017/18.

2 Objectives and Scope

- 2.1 The objective of this audit was to ensure:-
- FM are taking steps to minimise food waste in schools
 - The environmental impact is considered when making food purchases
 - The Council's Standing Orders relating to Contracts are being applied when procuring throughout FM (ie for Catering, Janitorial and Cleaning purchases)
 - GPC cards (procurement cards) are being used appropriately

3 Findings

Food Waste

- 3.1 FM have confirmed they are taking the following steps to minimise food waste within schools:-
- All primary school pupils must pre-order their lunches. This means Catering staff know exactly what meals they need to prepare.
 - Secondary school pupils have the option to pre-order their meals. Whilst this is not mandatory, it does give some guidance to Catering staff.
 - Software is used to analyse and report on popular menu choices and analyse meal uptakes in secondary schools. This supports Catering staff in planning production quantities.
 - Annual menu consultations are undertaken to ensure meal choices are popular, which helps minimise food waste.
- 3.2 The above confirms that FM are working to minimise food waste.

Environmental Impact

- 3.3 North Ayrshire Council has been awarded a Gold Food for Life Award from the Soil Association for 106 of its sites. All the Council's schools, except one Academy which is a commercial kitchen, early learning centres and private early learning centres supplied by FM catering feature on the Gold Award list.
- 3.4 In order to obtain the gold award FM had to show its menus are healthy, ethical, use lots of local ingredients, supports good animal welfare practices and sustainable farming methods.
- 3.5 The Soil Association annually audits the Council's application prior to issuing an award.
- 3.6 Audit has placed reliance on the Soil Association's assessment, and subsequent award.

Standing Orders

- 3.7** Due to the high volume of catering purchases, FM have approval to use GPC cards to pay for catering supplies, so long as the Council has a contract with the supplier.
- 3.8** Catering and janitorial purchases are invoiced and processed via Integra.
- 3.9** Irrespective of the method of payment, the Council's Standing Orders must be applied to all purchases.
- 3.10** Audit selected a sample of 19 suppliers paid via invoice, and 12 suppliers paid via GPC card - with varying levels of actual spend - and reviewed the contract in place to ensure it complied with Standing Orders.
- 3.11** No issues were noted – appropriate contracts were identified for all 31 suppliers tested, and only catering suppliers had been paid via GPC card.

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regard FM procurement.

Definitions of Assurance Levels:

Substantial	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	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	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.
None	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.

NB The level of assurance given is at the discretion of Internal Audit.

ACCOUNTS PAYABLE TRANSACTION TESTING Q2

1 Background

- 1.1 This audit used computer audit software called IDEA (Interactive Data Extraction and Analysis) to interrogate the Accounts Payable (AP) System and examined any anomalies which arose.
- 1.2 There were 4,161 active Trade Suppliers (for processing payments to standard suppliers, individuals, and social services) and 479 Sundry Suppliers (for processing one-off sundry payments) on Integra as at 01/07/22.
- 1.3 There were 49,891 invoices paid to trade and sundry suppliers during the period of the audit totalling just over £151 million.

2 Objectives and Scope

- 2.1 The main objectives of this audit were to ensure that:
 - duplicate suppliers are identified and de-activated to minimise the risk of duplicate invoices being paid.
 - duplicate invoices have not gone undetected.
 - advance payments have been reported to Financial Management for the list of pre-payments at financial year-end.
 - high value invoices have been properly authorised.
 - invoices paid to employees are bona fide.
- 2.2 The audit period was 1st January 2022 to 30th June 2022. This audit will be carried out again in quarter 4.

3 Findings

Supplier Tests

- 3.1 Testing was carried out to identify duplicate trade suppliers on the system. Testing identified 28 duplicate suppliers either by supplier name or bank details. These were passed to the AP team to review and deactivate as appropriate. **(Action a)**
- 3.2 Testing also highlighted 14 active suppliers with no bank details recorded on Integra. These were passed to the AP team for information purposes.

Invoice Tests

- 3.3 The auditor tested for duplicate invoices for payments to suppliers and identified 193 possible duplicates that were investigated further. This confirmed that 65 were duplicates but had already been identified and action taken by the AP team. This testing therefore identified 8 potential duplicate invoices totalling £15,781.40, which have not already been identified by the AP team. The potential duplicates have been passed to the AP team to check and arrange recovery. **(Action b)**
- 3.4 There were 104 invoices with a payment date before the invoice date. Testing was carried out on a sample of 10 and in 5 cases the invoice date was keyed

incorrectly and in 5 cases the invoice date was keyed correctly and has been paid in advance. However, it should be noted that most of them were paid a week or less in advance.

- 3.5** There were 320 invoices with a payment date more than 1 year after the invoice date. Testing was carried out on a sample of 10 and in 6 cases the correct invoice date was keyed and there was a significant delay in the receipt of invoice. In one case an invoice was dated 07/12/16 and was received 03/03/22. The other 4 had the dates wrongly keyed. Financial Management confirmed that there are no VAT implications when paying invoices more than 1 year old. However, it should be noted that invoice date keying errors will impact the monitoring of paying invoices on time.
- 3.6** The Team Leader (Procurement) advised a reminder will be issued to users that process invoices about the importance of accuracy when entering invoice dates.

Advance Payment Tests

- 3.7** The auditor tested for round sum amounts over £20,000 to help identify any advance payments. There were 40 invoices found meeting this criterion plus an additional 10 payments over £20,000 were randomly selected that were not round sum amounts. This resulted in 22 being passed to Financial Management to confirm the correct action had been taken ahead of the annual accounts being closed. The Financial Management review confirmed the correct action had been taken and no adjustments were required.

High Value Payment Tests

- 3.8** There were 1,639 invoices between £10,000 and £100,000 and 15 were selected for audit testing and the auditor noted the following:
- Testing found that 1 HSCP invoice for £64,783.80 had been approved by 4 different Care at Home Managers but 3 are not authorised signatories and one approved above their approval limit. The Business Support Officer will arrange for the Care at Home Managers to be added to the authorised signatory list.
 - Testing found one Building Services invoice for £93,308.31 had been approved by an authorised signatory but it was above their approval limit. The Senior Officer agreed to only authorise invoices within their approval limit.
 - There were 3 invoices with no payments over £10k report attached.
- 3.9** There were 236 invoices over £100,000 totalling £72,444,332.32 and 15 were selected for audit testing and the auditor noted the following:
- 1 invoice had no payments over £10k report attached.

Creditors to Payroll Data Match

- 3.10** The auditor tested for employees who have been paid via Integra. There were 31 supplier bank details matching an employee's bank details. All invoices paid to these suppliers were checked and there were no concerns to note.

4 Internal Audit Opinion

- 4.1** Overall, reasonable assurance was obtained with regard to the controls around the processing of invoices, in particular to preventing duplicate invoices being processed as the number of potential duplicates identified is relatively low.

Definitions of Assurance Levels:

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Reasonable	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	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.
None	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.

NB The level of assurance given is at the discretion of Internal Audit.

KEY FINDINGS AND ACTION PLAN

ACCOUNTS PAYABLE TRANSACTION TESTING Q2

Action	a
Finding	Testing was carried out to identify duplicate trade suppliers on the system. Testing identified 28 duplicate suppliers either by supplier name or bank details. These were passed to the AP team to review and deactivate as appropriate.
Action Description	Procurement should review the list of duplicate suppliers and de-activate suppliers as appropriate.
Risk	Duplicate invoices may be paid to the same supplier via different supplier numbers.
Priority (1, 2, 3)	1
Paragraph Reference	3.1
Managed by	Mark Boyd, Head of Service (Finance)
Assigned to	Suzanne Quinn, Senior Manager (Corporate Procurement)
Due Date	30 th November 2022
Management Comment	The Accounts Payable Team will investigate the 28 potential duplicate suppliers by 30/11/2022 and report findings and action taken to remove to Internal Audit.

Action	b
Finding	Testing identified 8 potential duplicate invoices totalling £15,781.40, which have not already been identified by the AP team.
Action Description	AP should review the potential duplicate invoices and arrange for recovery of monies paid twice.
Risk	The Council has paid the same invoice twice and the money has not been recovered.
Priority (1, 2, 3)	1
Paragraph Reference	3.3
Managed by	Mark Boyd, Head of Service (Finance)
Assigned to	Suzanne Quinn, Senior Manager (Corporate Procurement)
Due Date	30 th November 2022
Management Comment	The Accounts Payable Team will investigate the 8 potential duplicate invoices totalling £15,781.40 by 30/11/2022 and recover where appropriate or to notify Internal Audit why the duplicate payment is legitimate. Recovery of funds can take several months.

Priority Key used in Action Plan

1 (High)	Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention.
2 (Medium)	Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives.
3 (Low)	Minor weakness or points for improvement.

GIFTS AND HOSPITALITY

1 Background

- 1.1 Directorates are responsible for recording gifts and hospitality in compliance with the Council's guidance in the Employee Code of Conduct.
- 1.2 The HR Operations team are accountable for the Employee Code of Conduct document.
- 1.3 Previous audit work completed in 2017 identified 6 actions in relation to communicating and recording gifts and hospitality.

2 Objectives and Scope

- 2.1 The main objectives of this audit were to ensure that:
 - All employees are made aware of the Employee Code of Conduct and have access to an up-to-date copy
 - Gifts and hospitality are being recorded by services as required in the Employee Code of Conduct and that gifts and hospitality are only being accepted as permitted by the code.

3 Findings

- 3.1 The Code of Conduct document is available to all employees with IT network access. Copies for employees who do not have IT access should be provided by the service.
- 3.2 New starts receive the Code of Conduct via their offer of employment.
- 3.3 The HR Operations team put reminders regarding the requirements of the Code of Conduct in relation to Gifts and Hospitality in the "People Matters" newsletter, which is distributed to all employees, in November 2019, December 2020 and December 2022.
- 3.4 Six current Gifts and Hospitality registers were provided by services. These follow a standard format recorded on a mixture of Microsoft Word and Excel documents.
- 3.5 A sample of records recorded in the registers indicated that there were no items of substantial value recorded. Where required they have been appropriately authorised. Some services have recorded all donations which ensures transparency. Cash donations were returned to the donors with a covering letter.
- 3.6 Education has issued guidance to parents and carers advising them to consider not giving gifts to school staff.
- 3.7 No potential conflict of interest or potential collusion with suppliers was identified from the registers provided.
- 3.8 No whistle blowing incidents were identified.

4 Internal Audit Opinion

- 4.1 Overall, substantial assurance was obtained with regard to compliance with the Employee Code of Conduct in respect of Gifts and Hospitality.

Definitions of Assurance Levels:

Substantial	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	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.
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NB The level of assurance given is at the discretion of Internal Audit.

TRANSPORT – JOURNEYS AND HIRES

1 Background

- 1.1 The Council's Corporate Transport Hub manage and coordinate mainstream and additional support needs (ASN) school transport. School transport is delivered in partnership with Strathclyde Partnership for Transport (SPT), taxi contractors and/or parents/carers to ensure the most efficient, suitable and economical use of resources to support children and young people to access their educational entitlement.
- 1.2 The Transport Hub also manage and coordinate transport for the Health and Social Care Partnership (HSCP) which are requested for service users who are eligible according to the HSCP Policy and Procedures document.
- 1.3 A new IT system, Flexi Route, for managing journeys and hires, was implemented in 2021. This system interfaces with Integra but the invoices paid via this interface are stored in the Corporate Transport Hub's shared drives.

2 Objectives and Scope

- 2.1 The main objectives of the audit were to ensure that:
 - suitable policies and procedures are in place in relation to the provision of transport to pupils and service users
 - processes for appointment of contractors comply with the Council's Standing Orders for Contracts, are equitable and obtain value for money
 - controls are in place to restrict access to personal and sensitive data and adhere to the GDPR
 - processes are in place to pay contractors promptly and accurately.
- 2.2 The audit focussed on journeys provided by taxi contractors rather than those provided by SPT.

3 Findings

Policies and Procedures

- 3.1 Transport policy documents were provided by Education and HSCP and no issues were noted.
- 3.2 The Corporate Transport Hub are in the process of producing a suite of procedure documents for staff, including screenshots from the Flexi Route system. The procedures were reviewed by the auditor. Feedback was provided with some suggested minor improvements.

Appointment of Contractors

- 3.3 The Corporate Transport Hub provided a list of ledger codes they use to charge invoices for transport contractors. Details of invoices charged to these codes

over a 12-month period were extracted from Integra and analysed to identify the contractors. This identified 58 suppliers, 9 of which were in receipt of over £100,000.

- 3.4** A sample of contractors from the analysis at 3.3 was selected for further testing. Contract and tender documentation was held either on the Corporate Transport Hub's shared drives or the Corporate Procurement Unit's shared drive, depending on the type of document. All the sample contractors had been appointed as part of a large procurement exercise run in co-operation between these two teams, known as a Dynamic Purchasing System (DPS). All the documentation required for audit was available and no issues were identified.
- 3.5** There isn't a routine contract monitoring regime per se, but all vehicles are subject to regular inspection by the Council's Transport Garage. The Corporate Transport Hub investigate any issues raised during these inspections or by parents, carers and Council employees within their own team or others. They may request a face-to-face meeting with the contractor and have an escalation process if contract terms and conditions have been breached, including warning letters and eventual termination of contract. They involve the Council's Legal team before issuing any written warnings.
- 3.6** The Corporate Transport Hub hold a record of variations to contract in their shared drive. 224 variations during a 12-month period were identified from review of these records and a sample were selected for further testing. If the variation results in a change of less than 5 miles in a route, then the price paid to the contractor doesn't change. No issues were identified from the review of the sample variations.

Data and IT Security

- 3.7** Service User data is held in the Corporate Transport Hub shared drive, for which access is restricted to the Transport Hub team, and the Flexi Route system, which also has access restricted to the Transport Hub team and a small number of users in client teams.
- 3.8** At the time of audit testing, there were 29 users set up in Flexi Route and 16 of them had admin access, which is a high proportion of the small number of users. This is because certain functions can only be completed with the admin access. The Team Manager confirmed that the user list is kept under review and certain users would only have access for a limited time, such as Internal Audit and Transformation team members.
- 3.9** Sensitive data is transmitted to contractors to allow them to provide the required service. It is emailed to them in a protectively marked email or occasionally, if they require hard copies, they must come into the Transport Hub to receive the information in person. All contractors are required to sign a Data Processing and Sharing Agreement.
- 3.10** All of the contractors in the sample at 3.4 had signed the Data Processing and Sharing Agreement with the Council as part of the contract documentation.

Payment of Contractors

- 3.11** A sample of payments to contractors was tested to ensure that the journeys and pricing were in line with the contracts and correctly authorised and the invoices were arithmetically correct, ledger postings were correct and VAT invoices contained the required details. No issues were noted.

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regard to the administration of pupil and service user transport by the Corporate Transport Hub.

Definitions of Assurance Levels:

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SCOTTISH HOUSING REGULATOR ANNUAL ASSURANCE STATEMENT

1 Background

- 1.1 The Scottish Housing Regulator (SHR) is responsible for monitoring, assessing, and reporting on social landlords' performance. A regulatory framework is in place to support the SHR with this task.
- 1.2 This framework requires the Council to submit an Annual Assurance Statement (AAS) stating whether all requirements of the regulations have been met.
- 1.3 The Council's Audit & Scrutiny Committee is responsible for approving the AAS prior to its submission.

2 Objectives and Scope

- 2.1 The objective of this audit is to ensure there is sufficient evidence to support the statements made in the Council's 2021/22 AAS.

3 Findings

- 3.1 The Scottish Federation of Housing Associations (SFHA) has a self-assessment toolkit to help social landlords assess their compliance with regulatory requirements.
- 3.2 Recording detailed responses to the questions in the toolkit helps provide evidence of compliance by creating an audit trail of the Council's decision making process.
- 3.3 Whilst this toolkit has been used by the Council in prior years, it wasn't updated in 2021/22. **(action point a)**
- 3.4 There are 5 requirements covered within the SHR regulations for 'Assurance and Notification'. Audit has asked Housing to provide evidence of compliance for each of these.

Requirement 1 of 'Assurance and Notification' regulation:-

Prepare an Annual Assurance Statement in accordance with our published guidance, submit it to us between April and the end of October each year, and make it available to tenants and other service users.

- 3.5 The Annual Assurance Statement for the financial year ending 31 March 2022 was presented to, and approved by, the Audit & Scrutiny Committee on 27th September 2022 and submitted to the SHR later the same day.
- 3.6 A copy of the 2021/22 Assurance Statement, along with a supporting evidence document has been made available to tenants via the Council's website.
- 3.7 There is sufficient evidence to confirm compliance with Requirement 1.

Requirement 2 of 'Assurance and Notification' regulation:-

Notify us during the year of any material changes to the assurance in its Assurance Statement.

- 3.8 Housing confirmed that no material changes occurred during the year, therefore no notifications were made to the SHR.
- 3.9 Housing explained that any significant issues arising with the completion of compliance testing ie gas safety testing, ensuring properties are EICR (Electrical Installation Condition Reports) compliant and the installation of smoke detection equipment would be highlighted immediately by PMI (who are responsible for managing the testing programme)
- 3.10 In addition, the progress of all capital programmes managed by PMI, including compliance testing, are discussed at the Housing Asset Management Board (HAMB) meetings, which are held every 2 months.
- 3.11 Audit obtained copies of the most recent minutes from the HAMB and confirmed there was evidence of compliance testing/housing programmes being discussed.
- 3.12 Housing have demonstrated that any significant issues with compliance would be highlighted by ongoing monitoring processes. This would allow a timely disclosure to the SHR. Audit has accepted this as sufficient evidence of compliance with Requirement 2.

Requirement 3 of 'Assurance and Notification' regulation:-

Have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.

- 3.13 Housing directed Audit to the Council's 2020/21 Assurance Toolkit as evidence of compliance.
- 3.14 Housing has confirmed that a review of the 2020/21 toolkit was undertaken prior to relying on it as evidence for 2021/22.
- 3.15 Audit selected a sample of the evidence sources listed in the 2020/21 toolkit and asked Housing to prove that these remain relevant in 2021/22.
- 3.16 Policies and procedures help Housing ensure that legal requirements are being met by providing Officers with a detailed framework within which to operate. Audit selected a sample of 3 of the policies/strategies noted in the toolkit and confirmed these remain available to Council Officers during 2021/22.
- 3.17 Performance monitoring helps Housing remain focussed on meeting its targets. Audit requested copies of the most recent minutes for 3 of the performance monitoring groups noted in the toolkit – as evidence that these groups are still meeting regularly.
- 3.18 Whilst 2 of the 3 groups listed no longer meet, Housing were able to provide minutes from 2 alternative groups that cover performance monitoring (**action point a**).

- 3.19** In addition to the above, Audit asked for:-
- A copy of the annual report to the Scottish Government re the RRTP (rapid re-housing transition plan) – as this confirms the monitoring of the Council's ongoing works and improvements in the area of homelessness
 - A copy of the most recent Scottish Statistical Bulletin – as this would list any incidences of the Council providing unsuitable temporary accommodation.
 - A copy of the most recent care inspectorate review covering the Council's support provider status for homeless applicants - as this shows the Council has a robust process in place for such applications

3.20 All of the above documents were provided by Housing.

3.21 The Council declared it didn't achieve all its compliance testing within the 2021/22 AAS – 360 gas safety checks were not completed during the year, 6090 properties were not EICR (Electrical Installation Condition Reports) compliant, and 735 properties did not have the new smoke detection equipment installed.

3.22 Audit obtained copies of the reports from PMI which confirmed the accuracy of the above statistics.

3.23 Audit has accepted the above as sufficient evidence of compliance with Requirement 3.

Requirement 4 of 'Assurance and Notification' regulation:-

Notify us of any tenant and resident safety matters which have been reported to or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.

3.24 Housing has confirmed that no issues were reported to the Health and Safety Executive in 2021/22.

3.25 Regular meetings are held with the Council's Health & Safety team which would highlight any reported safety matters to the Housing team.

3.26 Audit has accepted the explanation from Housing as sufficient evidence that Requirement 4 has been met.

Requirement 5 of 'Assurance and Notification' regulation:-

Make its Engagement Plan easily available and accessible to its tenants and service users, including online.

3.27 Housing directed Audit to the 'Tenant Participation' section on the Council website.

3.28 This section provides a link to the SHR website through which users can access the Council's Engagement Plan.

3.29 It also provides a link to the Council's 'Customer Connections Strategy' and makes it clear that this document takes into account the requirements of the Scottish Social Housing Charter.

- 3.30** Information for tenants such as the tenant handbook, annual performance information, quarterly newsletters, and advice on how tenants can participate in future decision making is also available.
- 3.31** Audit has accepted the information available via the Council's website as sufficient to meet Requirement 5.

4 Internal Audit Opinion

- 4.1** Overall, substantial assurance was obtained with regard the evidence to support the Council's 2021/22 AAS.
- 4.2** The re-introduction of the Assurance Toolkit would provide a more concise audit trail of the assurance decision reported in the AAS.

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NB The level of assurance given is at the discretion of Internal Audit.

KEY FINDINGS AND ACTION PLAN

SCOTTISH HOUSING REGULATOR ANNUAL ASSURANCE STATEMENT

Action	a
Finding	The SFHA Assurance Toolkit wasn't updated when completing the 2021/22 Annual Assurance Statement.
Action Description	<p>The Assurance Toolkit should be updated each when completing the Annual Assurance Statement.</p> <p>The toolkit should provide audit evidence of the current processes and procedures within the Council.</p>
Risk	Prior year toolkits may not reflect current processes.
Priority (1, 2, 3)	3
Paragraph Reference	3.3; 3.18
Managed by	Yvonne Baulk, Head of Service (Housing and Public Protection)
Assigned to	Fiona Ellis, Senior Manager (Housing Strategy & Development)
Due Date	30 th June 2023
Management Comment	The aim for 2023 is to have the Annual Assurance Statement presented to Audit & Scrutiny prior to the summer recess and immediately after the ARC submission to the Scottish Housing Regulator. Therefore, the toolkit will be reviewed and updated prior to the end of June 2023.

Priority Key used in Action Plan

1 (High)	Control weakness where there is a material impact on the achievement of the control objectives, generally requiring prompt attention.
2 (Medium)	Control weakness which needs to be rectified, but where there is no material impact on the achievement of the control objectives.
3 (Low)	Minor weakness or points for improvement.

