



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, 28 March 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 31 January 2023 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 Petition: West Kilbride Glen Extension Grass Cutting**

Submit report by the Head of Service (Democratic) on the terms of a petition received in respect of grass cutting at the West Kilbride Glen Extension (copy enclosed).

#### **4 Accounts Commission's Report: Local Government in Scotland: Financial Bulletin 2021-22**

Submit report by the Head of Finance on the findings of the recent Accounts Commission report (copy enclosed).

- 5 External Audit Plan 2022/23**  
Submit report by the Head of Finance on the External Audit Plan for 2022/23 (copy enclosed).
- 6 Council Plan Mid-Year Progress Report 2022-23**  
Submit report by the Head of Service (Democratic) on progress with Council Plan priorities (copy enclosed).
- 7 Internal Audit Plan 2023/24**  
Submit report by the Head of Service (Finance) on the proposed Internal Audit Plan for 2023/24 (copy enclosed).
- 8 Internal Audit and Corporate Fraud Action Plans: Quarter 3 Update**  
Submit report by 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 31 December 2022 (copy enclosed).
- 9 Internal Audit Reports Issued**  
Submit report by the Head of Service (Finance) on the findings of Internal Audit work completed between January and February 2023 (copy enclosed).
- 10 Internal Audit Charter 2023**  
Submit report by the Head of Service (Finance) on the updated Internal Audit Charter (copy enclosed).
- 11 Urgent Items**  
Any other items which the Chair considers to be urgent.
- 12 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.
- 13 Investigation Reports Issued**  
Submit report by the Head of Service (Finance) on investigation reports finalised since the last meeting (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.

You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the webcast will be retained in accordance with the Council's published policy, including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

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](mailto:dataprotectionofficer@north-ayrshire.gov.uk).

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## Audit and Scrutiny Committee Sederunt

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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, Cameron Inglis, Matthew McLean and John Sweeney.

**Present (Remote Participation)**

Tom Marshall and Davina McTiernan.

**In Attendance (Physical Participation)**

A. Sutton, Executive Director (Communities and Education); T. Reaney, Head of Service (Neighbourhood Services) (Place); M. Boyd, Head of Service and L. Miller, Senior Manager (Audit, Fraud, Safety and Risk) (Finance); F. Walker, Head of Service and B. Quigley, Senior Manager (ICT) (People and ICT); and A. Craig, Head of Service and D. McCaw, H. Clancy and S. Wilson, Committee Services Officers (Democratic Services) (Chief Executive's Service).

**Also in Attendance (Physical Participation)**

Councillor Stewart Ferguson.

**Chair**

Councillor Bell in the Chair.

**Apologies**

Eleanor Collier and Ian Murdoch.

**1. 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.

**2. Minutes**

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

**3. Elected Member Service Requests**

Submitted report by the Head of Service (Democratic) on the Elected Member constituent services request/query process and performance for the period 1 April to 30 September 2022. Appendix 1 to the report detailed the process when service requests/queries were received from constituents, including information on Stage One and Stage Two requests, with Appendix 2 detailing the process when constituent complaints were received.

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

- any crossover between service requests and complaints;
- how service requests and complaints should be progressed by Elected Members;
- the ability of Elected Members to contact Heads of Service in relation to any constituent complaint;
- Officer responses advising Elected Members of a service request completion, with the request then being closed off on the EMPro system; and
- the potential for a review of the EMPro system to reflect a two-stage process to reflect closure of an initial request with a subsequent timescale prompt added for completion of any resultant action required.

The Committee agreed (a) to note the terms of the report and information provided; (b) that the Head of Democratic Services bring a report on Elected Member service requests via EMPro to a future meeting to coincide with the annual report on corporate complaints; and (c) that the Head of Democratic Services review the process for dealing with requests from Elected Members to consider the approach required to ensure requests and resultant actions are fully closed off by Services, and provide the Committee with an update in due course.

#### **4. Internal Audit Reports Issued**

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

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

##### **Facilities Management Procurement**

- any restrictions on meal choices within schools;
- food waste arising from uncollected schools meals as a result of strike action;
- the provision of grab-and-go meals on strike days;
- unused food being shared with local community centres for distribution; and
- the trialing of a catering van to address picket line concerns.

The Senior Manager (Audit, Fraud, Safety and Risk) undertook to contact Facilities Management for an update on meal choices within schools.

##### **Accounts Payable Transaction Testing Q2**

- the detection of duplicate invoices;
- further improvements in terms of suppliers on the system where no bank details were provided; and
- occasions where supplier bank details matched a Council employee's bank details.

##### **Scottish Housing Regulator Annual Assurance Statement**

- the updating of the self-assessment toolkit as part of the action points arising

from the audit.

Members asked for further clarification regarding the slow implementation of fire alarm legislation within Council homes and the Senior Manager (Audit, Fraud, Safety and Risk) undertook to request an updated position from the Service.

The Committee agreed to note the outcomes from the Internal Audit work completed as set out in the report and detailed in Appendix 1 to the report.

## **5. 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.

## **6. Internal Audit Reports Issued**

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

Noted.

The meeting ended at 10.45 a.m.



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## NORTH AYRSHIRE COUNCIL

28 March 2023

### Audit and Scrutiny Committee

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<b>Title:</b>	<b>Petition: West Kilbride Glen Extension Grass Cutting</b>
<b>Purpose:</b>	To advise the Committee of the terms of a petition with regard to grass cutting at the West Kilbride Glen Extension.
<b>Recommendation:</b>	That the Committee considers the terms of the petition and agrees, or otherwise, to make a recommendation to Cabinet.

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#### 1. Executive Summary

1.1 In terms of the Scheme of Administration, the Audit and Scrutiny Committee has a remit:

“To receive all petitions and deputations submitted to the Council except those relating to the Council’s planning functions, which shall be considered by the Planning Committee. The arrangements for receiving petitions are as set out in Appendix B to the Standing Orders relating to Meetings and Proceedings of the Council and Committees”.

1.2 This report sets out the background to the receipt by the Council of 251 individual letters addressed to the Chief Executive in relation to grass cutting at the West Kilbride Glen Extension which were acknowledged as equivalent to a petition in terms of the Council’s Deputations and Petitions Procedure on 26 January 2023.

#### 2. Background

2.1 The wording of each individual letter forming the petition is detailed below:

*“Would you please, for one **final** time, instruct your senior members of staff in Streetscene to continue the 100% grass cutting schedule in the Glen Extension, as it is their intention to begin another 50% cut in 2023 season.*

*It is only **2 years** since this was last attempted, with the result the whole field was in such an unsightly/unacceptable state local residents no longer used the facility.*

*It took over 150 letters of objection to address the issue.”*

- 2.2 In response to a request for supporting information, the lead petitioner has indicated that a previous approach was made by West Kilbride Community Council in 2020 to the Council's Streetscene section to only cut paths through the extension, to allow wild flowers to grow, but that, by Autumn of that year, the whole area was overgrown with three foot high dock weeds, ragwort etc. This resulted in 150 letters of objection being submitted. The lead petitioner advises that they and another objector met with the then Head of Service, who gave instruction to have the whole area cleared and normal maintenance restored. However, in Autumn 2022, the Council was again intending to cut 50% and let wild flowers grow in uncut area, which prompted the current petition.
- 2.3 The Head of Service (Commercial) has provided a briefing note on the background to this matter, which is detailed at Appendix 1 to the report.
- 2.4 In terms of the procedure for petitions and deputations set out in Standing Orders, representatives of the petitioners have been invited to attend the meeting to address the Committee. Spokespersons should be restricted to addressing the specific points raised in their petition.
- 2.5 The spokespersons have, collectively, 10 minutes to address the Committee. This may be extended at the discretion of the Chair.
- 2.6 Once the Committee has heard from the spokespersons for the petitioners, the Chair will invite Members of the Committee to ask questions of the spokespersons.
- 2.7 While it is for the Chair to decide the stage at which officers should speak to their briefing, previous Committee practice has been for the Cabinet Member or Officer to speak to this after the Committee has heard from the petitioners. The Cabinet Member or Officer will then respond to any questions that Members of the Committee may have.

### **3. Proposals**

- 3.1 It is proposed that the Committee considers the terms of the petition and agrees, or otherwise, to make a recommendation to Cabinet.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 The Streetscene revenue budget has financial pressures and relaxed grass cutting initiatives, in appropriate areas, will help mitigate against this.

#### **Human Resources**

- 4.2 None arising from this report.

#### **Legal**

- 4.3 None arising from this report.

#### **Equality/Socio-economic**

4.4 None arising from this report.

### **Climate Change and Carbon**

4.5 None arising from this report.

### **Key Priorities**

4.6 None arising from this report.

### **Community Wealth Building**

4.7 None arising from this report.

## **5. Consultation**

5.1 The Head of Service (Commercial) has been consulted and made aware of the terms of the petition and has provided a briefing note which is attached as Appendix 1 to the report.

**Aileen Craig**  
**Head of Service (Democratic)**

For further information please contact **Diane McCaw, Committee Services Officer**, on **01294 324132**

### **Background Papers**

Correspondence with lead petitioner

## **Briefing Note – West Kilbride Glen Extension**

### **Background**

Over a period of many years, West Kilbride has been divided on how the community wishes to see the Glen maintained with Environmental Groups wishing to see more relaxed grass cutting/re-wilding and others wanting the status quo to remain and grass being cut as usual.

In June 2019, Streetscene and Connected Communities commenced a programme of consultation as part of Participatory Budgeting (PB) and responses received for the locality priorities were as follows:

<b><u>NORTH COAST LOCALITY</u></b>	<b>Count</b>
I would like to see more fruit trees or alternative food planting	20
We should encourage wildlife and provide environmental benefits through relaxed grass cutting	29
North Ayrshire council should encourage and support litter picks in towns and woodlands	41
I would like to see wild and native flowers introduced to selected areas	35
North Ayrshire council should make planters or bedding areas available to adopt	8
Locality total	133

An initial trial of planting was undertaken during summer 2020 although the success of this was curtailed by the COVID pandemic.

During 2021 a wildflower meadow project was established in Lochshore which has been very successful and well received. This data has been used to inform options for the Glen Extension.

### **Historic Maintenance duties at West Kilbride Glen**

- Glen extension cut
- Glen entrance down to 2nd bridge cut and strimmed
- Grass at side of football pitch cut and strimmed
- Kirktonhall house cut and strimmed
- Swing park area litter picked and blown before cutting
- Shrubs cut (winter work)
- Railway bridge entrance path cut
- Flail work on access road to football park
- Paths blown (winter work)

### **Kirkton Glen Meadow Makers**

The Kirkton Glen Meadow Makers are a local group with environmental interests. They contacted the Head of Service (Commercial Services) in Autumn 2020. The group undertook their own local consultation and provided evidence of 200 responses to their consultation. The groups proposal was a compromise between a complete 'rewilding' of the area and

continued utility for a wide range of local residents and visitors. The group provided a rough sketch which is detailed below. The proposal was that two discrete areas of the field are developed into wildflower meadows; additionally, the existing 'desire paths' around and across the field would be widened and an additional East-West path cut between the two meadow areas, allowing the easy passage of, for example, buggies and/or wheelchairs.



### **Communication with those against the environmental proposals**

The Head of Service (Commercial Services) communicated with those against the environmental proposals on 12 April 2021 and stated that he 'agreed to continue to maintain the Extension area regularly this year', which was the summer season 2021.

Furthermore, a review of the outcomes from the Lochshore Project would be used to determine if a similar pilot could be undertaken at West Kilbride Glen.

I have been in further communication with those opposed to the environmental proposals and in October 2022, I informed them of the following:

'As it stands, Streetscene continues to bear the brunt of hearing both sides of the argument, with parties contacting Streetscene requesting relaxed grass cutting and yourself and others wanting the grass cut. Given the climate emergency and the drive towards biodiversity and saving the plant, all large scale grass cutting has to be reviewed and evaluated to consider its appropriateness and to see what more can be done to help the environment.

There were similar arguments to the one you're now making when relaxed grass cutting was proposed for Stevenston Shore. However, a compromise was reached whereby areas of flat land used for football, kite flying etc were cut as usual and areas with hills/mounds left uncut. This has been really successful and has delivered environmental benefits thanks to the compromise agreed from both sides of the argument. I'm not aware of any complaints since this was implemented.

We have also established a successful wild meadow at Lochshore. Year 1 was a mix of annual and perennial flowers to create an immediate impact, with the perennials being the predominant species from year 2 onward. Streetscene are working with the local schools around harvesting seeds and then sowing at the appropriate time and they are also working towards the creation of information boards to educate the public on the type of plant and wildlife they can expect to see and what the benefits are to the local environment.

The plan therefore is for a pilot to be undertaken for the 2023 grass cutting season with approximately 50% cut/uncut. This can be achieved by leaving kidney shaped areas uncut with wildflowers on the hill and cutting the areas surrounding it. This will create nectar corridors and natural habitats for wildlife and help meet our environmental ambitions. Following the summer season there will be an opportunity for review, feedback and evaluation of the pilot.'

Note: The 50% cut/50% uncut is only for the hillside at the Glen, all other maintenance will be delivered as per the existing schedules.

### **Assessment from NAC Biodiversity Officer**

Currently we are faced with the twin reinforcing crises of declining biodiversity and the ongoing climate crisis. The loss in biodiversity is driving climate change and in turn the changing climate is accelerating the rate of biodiversity loss. In Scotland, the evidence around the scale and nature of the biodiversity crisis is strong and continues to mount. This evidence base points consistently to a natural environment that has already been heavily degraded, with continued declines across much of our land and seascapes. The [Biodiversity Intactness Indicator](#) indicates that Scotland has retained just over half of its historic land-based biodiversity. Scotland ranks 28th from bottom in the Biodiversity Intactness Index (BII), a global analysis of how much human activity has impacted nature.

As an outcome of COP15, the connection between biodiversity loss and climate change has been formally recognised and gives international recognition for the role of local government in addressing the nature crisis and giving effect to the Edinburgh Declaration. In response to the Edinburgh declaration the Scottish Government has published the draft of the Scottish Biodiversity strategy to 2045. [Biodiversity strategy to 2045: tackling the nature emergency - gov.scot \(www.gov.scot\)](https://www.gov.scot/biodiversity-strategy-2045).

The goals for the strategy are very ambitious with a 2030 milestone of halting biodiversity loss and being Nature Positive. It sets out a vision that encapsulates three core ideas:

- that urgent action is needed at scale across our land and seascapes.
- that we are looking to the future – regenerating biodiversity and building resilience to climate change.
- and that people and communities are central to a nature positive future.

The ambitions for the plan are for Scotland to be Nature Positive by 2030, and to have restored and regenerated biodiversity across the country by 2045. The strategies vision is set out as:

- By 2045, Scotland will have restored and regenerated biodiversity across our land, freshwater, and seas.
- Our natural environment, our habitats, ecosystems, and species, will be diverse, thriving, resilient and adapting to climate change.

- Regenerated biodiversity will drive a sustainable economy and support thriving communities, and people will play their part in the stewardship of nature for future generations.

To deliver the Vision, the strategy has identified a detailed set of Outcomes which help to define and understand what success will look like by 2045:

- Across our land and seascapes
- On land
- In rivers, lochs, and wetlands
- In marine and coastal environments

These Outcomes will be achieved through detailed actions set out in Delivery Plans. This Strategy contains 26 of the most urgent Priority Actions which will aim to put Scotland on track for halting the loss of biodiversity and being nature positive by 2030. All 26 of these actions will have an impact on how North Ayrshire Council (NAC) delivers on biodiversity and climate change, but the three that will have the most immediate effect are:

- The introduction of statutory nature restoration targets.
- The introduction of a programme of ecosystem restoration.
- The increase and safeguarding of space for coastal habitat change.

Currently there are no statutory targets for nature restoration and their introduction could have far reaching consequences for our service delivery, and the way NAC would manage its wider estate. A clue to what will be expected on NAC in the future is shown in the continuation of the Strategy to 2045's vision statement. It states that "Towns and cities will include nature-rich environments close to all communities, contributing to Nature Networks and measurable increases in urban biodiversity, and "Multi-functional urban nature-based solutions will enable people and biodiversity to adapt to our changing climate by cooling the urban environment and managing extreme rainfall events, with blue and green infrastructure designed and managed to benefit biodiversity, provide habitats, and allow wildlife to move through urban areas". By 2045 the strategy expects that the target driven approach will have delivered an urban environment in which:

- Patches of species-rich grassland and wee forests have replaced short amenity grassland, with an increase in insect populations benefitting bird species such as blackbirds and robins. Grassland sown with native wildflowers and grass species is not mown until the flowers have either set seed or been eaten by birds such as house sparrows.
- Children enjoy the urban outdoors both as a place to play and an outdoor classroom. New urban ponds and existing ponds are colonised by wild plants and animals such as yellow iris and dragonflies. Gardens are enjoyed for flowers, wild birds, animals, and insects which control pests, entertain, and pollinate. Community gardens allow people to grow and pick their own food and connect with nature.
- Buildings incorporate nest boxes for swifts, house martins and bats; green walls and roofs; rooftop gardens; and window boxes. Vertical rain gardens and ponds help reduce flash flooding and make neighbourhoods more attractive. Green areas join up to allow pollinators and larger animals such as hedgehogs and frogs to travel across the urban environment.
- Trees and other plants help clean the air and provide shade reducing the urban heat island effect. Impermeable surfaces have been replaced with species-rich grassland and urban woodland to increase soil biodiversity and capture carbon within the soil. People benefit from clean air and access to species-rich green or blue spaces.

The delivery of the proposed project at West Kilbride will help to meet NAC's current commitment to biodiversity action. NAC's commitment to biodiversity action is laid out in the Environmental Sustainability & Climate Change Strategy 2021-23. In the strategy NAC acknowledges the threat posed by net biodiversity loss and confirms its commitment to have a response to biodiversity loss. The primary vehicle intended for delivering on biodiversity in North Ayrshire is the Local Biodiversity Action Plan (LBAP). The LBAP highlights high quality public greenspace as being a key component of NAC's biodiversity commitment. An aim of the LBAP is to create Quality Greenspace for Health and Education Benefits. This is to be delivered by the implementation of priority biodiversity actions from the current North Ayrshire Open Space Strategy (2016 – 2026). The biodiversity aims of the Open Space Strategy are expressed through two strategic objectives:

- Strategic Objective 1: Open Space will be promoted as a resource for tourism and recreation, economic development & biodiversity.
- Strategic Objective 6: Respond to climate change through the delivery of a connected and integrated network, incorporating water management, woodland area, and biodiversity benefits.

To be able to meet the prospective targets being introduced and deliver “measurable increases in urban biodiversity”, NAC will have to go far beyond the current levels of habitat creation in its public green spaces and wider estate. Grassland sown with native wildflowers, along with relaxed cutting, will have to become the standard way of managing green space along with an array of other habitat creation methods. The creation of wildflower meadows and the implementation of relaxed grass cutting regimes, such as the current project at West Kilbride Glen, will need to be the cornerstone of NAC's response to the Biodiversity Strategy to 2045. They are the platform that all other NAC actions towards halting net nature loss in North Ayrshire by 2030 and being nature positive by 2045, will be built on.”

### **Summary**

This issue has been ongoing for many years with two strong sets of polarised opinion on this matter.

The PB exercise demonstrated support for relaxed grass cutting and for wild and native flowers to be introduced to areas. The Kirkton Glen Meadow Makers had 200 consultees supporting their proposal and the objectors to this have now delivered a number of letters against the proposal.

The proposal is a compromise as it is a pilot, for a lesser piece of land, only the hill area, and offers a review of its success, or otherwise, at the end of the season.

Relaxed grass cutting has been established successfully in Stevenston and Lochshore and the plan is to increase this given the Climate Emergency and competing budget priorities.

Thomas Reaney  
Head of Service (Neighbourhood Services)  
21 March 2023

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**NORTH AYRSHIRE COUNCIL****28 March 2023****Audit and Scrutiny Committee**

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**Title:** **Accounts Commission's Report: Local Government in Scotland: Financial Bulletin 2021/22**

**Purpose:** To inform the Audit and Scrutiny Committee of the findings of the recently published report.

**Recommendation:** That the Committee i) notes the findings of the recent Accounts Commission report, and (ii) notes the current position of North Ayrshire Council in relation to the findings.

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**1. Executive Summary**

- 1.1 The Accounts Commission published its 2021/22 local government finance bulletin in January 2023. The report provides a high-level independent analysis of the financial performance of local authorities during 2021/22 and sets out some of the longer term financial challenges facing councils. A link to the report is attached below:

[Local Government in Scotland: Finance Bulletin 2021/22](#)

- 1.2 The report analyses the annual accounts produced by local authorities, together with the reports of each body's external auditors, to identify their relative performance, highlight the challenges faced and assess their responses to these challenges. The report has a summary of key findings with more detail provided in two parts;
- Part 1 - Councils' financial summary 2021/22; and
  - Part 2 - Councils' financial outlook.
- 1.3 Appendix 1 provides Council relevant feedback on each of the key messages identified.

**2. Background****General Fund**

- 2.1 The report provides a high-level independent analysis of the financial performance of local authorities during 2021/22 and their financial position at the end of that year. It also sets out some of the longer term financial challenges facing councils.

2.2 A summary of the key messages is provided within the report with further information provided in 2 main sections:

- Part 1 - Councils' financial summary 2021/22; and
- Part 2 - Councils' financial outlook.

2.3 The key messages for Councils are summarised below:

- Councils continued to face significant financial challenges during 2021/22 requiring significant savings to deliver balanced budgets;
- Councils' savings performance continued to improve and total usable reserves increased;
- Scottish Government revenue funding to councils increased by 5.3% in real terms. The first real terms increase since 2013/14;
- 23% of local government funding is either formally ringfenced or provided with the expectation that it will be spent on specific services, removing local discretion and flexibility over how these funds can be used; and
- Covid-19 and inflationary pressures are having an impact on capital projects, presenting risks to councils' capital programmes.

2.4 In addition, the report identifies a number of issues in relation to the outlook for local government finances, including:

- The ongoing impacts of Covid-19, inflation and the cost of living crisis means that councils will need to make increasingly difficult choices on spending priorities and potential service reductions; and
- 2/3's of councils intend to use reserves to help bridge the 2022/23 budget gap. However, this is not sustainable and recurring savings will be key to ensuring long term financial sustainability.

2.5 An update on the position for North Ayrshire Council is noted below:

- In 2021/22 North Ayrshire Council's total General Services budget gap was £7.7m, 2.1% of the gross expenditure budget. This was met through a combination of savings and the use of reserves;
- Although the majority of savings were delivered during 2021/22, some options, including a planned reduction in external residential placements for children, were impacted by the Covid-19 pandemic and were offset by alternative underspends across the services;
- Scottish Government revenue funding to North Ayrshire Council increased by 4.8% in real terms during 2021/22. However, funding on a like for like basis experienced a (1.6%) reduction;

- 22.5% of Scottish Government funding to North Ayrshire Council during 2021/22 was either formally ringfenced or was provided with the expectation that it would be spent on specific services, including Health and Social Care, Support for Teachers, Expansion of Early Learning and Childcare, Pupil Equity Funding, Child Bridging Payments and the Council Tax freeze;
- Significant cost risks have been identified across the Capital Investment Programme which are impacting on contractor and material costs across a number of projects. This has resulted a volatile tendering landscape affecting both delivery timescales and tender costs.;
- North Ayrshire Council's Medium Term Financial Plan has identified key pressures arising in relation to the legacy impact of the Covid-19 pandemic, high levels of construction inflation, future pay settlements and other inflationary pressures including utilities, fuel, food and contractual commitments linked to inflation indices. The Council's approach to addressing these financial challenges has been developed in light of our key priorities, including addressing poverty and the cost of living crisis, supporting communities and sustainability, and recognises that investment in areas not aligned to these priorities may need to be reduced in future years; and
- North Ayrshire Council's budget strategy includes the controlled, limited use of reserves combined with the identification of further recurring sustainable savings to enable a transition into a more sustainable financial position. In line with this strategy, no reserves were utilised in achieving a balanced budget for 2022/23.

### **3. Proposals**

- 3.1 It is proposed that the Committee i) notes the findings of the recent Accounts Commission report, and (ii) notes the current position of North Ayrshire Council in relation to the findings.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 The Accounts Commission report highlights the reliance of local government on Scottish Government grant funding and the need for the development of robust medium and longer term financial plans to develop sustainable solutions to bridge anticipated future funding gaps. North Ayrshire Council develops medium term financial plans on a three year rolling basis and Council has approved a Long Term Financial Outlook covering the next 10 year period. The financial sustainability of the Council is monitored regularly and reported to Cabinet throughout the year.

#### **Human Resources**

- 4.2 As part of a sustainable financial strategy the Council continues to actively manage the size of its workforce. Regular communication and consultation takes place with the workforce and Trade Unions.

### **Legal**

4.3 None.

### **Equality/Socio-economic**

4.4 Equality impact assessment are carried out for all options identified as part of the medium and long term financial plans.

### **Climate Change and Carbon**

4.5 None.

### **Key Priorities**

4.6 In addressing the financial challenges which it faces, the Council seeks to minimise the impact on delivering its key priorities.

### **Community Wealth Building**

4.7 None.

## **5. Consultation**

5.1 Executive Directors are consulted in the development of the Medium and Long term Financial plans and the development of investment and recovery and renewal strategies.

**Mark Boyd**  
**Head of Service (Finance)**

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

### **Background Papers**

None

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## NORTH AYRSHIRE COUNCIL

28 March 2023

### Audit and Scrutiny Committee

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**Title:** External Audit Plan 2022/23

**Purpose:** To inform the Committee of the External Audit Plan for 2022/23.

**Recommendation:** That Committee notes the External Audit Plan for 2022/23.

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#### 1. Executive Summary

- 1.1 Audit Scotland are the Council's external auditors for the period 2022/23 to 2027/28, with 2022/23 being the first year of this appointment.
- 1.2 This report provides the Audit and Scrutiny Committee with details of Audit Scotland's Annual Audit Plan for the 2022/23 audit.
- 1.3 Following completion of the audit, Audit Scotland aims to present the annual audit report to the Audit and Scrutiny Committee before 30 September 2023.

#### 2. Background

- 2.1 Audit Scotland have been appointed as the Council's external auditors for the period 2022/23 to 2027/28 with 2022/23 being the first year of this appointment. In addition, Audit Scotland are the appointed auditors for the North Ayrshire Integration Joint Board for the same period.
- 2.2 Audit Scotland's Annual Audit Plan for the 2022/23 audit is attached at Appendix 1. A representative of Audit Scotland will be in attendance to present the plan to the Committee.
- 2.3 In planning the audit work, Audit Scotland has identified key risks in relation to management override of controls and the valuation of non-current assets and further audit procedures will be performed to gain assurance over these risks. In addition, further areas of risk have been identified in relation to pension liabilities and the accounting for service concession arrangements. Although not considered significant risks, these areas will be kept under review.
- 2.4 In relation to the consideration of the Council's Group accounts, Audit Scotland have reviewed the assessments of the group entities and have recommended that North Ayrshire Leisure Limited should be classified as subsidiary of North Ayrshire Council and should be consolidated within the 2022/23 Group accounts on that basis.

2.5 The Code of Audit Practice sets out four audit dimensions which set a common framework for all public sector audits in Scotland. Audit Scotland will consider the adequacy of the arrangements in place in relation to each of these, including:

- Financial Management – consideration of the arrangements to secure sound financial management;
- Financial Sustainability – consideration of the appropriateness of the use of the going concern basis;
- Vision, Leadership and Governance – review of the arrangements in place to deliver the vision, strategy and priorities adopted by the Council; and
- Use of Resources to Improve Outcomes – consideration of how the Council demonstrates economy, efficiency and effectiveness.

2.6 Other responsibilities will include:

- National Fraud Initiative (NFI) – monitoring of the Council's progress with investigating matches identified; and
- Best Value – assessment over the period of the audit appointment.

### **3. Proposals**

3.1 That Committee notes the External Audit Plan for 2022/23.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 The fee which will be charged by Audit Scotland for the 2022/23 audit work will be £356,390. This represents an increase of £39,720 (12.5%) against the 2021/22 fee.

#### **Human Resources**

4.2 None.

#### **Legal**

4.3 None.

#### **Equality/Socio-economic**

4.4 None.

#### **Environmental and Sustainability**

4.5 None.

## **Key Priorities**

- 4.6 The external audit process directly supports the Council Plan 2019 to 2024 through the maximisation of resources and provision of value for money to support financially sustainable delivery models.

## **Community Wealth Building**

- 4.7 None.

## **5. Consultation**

- 5.1 Audit Scotland consulted with the Head of Service (Finance) in preparing their audit plan.

**Mark Boyd**  
**Head of Service (Finance)**

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

## **Background Papers**

None

# North Ayrshire Council

Annual Audit Plan 2022/23



 AUDIT SCOTLAND

Prepared for North Ayrshire Council  
March 2023

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# Introduction

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## Summary of planned audit work

**1.** This document summarises the work plan for our 2022/23 external audit of North Ayrshire Council (the council). The main elements of our work include:

- evaluation of the key controls within the main accounting systems
- an audit of the annual accounts, and provision of an independent auditor's report
- an audit opinion on other statutory information published within the annual accounts including the management commentary, the governance statement, and the remuneration report
- consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership, and governance; and use of resources to improve outcomes
- consideration of Best Value arrangements
- providing assurance on the Housing Benefit Subsidy Claim, Non-Domestic Rates Return and the Whole of Government Accounts (WGA) return
- review the council's arrangements for preparing and publishing statutory performance information.

## Audit Appointment

**2.** We are pleased to be appointed as the external auditor of the council for the period 2022/23 to 2027/28 inclusive. You can find a brief biography of your audit team at [appendix 1](#).

**3.** In the first year of the audit appointment, we invest significant time gaining an understanding of your business and identifying and assessing the risks of material misstatement to the financial statements. While we use our initial assessment of risk to inform our planned audit approach, we keep our assessment of risks under review as the audit progresses. We will inform you of any significant changes in assessed risks and any resulting changes in our planned audit work.

**4.** The audit team will actively engage with you over the course of the audit to ensure our audit work continues to be focused on risk.

## Adding value

**5.** We aim to add value to the council through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we will help the council promote improved standards of governance, better management and decision making and more effective use of resources. Additionally, we attend meetings of the Audit and Scrutiny Committee and actively participate in discussions.

## Respective responsibilities of the auditor and the council

**6.** The [Code of Audit Practice 2021](#) sets out in detail the respective responsibilities of the auditor and the council. Key responsibilities are summarised below.

### Auditor responsibilities

**7.** Our responsibilities as independent auditors are established by the Local Government (Scotland) Act 1973 and the [Code of Audit Practice](#) (including [supplementary guidance](#)) and guided by the Financial Reporting Council's Ethical Standard.

**8.** Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the council to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

### The council's responsibilities

**9.** The council is responsible for maintaining accounting records and preparing annual accounts that give a true and fair view.

**10.** The council has the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enables it to successfully deliver its objectives.

### Communication of fraud or suspected fraud

**11.** In line with ISA (UK) 240 (*The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*), in presenting this plan to the Audit and Scrutiny Committee we seek confirmation from those charged with governance of any instances of actual, suspected, or alleged fraud that should be brought to our attention. During our audit, should members of the council have any such knowledge or concerns relating to the risk of fraud within it, we invite them to communicate this to us for our consideration.

# Annual Accounts audit planning

## Introduction

**12.** The annual accounts are an essential part of demonstrating North Ayrshire Council's (the council) stewardship of resources and its performance in the use of those resources.

**13.** We focus our work on the areas of highest risk. As part of our planning process we prepare a risk assessment highlighting the audit risks relating to each of the main financial systems relevant to the production of the financial statements in the annual accounts.

## Materiality

**14.** Materiality is an expression of the relative significance of a matter in the context of the annual accounts. The concept of materiality is applied by auditors in planning and performing the audit, and in evaluating the effect of any uncorrected misstatements on the financial statements. We are required to plan our audit to determine with reasonable confidence whether the annual accounts are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

### Materiality levels for the 2022/23 audit of the council and its group

**15.** The materiality levels for the council and its group are set out in [exhibit 1](#).

## Exhibit 1

### 2022/23 materiality levels for the council and its group

Materiality	Council	Group
<b>Planning materiality:</b> This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. Materiality has been set based on our assessment of the needs of the users of the financial statements and the nature of the council's operations. It has been set at 2% of gross expenditure based on the latest audited annual accounts for 2021/22.	£14.98 million	£14.99 million

<b>Performance materiality:</b> This acts as a trigger point. If the aggregate of errors identified during the annual accounts audit exceeds performance materiality, this would indicate that further audit procedures should be considered. Using our professional judgement, we have assessed performance materiality at 70% of planning materiality.	£10.48 million	£10.49 million
<b>Reporting threshold:</b> We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£0.25 million	£0.25 million

Source: Audit Scotland

## Significant risks of material misstatement to the annual accounts

**16.** Our risk assessment draws on our knowledge of the council, its major transaction streams, key systems of internal control and risk management processes. It is informed by our discussions with management and internal audit, attendance at committees and a review of supporting information.

**17.** Audit risk assessment is an iterative and dynamic process. Our assessment of risks set out in this plan may change as more information and evidence becomes available during the progress of the audit. Where such changes occur, we will advise management and where relevant, report them to those charged with governance.

**18.** Based on our risk assessment process, we identified the following significant risks of material misstatement to the annual accounts. These risks have the greatest impact on our planned audit procedures. [Exhibit 2](#) summarises the nature of the risks, the sources of assurance from management arrangements and the further audit procedures we plan to perform to gain assurance over the risk.

**Exhibit 2**

## 2022/23 significant risks of material misstatement to the annual accounts

Significant risk of material misstatement	Sources of management assurance	Planned audit response
<p><b>1. Risk of material misstatement due to fraud caused by management override of controls</b></p> <p>As stated in ISA (UK) 240 (<i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>), management is in a unique position to perpetrate fraud because of their ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>Owing to the nature of this risk, assurances from management are not applicable in this instance.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the adequacy of controls in place for identifying and disclosing related party relationship and transactions in the financial statements.</li> <li>Assess the design and implementation of controls over journal entry processing.</li> <li>Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.</li> <li>Test journals at the year-end and post-closing entries and focus on significant risk areas.</li> <li>Evaluate significant transactions outside the normal course of business.</li> <li>We will assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</li> <li>Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.</li> <li>Focussed testing of accounting accruals and prepayments.</li> </ul>
<p><b>2. Significant estimation and judgment: other land and buildings, council dwellings and schools PPP valuations</b></p> <p>The council held other land and buildings, including its council dwellings and school PPP estate, with a net book value of more than £1,050 million as at 31 March 2022.</p>	<ul style="list-style-type: none"> <li>Revaluations completed by Royal Institute of Chartered Surveyors (RICS) qualified surveyors.</li> <li>Revaluations carried out for all assets as part of rolling revaluation programme.</li> </ul>	<ul style="list-style-type: none"> <li>Review the information provided to the valuer to assess for completeness.</li> <li>Evaluate the competence, capabilities, and objectivity of the professional valuer.</li> <li>Obtain an understanding of management's involvement in the valuation process to assess if appropriate oversight has occurred.</li> <li>Critically evaluate the approach the council has adopted to assess the risk that assets not subject to valuation are</li> </ul>

Significant risk of material misstatement	Sources of management assurance	Planned audit response
<p>There is a significant degree of subjectivity in the valuation of land and buildings. Valuations are based on specialist and management assumptions and changes in these can result in material changes to valuations.</p> <p>The assets are revalued on a five-year rolling basis. Values may also change year on year, and it is important that the council ensures the financial statements accurately reflect the value of the assets.</p> <p><b>Risk:</b> Valuations of these assets are materially misstated.</p>	<ul style="list-style-type: none"> <li>• Detailed working papers retained to support asset reviews and impairments.</li> <li>• An annual impairment review is undertaken by the registered valuer and reviewed by management.</li> <li>• Documentation of the S95 officers consideration of the processes in place to confirm that the year end valuations are free from material misstatement.</li> </ul>	<p>materially misstated and consider the robustness of that approach.</p> <ul style="list-style-type: none"> <li>• Test the reconciliation between the financial ledger and the asset register.</li> <li>• Evaluate management's assessment of why it considers that the land and buildings not revalued in 2022/23 are not materially misstated. We will critically assess the appropriateness of any assumptions.</li> <li>• Critically assess the adequacy of the council's disclosures regarding the assumptions in relation to the valuation of other land and buildings and council dwellings.</li> </ul>

Source: Audit Scotland

## Other area of audit focus

**19.** As part of our assessment of audit risks, we have identified two other areas where we consider there is also a risk of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risk, we do not consider this to represent a significant risk. We will keep this area under review as our audit progresses.

**20.** Other areas of specific audit focus are:

- **Pension liability:** This is an area of audit focus due to the material value and significant assumptions used in the calculation of the liability. We will review the work of the actuary, including reviewing the appropriateness of actuarial assumptions and management's assessment of these.
- **Service concession arrangements:** In February 2023, the council approved the adoption of the revised accounting arrangements under Local Government Finance Circular 10/2022 for the recalculation of debt repayments arising from the council's service concession contracts aligned to the useful economic life

of the assets under the contracts. The application of financial flexibility on this basis will result in a retrospective financial benefit to 31 March 2022 of £21.546 million with an average annual reduction in charges to the General Fund over the ten-year period to 2031/32 of £3.38 million per year. We will confirm that the council has complied with the relevant statutory guidance in how this accounted for.

## Consideration of the risks of fraud in the recognition of revenue and expenditure

**21.** As set out in ISA (UK) 240 (*The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*), there is a presumed risk of fraud over the recognition of revenue. There is a risk that revenue income may be misstated resulting in a material misstatement in the financial statements. We have rebutted this presumed risk in 2022/23 as, while the possibility of fraud exists, we do not judge it to be a significant risk due to the nature of the majority of the council's income streams, namely government funding and grants.

**22.** In line with Practice Note 10 (*Audit of financial statements and regularity of public sector bodies in the United Kingdom*), as most public-sector bodies are net spending bodies, the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk relating to revenue recognition. We have considered each of the council's expenditure streams, and based on our knowledge of the council, prior year considerations and our risk assessment to date, we do not consider these to be susceptible to material misstatement due to fraud. We also consider there to be limited incentive and opportunity for the manipulation of expenditure recognition in the financial statements. We have therefore rebutted the risk of material misstatement due to fraud in expenditure recognition for 2022/23.

**23.** We have not, therefore, incorporated specific work into our audit plan in these areas over and above our standard audit procedures.

## Audit of the management commentary, annual governance statement and remuneration report

**24.** In addition to the appointed auditor's opinion of the financial statements, the Accounts Commission prescribes that the appointed auditor should provide opinions as to whether the management commentary, annual governance statement, and the audited part of the remuneration report, have been compiled in accordance with the appropriate regulations and frameworks and are consistent with the financial statements.

**25.** To inform these opinions we will consider whether the disclosures within each statement comply with the requirements of the applicable guidance, and confirm that relevant information reflects the contents of the financial statements and other supporting documentation, including:

- **Management commentary:** Consideration of performance information reported to council committee's and published during the year.

- **Annual governance statement:** Reviewing the Local Code of Corporate Governance, considering the annual assurance statements completed, and prepared by Senior Officers to provide assurances to the Chief Executive, and Internal Audit's annual assurance statement.
- **Remuneration report:** Obtaining and reviewing payroll data and HR reports.

**26.** Based on our knowledge of the audit, and the established procedures in place to produce these statements, we have not identified any specific risks to be communicated to those charged with governance in relation to the audit of the management commentary, annual governance statement, and audited part of the remuneration report.

## Group Consideration

**27.** As group auditors, we are required under ISA (UK) 600 (*Audits of group financial statements (including the work of component auditors)*) to obtain sufficient appropriate audit evidence on which to base our audit opinion on the group accounts.

**28.** The council has a group which comprises component entities including subsidiaries, associates, and joint ventures. The audits of the financial information of some of the components are performed by other auditors. We plan to place reliance on the work of the component auditors. We will obtain sufficient appropriate audit evidence in relation to the consolidation process and the financial information of the components on which to base our group audit opinion.

**29.** We have reviewed the assessment of North Ayrshire Leisure Limited's (NALL) current classification as an associate based on voting rights and significance to the North Ayrshire Council Group. In our opinion NALL should be fully consolidated into the council's group accounts as it meets the definition of a subsidiary. We will keep this area under review as our audit progresses.

**30.** At this stage, it has been assessed that there are no other significant group components, other than the council and Integration Joint Board (IJB). All non-significant group components will be covered by an analytical review at the group level.

**31.** We will obtain sufficient appropriate audit evidence in relation to the consolidation process and the financial information of the components on which to base our group audit opinion.

## Audit of the trusts registered as Scottish charities

**32.** The 2006 Regulations require charities to prepare annual accounts and require an accompanying auditor's report where any legislation requires an audit. The Local Government (Scotland) Act 1973 specifies the audit requirements for any trust fund where some or all members of a council are the sole trustees. Therefore, a full and separate audit and independent auditor's report is required for each registered charity where members of the council are sole trustees, irrespective of the size of the charity.

**33.** North Ayrshire Council administers eight such registered charities, disclosed in a single set of annual accounts, with total assets of some £0.660 million. This is in accordance with the connected charities rules. The preparation and audit of annual accounts of registered charities is regulated by the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

**34.** Other than a risk of management override of controls which has also been identified as risks in respect of the council's annual accounts, no specific planning risks were identified in respect of the charity's annual accounts.

### Materiality levels for the 2022/23 audit of trusts registered as Scottish charities

**35.** Materiality levels for the various trusts are set out in [exhibit 3](#).

#### Exhibit 3

2022/23 materiality levels for trusts registered as Scottish charities

Charitable trust	Planning Materiality	Performance Materiality	Reporting Threshold
<b>Anderson Park Trust (SC042136)</b>	£3 (Based on 2% of audited 2021/22 net asset value)	£2 (Based on 75% of planning materiality)	£1 (Based on 5% of overall materiality; £1 minimum)
<b>Douglas Sellers Trust (SC042101)</b>	£9 (Based on 2% of audited 2021/22 net asset value)	£7 (Based on 75% of planning materiality)	£1 (Based on 5% of overall materiality; £1 minimum)
<b>Margaret Archibald Bequest (SC042117)</b>	£5,667 (Based on 2% of audited 2021/22 net asset value)	£4,258 (Based on 75% of planning materiality)	£284 (Based on 5% of overall materiality; £1 minimum)
<b>North Ayrshire Council Charitable Trust (SC025083)</b>	£6,588 (Based on 2% of audited 2021/22 net asset value)	£4,941 (Based on 75% of planning materiality)	£329 (Based on 5% of overall materiality; £1 minimum)
<b>North Ayrshire Council (Dalry) Charitable Trust (SC043644)</b>	£40 (Based on 2% of audited 2021/22 net asset value)	£30 (Based on 75% of planning materiality)	£2 (Based on 5% of overall materiality; £1 minimum)

<b>North Ayrshire Council (Kilbirnie &amp; Glengarnock) Charitable Trust (SC043600)</b>	£62 (Based on 2% of audited 2021/22 net asset value)	£47 (Based on 75% of planning materiality)	£3 (Based on 5% of overall materiality; £1 minimum)
<b>North Ayrshire Council (Kilwinning) Charitable Trust (SC043374)</b>	£747 (Based on 2% of audited 2021/22 net asset value)	£560 (Based on 75% of planning materiality)	£37 (Based on 5% of overall materiality; £1 minimum)
<b>North Ayrshire Council (Largs) Charitable Trust (SC043494)</b>	£68 (Based on 2% of audited 2021/22 net asset value)	£51 (Based on 75% of planning materiality)	£3 (Based on 5% of overall materiality; £1 minimum)

Source: Audit Scotland

# Wider Scope and Best Value Audit

## Introduction

**36.** The [Code of Audit Practice](#) sets out the four areas that frame the wider scope of public sector audit. The Code of Audit Practice requires auditors to consider the adequacy of the arrangements in place for the wider scope areas in audited bodies.

**37.** In summary, the four wider scope areas cover the following:

- **Financial management:** means having sound budgetary processes. We will consider the arrangements to secure sound financial management including the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error, and other irregularities.
- **Financial sustainability:** as auditors, we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on financial sustainability in the longer term. We define this as medium-term (two to five years) and longer-term (longer than five years).
- **Vision, leadership, and governance:** we conclude on the arrangements in place to deliver the vision, strategy and priorities adopted by the council. We also consider the effectiveness of the governance arrangements to support delivery.
- **Use of resources to improve outcomes:** we will consider how the council demonstrates economy, efficiency, and effectiveness through the use of financial and other resources.

## Significant wider scope risks

**38.** Our risk assessment has not identified any significant risks in respect of the above wider scope areas.

## Financial sustainability

**39.** Whilst not a significant audit risk, the challenging financial environment in which the council, along with other public sector bodies, is operating in, financial sustainability has been identified as an area of audit focus. There are challenges to the medium and longer-term financial sustainability due to the uncertainty over future Scottish Government funding allocations, the rising cost of inflation and the cost of implementing future pay settlements. Our annual audit report will include comment on the council's 2022/23 financial outturn, 2023/24 budget, and its medium-term financial plan.

**40.** Our planned work on our wider scope responsibilities is risk based and proportionate and in addition to local risks we consider challenges which are impacting the public sector. In 2022/23 we will consider the council's approach to tackling climate change.

## Climate Change

**41.** Tackling climate change is one of the greatest global challenges. The Scottish Parliament has set a legally binding target of becoming net zero by 2045 and has interim targets including a 75% reduction in greenhouse gas emissions by 2030. The public sector in Scotland has a key role to play in ensuring these targets are met and in adapting to the impacts of climate change. The Auditor General and Accounts Commission are developing a programme of work on climate change.

**42.** In 2022/23, as part of our Best Value work, we will gather information on the council's arrangements for responding to climate change covering areas such as the development of climate change strategies and the monitoring and reporting of progress against targets for reducing emissions.

## National Fraud Initiative (NFI)

**43.** The council participates in the NFI in Scotland. We will monitor the council's progress with investigating the matches identified by this exercise.

## Best Value

**44.** Under the 2021 [Code of Audit Practice](#), the audit of Best Value in councils is fully integrated within our annual audit work.

**45.** 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. We will also follow up findings reported previously in the council's [2020 Best Value Assurance Report](#) to assess the pace and depth of improvement.

**46.** In addition to our annual work on Best Value we will conduct thematic reviews as directed by the Accounts Commission. In 2022/23 our focus will be on the effectiveness of council leadership in developing new local strategic priorities following the elections in May 2022. We will issue a separate management report on this work.

**47.** At least once every five years, the Controller of Audit will report to the Accounts Commission on the council's performance in meeting its Best Value duties. The programme of Controller reports will commence in October 2023. Between October 2023 and September 2024 the programme will cover the councils listed in [exhibit 4](#).

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**Exhibit 4**

2023 Controller of Audit reports

Falkirk

Moray

Clackmannanshire

Orkney Islands

South Ayrshire

Dumfries and Galloway

West Dunbartonshire

City of Dundee

Source: Audit Scotland

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# Reporting arrangements, timetable, and audit fee

## Reporting arrangements

**48.** Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs, as detailed in [exhibit 4](#), and any other outputs on matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

**49.** Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officers to confirm factual accuracy.

**50.** We will provide an independent auditor's report to North Ayrshire Council (the council) and the Accounts Commission setting out our opinions on the annual accounts. We will provide the council and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

**51.** [Exhibit 5](#) outlines the target dates for our audit outputs. [Exhibit 5 2022/23 Audit outputs](#)

Audit Output	Latest date
Annual Audit Plan	31 March 2023
Best Value Management Report	30 September 2023
Independent Auditor's Report	30 September 2023
Annual Audit Report	30 September 2023

Source: Audit Scotland

## Timetable

**52.** To support an efficient audit, it is critical that the timetable for producing the annual accounts for audit is achieved. We have included a proposed timetable for the audit at [exhibit 6](#) that has been discussed and agreed with management.



**53.** Covid-19 has had a considerable impact on the conduct and timeliness of the audit. We recognise that it is in the best interests of public accountability to get the reporting of audited annual accounts back to pre-pandemic timelines. We are identifying ways to work more efficiently to expedite the 2022/23 audits whilst at

the same time maintaining high standards of quality. In 2022/23 we may not meet the target of concluding the audit and signing the accounts by 30 September, but we hope to be as close to this as possible. We are currently planning for an October completion.

**54.** We intend to take a hybrid approach to the 2022/23 audit with a blend of onsite and remote working. We will continue to work closely with management to identify the most efficient approach as appropriate and will keep timeframes for the completion of the audit under review. Progress will be discussed with management over the course of the audit.

## Exhibit 6

### Proposed annual accounts timetable

 Key stage	 Provisional Date
Consideration of the unaudited annual accounts by those charged with governance	21 June 2023
Latest submission date for the receipt of the unaudited accounts with complete working papers package.	30 June 2023
Latest date for final clearance meeting with the Head of Service (Finance), agreement of the audited and unsigned annual accounts and the proposed annual audit report.	To be confirmed
Issue of proposed annual audit report, letter of management representation and proposed independent auditor's report to those charged with governance.	To be confirmed
Presentation of proposed annual audit report to those charged with governance.	To be confirmed
Approval of the North Ayrshire Council annual accounts by those charged with governance, independent auditor's report signed electronically following this approval and the final annual audit report issued.	
Certified Non-Domestic Rates Return, Housing Benefit subsidy claim and WGA assurance.	To be confirmed

Source: Audit Scotland

## Audit fee

**55.** In determining the audit fee, we have taken account of the risk exposure of the council and the planned management assurances in place. The agreed audit fee for 2022/23 is £356,390 (£316,670 in 2021/22).

**56.** We have also agreed an audit fee of £1,100 (£1,200 in 2021/22) for the audit of the registered charities administered by the council.

**57.** Our fees have increased in 2022/23 and this reflects the current audit market and the rising costs in delivering high quality audit work. There are increased regulatory expectations and risks placed on audit and its quality, as well as a widening in the scope of work audit must cover.

**58.** In setting the fee for 2022/23 we have assumed that the council has effective governance arrangements and will prepare comprehensive and accurate annual accounts for audit in line with the agreed timetable for the audit. The audit fee assumes there will be no major change in respect of the scope of the audit during the year and where our audit cannot proceed as planned, a supplementary fee may be levied.

# Other matters

## Internal audit

**59.** It is the responsibility of the council to establish adequate internal audit arrangements. The council's internal audit function is provided by its internal audit section led by the Senior Manager (Audit, Fraud, Safety & Risk).

**60.** While we are not planning to place formal reliance on the work of internal audit in 2022/23, we will review internal audit reports and assess the impact of the findings on our annual accounts and wider scope audit responsibilities.

## Independence and objectivity

**61.** Auditors appointed by the Accounts Commission must comply with the [Code of Audit Practice](#) and relevant supporting guidance. When auditing the annual accounts, auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors.

**62.** Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual '*fit and proper*' declaration for all members of staff. The arrangements are overseen by the Executive Director of Innovation and Quality, who serves as Audit Scotland's Ethics Partner.

**63.** The appointed auditor for North Ayrshire Council is Fiona Mitchell-Knight, Audit Director. David Jamieson, Senior Audit Manager is the appointed auditor of the registered charities administered by the council. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of the council or charitable trusts.

## Audit Quality

**64.** Quality is at the core of public audit in Scotland and is the foundation for building consistency and confidence across all audit work. High quality audits provide assurance, add value, and can support public bodies to achieve their objectives.

**65.** Audit Scotland are committed to delivering high quality audits. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the [Code of Audit Practice](#) (and supplementary guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards, Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of England

and Wales (ICAEW) have been commissioned to carry out external quality reviews.

**66.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time, and this may be directed to the engagement lead.

# Appendix 1. Your audit team

**67.** The core members of the audit team involved in the audit of North Ayrshire Council are noted below. The audit team will be supplemented by additional staff during peak times.

Fiona Mitchell-Knight FCA  
Audit Director  
[FMitchell-Knight@audit-scotland.gov.uk](mailto:FMitchell-Knight@audit-scotland.gov.uk)

Fiona is the engagement lead for the audit of North Ayrshire Council and will sign off the independent auditor's report on the council's annual accounts. Fiona has 30 years' experience of public sector audit with Audit Scotland, covering local government, health, and the further education sector.

David Jamieson CPFA  
Senior Audit Manager  
[djamieson@audit-scotland.gov.uk](mailto:djamieson@audit-scotland.gov.uk)

David has over 30 years of public sector experience and has delivered external audit services to a range of bodies including local authorities, health boards and central government bodies. David will have overall control of the delivery and quality of the audit including audit engagement and ensuring the audit is properly planned, resourced, and executed.

Carol Foster FCA  
Senior Auditor  
[cfoster@audit-scotland.gov.uk](mailto:cfoster@audit-scotland.gov.uk)

Carol has considerable experience in planning and delivering audits. Carol will lead and be responsible for day-to-day management of the audit and will be your primary contact.

**68.** The local audit team is supported by a specialist technical accounting team, all of whom have considerable experience of public bodies and work with accounting regulatory bodies.

# North Ayrshire Council

## Annual Audit Plan 2022/23

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## NORTH AYRSHIRE COUNCIL

28<sup>th</sup> March 2023

### Audit and Scrutiny Committee

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<b>Title:</b>	<b>Council Plan Mid-Year Progress Report 2022-23</b>
<b>Purpose:</b>	To advise the Audit and Scrutiny Committee on progress of our Council Plan priorities.
<b>Recommendation:</b>	That the Audit and Scrutiny Committee agrees to: a) Note the Council Plan Progress Update Mid-Year 2022-23 as set out at Appendix 1; and b) Note the status of the Council's performance indicators and actions at Appendices 2 and 3.

---

#### 1. Introduction

- 1.1. The Council Plan 2019-24 Progress Update (Mid-Year 2022-23) and accompanying appendices provide detailed information on the progress being made towards our strategic priority outcomes and includes key activities, areas of focus, case studies and best in class examples. It provides an overview of our Council's performance in the six months up to 30<sup>th</sup> September 2022.
- 1.2. In addition, as sub-actions conclude in the supporting Council Plan Delivery Plan, the Council Plan Progress Report at Appendix 1 includes recommendations on replacements to ensure continuous performance management.





#### 2. Background

- 2.1. The Council Plan 2019-24 was approved by Council on 26 June 2019 and sets out our vision and priorities for the next five years.
- 2.2. The Council Plan 2019-24 Progress Update (Mid-Year 2022-23) provides details of our progress for each of the priorities – Aspiring Communities, Inspiring Place and a Council for the Future. The update also provides key highlights, areas of focus, case studies and best in class examples.
- 2.3. In August 2021 the Council Plan Delivery Plan was approved by Cabinet which enabled actions to be due at dates relating to the activity rather than financial year. This means their sub-actions are due to expire at various times throughout the year and replacements are best captured and approved as part of our Council Plan Progress Reporting. This report therefore seeks approval for the replacement of completed sub-actions and amendments of sub-actions which have been identified as ongoing / longer term.

### 3. Performance Indicators

- 3.1. Appendix 2 details Performance Indicators from the Council Plan Performance Framework, showing (where available) a traffic light (**Red**, **Amber**, **Green**) symbol to show whether: The target level of performance has been achieved (**Green**); is slightly adrift of target (**Amber**); or is significantly adrift of target (**Red**). Analysis of the indicators is outlined in Table 1 below.
- 3.2. Where data is not available for Mid-Year 2022-23, the most recently available data up to the annual figure for 2020-21 is used. 96% of indicators where the status is known are on target or slightly adrift of target as at 30<sup>th</sup> September 2022. This is higher than the same period last year, when 83.9% of indicators where the status was known were either on or slightly adrift of target. However, only 25 indicators have a status available at Mid-Year 2022-23, compared to 31 the previous year.

Table 1

Summary of Performance Indicator Status		
Traffic Light	Mid-Year 2022-23	Mid-Year 2021-22
 On target	18 (72%*)	20 (64.5%*)
 Slightly adrift	6 (24%*)	6 (19.4%*)
 Significantly adrift	1 (4%*)	5 (16.1%*)
 Status unknown or data only	6 (19.4% of all Council Plan indicators (31))	3 (8.8% of all Council Plan indicators (34))

\*Of the indicators where status is known

- 3.3. As detailed in the Performance Indicator Amendments section below, three performance indicators are currently not included in the Council Plan as at 30<sup>th</sup> September 2022.

### 3.4. Performance Indicator Amendments




- 3.4.1. An important element of the Corporate Policy, Performance and Elections Team's role is to monitor the robustness of indicators and ensure the framework remains relevant to our Council Plan priorities. This ensures we are measuring the correct areas and have the information we need to make decisions. As a result, the following areas have been highlighted.
- 3.4.2. **CP\_01 % of population who are involved in local decision making (as a percentage of the population)** was introduced in 2019 in an attempt to quantify our communities' participation in decision making. However, it is not possible to fully exclude potential duplication and as a result the figures could be misleading. To ensure our measures are as accurate as possible we are deactivating this indicator. Participation is central to our Council Plan and will continue to be managed through our Council Plan reporting, particularly via sub action "CP-SUB-04 We will extend and mainstream our participatory approach to offer communities, including young people, more opportunities to lead in local decision-making".
- 3.4.3. Following the removal of **CP\_12 Percentage of learning disability service users accessing employment support activities** (as detailed in the Year End Progress Report and approved by Cabinet), we have identified two replacement indicators that capture our supported employment activities. **CP\_12a Number of unemployed disabled residents supported** and **CP\_12b Number of unemployed disabled residents supported into employment** will demonstrate the current support that is in place and the results of that support in terms of enabling residents with additional needs to access employment.

- 3.4.4. As agreed by Cabinet in our 2021-22 Year End Council Plan Progress Update report, we are currently working with the Health and Social Care Partnership (HSCP) to identify a replacement for the discontinued indicator **CP\_13 Percentage of children with BMI centile >91 at 27 month review**. This will now be detailed in our Year End Progress Update report.
- 3.4.5. **CP\_29 Overall carbon emissions (tonnes)** – Provisional figures for 2021/22 have been updated following more information being made available. This has changed the year end status of 2021/22 reported in our Year End Progress Report from significantly adrift of target (red) to slightly adrift of target (amber).

#### 4. Actions

- 4.1. Appendix 3 details the actions from the Council Plan Delivery Plan. There are 39 overall actions within the Council Plan supported by sub-actions. The status of the sub-actions informs the overall action status.
- 4.2. On 31<sup>st</sup> August 2021 Cabinet approved a method which ensured any sub-action slightly adrift (amber) or significantly adrift (red) automatically set the overall action status, with red taking priority. However, this approach has led to less important adrift of target sub-actions skewing the overall results and creating a false impression of performance.
- 4.3. It is proposed that officers continue to provide an update on activity for each sub action and an estimate of the current status (red, amber or green). Discussions between the Corporate Policy, Performance and Elections Team and the service, followed by constructive scrutiny by the Executive Leadership Team, will then inform the status of the overall action. This is the method used within this report and as a result, we are confident the statuses more accurately reflect our position than the previous automatic approach.
- 4.4. At Mid-Year 94.9% of actions are either on target or slightly adrift of target compared to 100% at Mid-Year 2021-22.

**Table 2**

Summary of Overall Action Status		
Traffic Light	Mid-Year 2022-23	Mid-Year 2021-22
 On target	35 (89.74%)	39 (100%)
 Slightly adrift	2 (5.13%)	0
 Significantly adrift	2 (5.13%)	0

- 4.5. The actions significantly adrift of target (red) relate to delays due to external factors. The educational estate new build and refurbishment projects are behind schedule due to the Covid-19 pandemic and global economic factors, however every child entitled to a free childcare place is currently being provided for (CP\_05). The second action is significantly adrift as we are awaiting confirmation of funding from the Scottish Government to support the introduction of Mental Health Practitioners in GP practices (CP\_16).

## 4.6. Action Amendments

4.6.1. To ensure transparency, where the Corporate Policy, Performance and Elections Team in partnership with services feel an alteration to an action may result in more effective performance management, these recommendations are listed within Appendix 1 in detail. In summary, they relate to the following actions / sub-actions:

- **CP\_06 - We will support our children and young people to become successful learners, confident individuals, effective contributors and responsible citizens** – New proposed sub-actions sourced from Education Services Plan to replace completed sub-actions.
- **CP\_07 - We will offer opportunities to our young people and their families to play a more active role in school life and encourage more participation in learning opportunities** – New proposed sub-actions sourced from Education Services Plan to replace completed sub-actions.
- **CP\_08 - We will work with our young people to build their resilience, supporting their mental and physical wellbeing** – New proposed sub-actions sourced from Education Services Plan to replace completed sub-actions.
- **CP\_09 - We will work with schools, colleges, universities, businesses and partners to deliver education, skills and training, helping people into work and sustaining employment** – New proposed sub-actions sourced from Education Services Plan to replace completed sub-actions.
- **CP\_10 - We will make sure that everyone has the ability and knowledge to participate in the digital world** – New proposed sub-actions sourced from Education Services Plan to replace completed sub-actions.
- **CP-SUB-32 - Grow Care at Home Capacity** – This is an ongoing action, therefore it is proposed the end date is extended from 31st March 2022 to 31st March 2024.
- **CP-SUB-33 - Prioritise Day Services Model and Support for Carers** – This is a longer term action, therefore it is proposed the end date is extended from 31st March 2022 to 31st March 2023.
- **CP-SUB-34 - Prioritise integrated island services, including unscheduled care** – Expected developments in this area mean extending this action from 31st March 2022 to 31st March 2023 will enable us to capture performance more effectively.
- **CP-SUB-35a - We will help individuals to have better choice and control of their support at an early stage by reinvigorating Self-Directed Support** – Following the establishment of A Self-Directed Support (SDS) Learning Review Board in June 2022 and resulting change in scope for this action, it is proposed this sub-action is extended from 31st March 2022 to 31st March 2023.
- **CP-SUB-37 - We will work with Scottish Government as a trailblazer site for the whole systems approach to diet and healthy weight (public health priority)** – This work was paused due to the involvement of Public Health partners in the pandemic and resulting secondment of partners to other roles. However, it has recently recommenced and we now have a better understanding of the expected due date. It is proposed this sub-action is extended from 31st March 2022 to 31st March 2024.
- **CP-SUB-38 - Prioritisation of children and young people receiving support from Child and Adolescent Mental Health Services** – Expected developments including opportunities to host services at West Road, Irvine, mean extending this sub-action's due date from 31st March 2022 to 30th September 2023 will better reflect performance.
- **CP-SUB-39 - Prioritise community mental health services supporting people within their communities** – This is an ongoing action, therefore it is proposed the end date is extended from 31st March 2022 to 31st March 2024.
- **CP-SUB-42 Work closely with colleagues in Acute Services and Police Scotland to address the levels of unscheduled care in mental health** – It is proposed the end date is extended from 31st March 2022 to 30th September 2023 to reflect the opening for the new mental health hub at Woodland View, Irvine in the spring.

## **5. Proposals**

- 5.1 That the Audit and Scrutiny Committee agrees to: a) Note the Council Plan Progress Update Mid-Year 2022-23 as set out at Appendix 1; and b) Note the status of the Council's performance indicators and actions at Appendices 2 and 3.

## **6. Implications/Socio-economic Duty**

### **Financial**

- 6.1. There are no financial implications.

### **Human Resources**

- 6.2. There are no human resource implications.

### **Legal**

- 6.3. This report confirms the arrangements for the Council's compliance with its duties under the Local Government Act 1992 and the Local Government in Scotland Act 2003 and commitment to improving public performance reporting.

### **Equality/Socio-economic**

- 6.4. There are no equality/socio-economic implications.

### **Environmental and Sustainability**

- 6.5. There are no environmental and sustainability implications.

### **Key Priorities**

- 6.6. This report helps to demonstrate the Council's delivery of its strategic priorities.

### **Community Wealth Building**

- 6.7. There are no community wealth building implications.

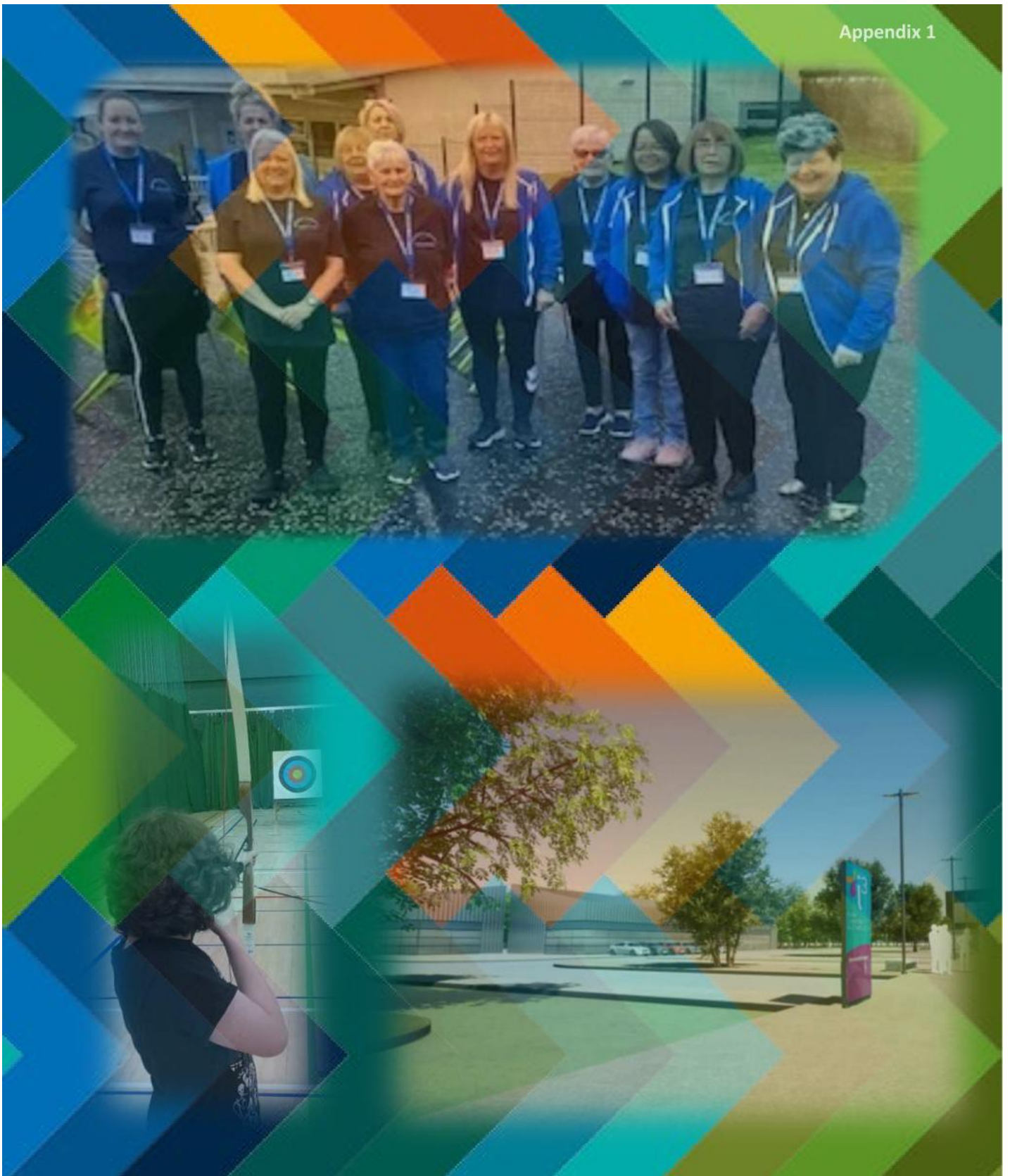
## **7. Consultation**

- 7.1. Feedback from the Executive Leadership Team (ELT) informed the content of this report.

Aileen Craig  
Head of Service (Democratic)

For further information please contact **Isla Hardy, Team Manager (Policy and Performance)**, email: [IslaHardy@North-Ayrshire.gov.uk](mailto:IslaHardy@North-Ayrshire.gov.uk).

**Background Papers**  
Council Plan 2019-24



## Council Plan 2019-24 Progress Update

Mid-Year 2022-23



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

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The Corporate Policy, Performance and Elections Team welcome any feedback you may have. We strive to make our Council and reports as accessible as possible and appreciate opportunities to discuss how this can be achieved. For further information please contact:

**The Corporate Policy, Performance and Elections Team**  
Tel: 01294 324648  
Email: [NorthAyrshirePerforms@north-ayrshire.gov.uk](mailto:NorthAyrshirePerforms@north-ayrshire.gov.uk)



## Our Performance at a Glance

**38 Modern Apprentices** recruited to our Council, of which **7 (18%)** are care experienced or have a disability

**£4.074m** allocated to support families with the cost of living

We launched our **Energy Smart Programme** totalling **£2.176m** of support to vulnerable households

**16,378** Free Bus Travel Passes issued to those under 22 years



We established our **Child Poverty and Cost of Living Board**

**£500,000** allocated to help with basic food provision

**58%** of lower value procurement contracts (Quick Quotes) awarded to local businesses

**25 Community Wishes** delivered through procurement contracts

**16,050** new trees planted

Ayrshire Growth Deal Community Wealth Building project officially launched with **120 stakeholders** in attendance

**170** of our Young People attended our **Cost of the School Day Conference**

We currently have **2,603 tenants** on our **Tenant Panel**

## Welcome

*Though the first six months of 2022/23 have seen us return to a more normal way of life in terms of Covid-19 restrictions, challenges relating to the cost of living are being felt by our communities across North Ayrshire. The increased cost of living is affecting all of our residents particularly our most vulnerable. We understand that as we try to recover from the impact of the Covid-19 coronavirus pandemic, the impact of rising fuel and food costs is particularly challenging both financially as well as for our mental health. Tackling child poverty and the cost of living crisis is therefore an immediate priority for our Council. If you are in need of assistance, please visit [www.north-ayrshire.gov.uk/cost-of-living](http://www.north-ayrshire.gov.uk/cost-of-living) or call 01294 310000.*

Throughout this update we provide information on how we are addressing immediate and longer term needs in our communities. Our [‘Tackling Child Poverty and the Cost of Living’ case study](#) details over £6.2million of support including £2.54million from the Scottish Government Covid Recovery Fund and £4.074million from our Council budget. This is already reaching local families, ranging from £100 additional bridging payments for our eligible families, through to innovative energy supports and food networks led by our community partners. Our recently established Tackling Child Poverty and Cost of Living Board, chaired by the Leader of our Council and supported by our Community Planning Partners, will oversee our approach to ensure it is as effective as possible for the people of North Ayrshire. The way we are responding is attracting attention from other local authorities across Scotland and our focus continues to be on improving the lives of the people we serve - ensuring we achieve **a North Ayrshire that is Fair For All**.

### Our Vision

*A North Ayrshire that is ‘Fair for All’*

### Our Mission

*Working together to improve well-being, prosperity  
and equity in North Ayrshire*

### Our Priorities

#### **Aspiring Communities**

- ◆ Active and strong communities
- ◆ Children and young people experience the best start in life
- ◆ Inclusive, growing and enterprising local economy
- ◆ Residents and communities enjoy life-long health and well-being
- ◆ Residents and Communities are safe

#### **Inspiring Place**

- ◆ Well connected with effective infrastructure
- ◆ Homes that meet residents’ needs
- ◆ Vibrant, welcoming and attractive environment
- ◆ A sustainable environment

#### **A Council for the Future**

- ◆ An accessible Council that puts residents and communities at the heart of what we do
- ◆ An efficient Council that maximises resources and provides value for money
- ◆ A valued workforce that delivers high quality services
- ◆ A powerful and respected voice

## Aspiring Communities - Key Activities

### Active and Strong Communities

#### *Community Investment Fund*

Cabinet approved £48,586 of the Community Investment Fund for Ardrossan Community Association (ACA) to support local residents address the cost of living crisis. Working alongside the Three Towns Locality Partnership, the Health and Social Care Partnership (HSCP) and other partners, they increase access to food with dignity through Ardrossan Community Centre, support wellbeing and help our residents access employment.

Beith Trust has received £15,812 from the Community Investment fund to explore improvements at Geilsland Estate. The funding will be used to examine the community space and provide Beith Trust with the information to secure capital funding and take the project to the next stage. Entitled the 'Courtyard Project', the aim is to ensure better, more energy efficient community spaces for local groups who have outgrown their current locations. Beith Trust is also planning to make the space more energy efficient by investing in green technology.

#### *Island Plans*

Delivery Groups have been formed to achieve the goals of the [Isle of Cumbrae Local Island Plan](#) and the Arran Island Plan. The Delivery Groups, consisting of local residents, will play a key role in actioning the plans as well as monitoring and reporting on their progress. Our Council worked closely with our residents, Scottish Government and Highlands and Islands Enterprise to establish the two 10-year Island Plans covering Arran and the Isle of Cumbrae respectively. The plans address long-term issues facing both islands and look to support the community alongside the economic and environmental wellbeing of our islands.

#### *Locality Partnerships*

Community representatives have been recruited for the refreshed Locality Partnerships following the recent Local Government Elections. 'Getting to Know You' and action planning sessions are taking place to bring together new Chairs, community

representatives and partners to consider and plan how to best address priorities in each locality.

#### *Tenant Participation*

After meeting digitally through the pandemic, five of our Tenant Residents groups are now meeting in-person – the North Ayrshire Network, Inspection Panel and Service Improvement continue to meet online. Consultation for the Tenant Participation Strategy 2022 – 2027 is now complete and we were awarded Gold Level re-accreditation in July 2022 by the Tenant Participation Advisory Service Scotland (TPAS) for our approach to customer engagement, analysis of services and digital engagement. Bronze, silver, or gold accreditation is awarded to organisations based on how well they engage with tenants and is nationally recognised. As at September 2022, we have 2,603 tenants on the Tenant Panel.

#### *Participatory Budgeting*

Meetings were held with the successful 2022 Arts and Culture Participatory Budgeting (PB) applicants to provide support with their projects and help raise their profile within North Ayrshire. The support has been beneficial and has resulted in new projects and partnerships being formed.

#### *Community Hubs*

To strengthen the Community Hub model, 14 sites across North Ayrshire now have community larders embedded within community facilities. Supported by [the Fairer Food Network](#) and community partners, the larders were born during the pandemic with the goal of ensuring access to good food with dignity. Food poverty has been heightened by the recent cost of living crisis and the larders provide a dignified way for our people who are struggling to afford their weekly shop to source essential items. The volunteers assisting at the larders are able to provide our residents in need with information about other services which may be valuable, such as financial advice and support.

In May 2022, we reviewed our larders, considering what we learned from the resilience hubs during the pandemic. The feedback from the review was very positive but further highlighted the need to ensure the network is as sustainable as possible especially due to the cost of living.

### *Community Asset Transfer*

After a successful community asset transfer, Thornhouse Avenue Tennis Courts are now owned and fully utilised by Irvine Tennis Club. The tennis courts have been established for 70 years however they needed upgrading. Thanks to the Community Asset Transfer, the Club can now attract external funding to further develop the courts and create opportunities for the local community - floodlights and a clubhouse will be installed and the courts will be brought up to competition standard.

### **Children and Young People experience the best start in life**

#### *Education Standards and Quality Report*

September saw the release of our [Education Service Standards and Quality Report](#). This report details progress made towards our Service Improvement Plan priorities from session 2021-22. These priorities were as follows:

- ◆ **Priority 1** – We will create the conditions for our children and young people to access the highest quality learning experiences from ages 3-18.
- ◆ **Priority 2** – We will support our children and young people to become successful learners, confident individuals, effective contributors and responsible citizens
- ◆ **Priority 3** – We will offer opportunities to our young people and their families to play a more active role in school life and encourage more participation in learning.
- ◆ **Priority 4** – We will work with all young people to build their resilience supporting their mental health and physical wellbeing.

#### *Attainment*

We have continued to make good progress in our efforts to reduce the poverty related attainment gap and inequality in schools. Strategic and operational planning took place in response to the Scottish Government's publication

of a revised framework for recovery and accelerating the [Scottish Attainment Challenge](#) in March 2022.

A collaborative event with school leaders took place in May to inform next steps. Approximately 80 participants from our Education Service came together to address progress so far and agree future areas of focus. For the 2022/23 academic year these include:

- ◆ A review of professional learning.
- ◆ Embedding whole school nurture.
- ◆ Enhancing data literacy skills across the service.

Our efforts to improve early learning and childcare and the roll out of 1140 hours of childcare across North Ayrshire have resulted in an increase in the percentage of children reaching their early years milestones by Primary One for 2022, bringing overall performance back to pre-pandemic levels. Our latest data from 2022 indicates we had slightly more children achieving their overall milestones than any other year recorded.

North Ayrshire's Family Learning Team continues to offer all schools across our local authority an extensive programme of interventions, which focus on enhancing family engagement during their child's time at school. The Family Learning Team engaged with 1,013 families during 2021-22, with families participating in 25 different interventions.



### *Supporting Needs Review*

Our Education Service led Supporting Needs Review Board continues to take forward recommendations outlined in the Morgan Review of Additional Support for Learning. Our work locally focuses on three key areas, which are: How we use our resources; enhancement of universal and targeted services; and streamlining systems and processes to ensure equity. One recent improvement has been the roll out of Secondary Support Resources across all nine secondary schools. This model provides enhanced support to our young people within their own school community through inclusive and personalised learning experiences.

### *Cost of the School Day*

Our Reducing the Cost of the School Day (COSD) Conference was held in May and attended by 170 of our young people, alongside parents, our employees, Elected Members and Community Planning partners. The aim of the conference was to shape the next steps in the COSD action plan through working with our residents most closely affected by the cost of the school day.

Our Council's commitment to nurture an equal society where children and young people experience the best start in life ensured the conference provided a platform for our children and young people to voice their experiences and those of their community. It also gave an opportunity for our young people to have their say in prioritising spending on areas such as:

- ◆ School transport costs.
- ◆ Residential / general trips.
- ◆ Access to digital devices and Wi-Fi.
- ◆ Stationery.
- ◆ Access to healthy food during weekends and holidays.
- ◆ Clothing.

### *Free School Holiday Meals*

We provided free holiday school meals during the Easter and summer holidays for our children and young people entitled to free school meals. The Holiday School Meals Programme was established for those who are eligible for free school meals based on low income, however, no child was turned away if they wanted to participate and enjoy a lunch with

friends. The programme was delivered by our community partners including community centres and KA Leisure. The programme also provided low-income families with a £10 grocery shopping voucher per child per week when free meals couldn't be delivered. The programme was very successful during the summer break, with over 16,000 meals being prepared and delivered.

### *Free Bus Travel Scheme*

With the introduction of the free bus travel scheme for 5 to 21 year-olds living in Scotland, our schools and Customer Services Team have supported families to complete the application process for a National Entitlement Card (NEC) or a Young Scot Card. The scheme aims to help our young people save money while travelling more sustainably. Applying through our schools eliminates the need for an ID check (required when applying directly for an NEC). As at September 2022, 16,378 of our children and young people had applied for a travel card.

## **Inclusive, growing, and enterprising local economy**

### *An Inclusive Economy*

The Ayrshire Growth Deal Community Wealth Building (AGD CWB) programme was officially launched at an online event in June with 120 attendees. One-to-one sessions, CWB focussed workshops and financial assistance has been provided through local enterprises recently and so far, the programme has achieved the following goals:

- ◆ 501 local enterprises supported.
- ◆ 101 local businesses are registered on [Public Contracts Scotland](#) (a national website used to advertise public sector procurement opportunities).
- ◆ 107 local businesses attended procurement workshops
- ◆ 156 local businesses accessed one-to-one procurement support / consultancy.
- ◆ 16 local businesses attended 'fair work' related workshops.

To support the AGD CWB programme throughout Ayrshire, two videos have been created and are

available to view on YouTube, [explaining the approach](#) and the impact on [our young people](#).

As a key organisation, Police Scotland signed the [Ayrshire Community Wealth Building Anchor Charter](#) in June 2022. A total of 11 organisations have now signed the Charter.

#### *Procurement*

As part of our ongoing “Community Benefits Wishlist” where community groups can request donations or time from local suppliers, 25 wishes have been fully delivered since the list was launched in October 2021 (11 wishes delivered since 1 April 2022). Community Groups can register ‘wishes’ for their communities via the online [Wishlist Portal](#). As at September 2022, there are:

- ◆ 61 groups registered on the list.
- ◆ 123 wishes.
- ◆ 13 wishes in discussion.

Support given so far has included:

- ◆ Donations of garden equipment to West Kilbride Community Sport Group.
- ◆ A donation towards new sports equipment at Millport Town Hall.
- ◆ Food donations to Cranberry Moss Community Larder in Kilwinning.
- ◆ A refresh of the car park and Easter Trail at Fullarton Connexions.
- ◆ A roof survey of Barrmill Community Centre.
- ◆ Donation of an eight-yard skip of compost from Lowmac to Eglinton Community Garden.
- ◆ Donation of time and materials to renovate the dining area at Mungo Foundation by Muir Group.
- ◆ Donation of £250 from GMC Corsehill to Pennyburn Community Association.

We have revised our Quick Quote procurement process to make it more accessible for local businesses. Quick Quotes are more straightforward and less labour intensive to complete than tenders, so will encourage our local businesses to quote to supply goods, services and works to our Council. As a result of the Quick Quote process, the value of locally awarded Quick Quotes has already increased by 21% compared to last year with 58% of Quick Quotes being awarded locally.

#### *Fair Work*

Our Pan-Ayrshire Fair Work Ayrshire Team is fully operational and has achieved the following this year:

- ◆ Engaged with 141 businesses.
- ◆ Conducted 78 initial meetings and developed 78 action plans.
- ◆ 31 Ayrshire businesses have been referred for secure living wage accreditation.
- ◆ 34 Ayrshire businesses have been referred for secure disability confident accreditation
- ◆ 8 Ayrshire businesses have been signposted to create Modern Apprenticeship opportunities

Key Fair Work Ayrshire activities in the past six months include:

- ◆ Action planning with NHS Ayrshire and Arran, North Ayrshire Health and Social Care Partnership, Police Scotland, KA Leisure and Ayrshire College.
- ◆ Supporting the North Ayrshire Job Fair and promoting Fair Work to 30 businesses attending and over 400 North Ayrshire residents.
- ◆ Working with Ayrshire College and key stakeholders across Ayrshire to address gender balance on particular courses and sectors e.g., care, construction, hair and beauty.
- ◆ Delivering a Fair Work Workshop for employers in partnership with Business Gateway.
- ◆ Supporting our Health and Social Care Partnership to deliver Fair Work support to care sector providers.

#### *Developing the Young Workforce*

To support pupils in the senior phase (S4-S6) of secondary schools, we have recruited Developing the Young Workforce (DYW) Coordinators. DYW Coordinators work collaboratively with a range of post-school agencies, employers and internal services to support all our school leavers to move into education, training or employment. Feedback from schools indicates our DYW Coordinators are having a positive impact in supporting learners.

We have recruited 38 Modern Apprentices, of whom seven of our new colleagues have a disability or are care experienced young people.

## Residents and communities, enjoy good, life-long health and wellbeing

In June our Cabinet approved the allocation of £2.154m of Scottish Government Covid Recovery Fund for a range of support to low-income households and measures to stimulate our local economic recovery. In August £2.348m was approved to further support our residents. [This is detailed in our case study below.](#)

### *Better Off Programme (BONA)*

This project delivers financial advice services, adopting a person centred, holistic approach, through a Public Social Partnership (PSP). We have been piloting the approach in the Three Towns (Ardrossan, Saltcoats and Stevenston) and Arran to help deliver our Better Off programme. This is a voluntary partnership between organisations from the public and third sector which provides access to a range of advice services. The pilot will run until March 2023 and the PSP is currently being delivered by:

- ◆ Community Housing Advocacy Project (CHAP) – a charitable organisation offering financial advice.
- ◆ Citrus Energy – a social enterprise offering energy efficiency advice and advocacy services, such as fuel switching (once the market allows for this again in the future) and debt management.
- ◆ Our Money Matters Team.

### *Community Care*

Day Services have reopened in all the localities on the mainland. Although operating at a reduced capacity due to recruitment needs, Day Services are providing building-based services and outreach provision based on priority to residents. The service continues to liaise with Alzheimer's Scotland who recommended Day Services in 2021.

Our Community Space was launched in May in Dalry, Beith and Kilbirnie. Our Community Space provides a relaxed and informal social environment for residents. Teams are available to provide information and advice including representatives from Turning Point - Scotland's Prevention, Early Intervention and Recovery Service.

### *Mental Health and Wellbeing Support*

The new 'See Me See Change' approach to addressing mental health in schools has been piloted by nine secondary schools across North Ayrshire:

- ◆ St Matthews Academy, Saltcoats
- ◆ Arran High School
- ◆ Garnock Campus
- ◆ Ardrossan Academy
- ◆ Kilwinning Academy
- ◆ Irvine Royal Academy
- ◆ Auchenhavie Academy
- ◆ Largs Academy

The approach is designed to break down barriers, encourage open communication about mental health and address stigma. 103 pupils and 25 employees attended training sessions where they also provided feedback to See Me staff on how the materials could be used or adapted to benefit schools. Our pupils and school teams then collaborated on action plans for their own schools.

As part of Mental Health Awareness Week in May community events were run in Irvine and Springside with the aim of raising awareness and tackling loneliness. The events were established in partnership with North Ayrshire Community Link Workers, the Green Health Partnership, Irvine Community Development Teams, KA Leisure, Impact Arts, Children 1st and the Harbour Arts Centre.

Work is continuing on a new Mental Health Hub due to open by March 2023 within Woodland View, Irvine. The new assessment hub will be the first of its kind in Scotland, providing unscheduled care assessment for up to 72 hours.

Our Mental Health and Wellbeing Delivery Officers work to support young people aged 5-25 years with their wellbeing, resilience and mental health through a number of projects, events, activities and group work sessions including:

- Suicide Prevention Work.
- Family based Mental Health and Wellbeing learning workshops.
- Targeted work around LGBT.
- Partnership working with Employability and Ayrshire College.

- Your Resilience eight-week programme.
- Be-Inn Unity Accredited Training.
- Bee You Ambassadors and Mini Ambassadors.
- Take Time Campaign.

The team has been working across schools and communities with strong partnerships with Education, Family Learning, Police Scotland, Mental Health UK and Be-Inn Unity. Supporting family-based work, ambassador programmes, peer mentoring and a comprehensive mapping exercise, our youth-based group work is accredited with SQA Qualifications and Bounce Back Awards. (Bounce Back is a multiple award-winning approach to wellbeing, resilience and social-emotional learning for primary school children).

We delivered a Pedal Irvine event on 8<sup>th</sup> May in association with Cycling Scotland and the Ayrshire Community Trust (TACT). This family event was free, provided Dr Bike sessions to check equipment before beginning the 6.2mile course and gave the opportunity for some residents without a bike to borrow one at no cost. Over 300 people took part.

## Residents and communities are safe

### *Energy Support*

We are collaborating with the Energy Agency to assist our residents with the financial challenges faced due to the rising cost of energy over the coming months. The Energy Agency provides free advice on reducing energy consumption and promoting sustainability to help residents lower their energy bills. Our Energy Smart Scheme was allocated £1.726m in our 2022/23 budget, with an additional £450,000 approved in August. This offers:

- ◆ A dedicated helpline for energy efficiency and other low carbon advice.
- ◆ The delivery of energy efficiency measures in peoples' homes to improve the affordability of energy in homes across North Ayrshire.
- ◆ A £450,000 Emergency Support element to provide direct payments to low income families struggling to pay their energy bills.

To support this, our Council are providing financial assistance in the form of crisis payments to those in most need.

Our Homelessness and Community Safety Team created four new posts to address income maximisation and help reduce fuel poverty for Council tenants. These officers help tenants to reconnect meters, address tenants' debt and find sustainable ways to pay their bills going forward. A further two Housing Officers will help maximise the uptake of benefits for our residents living in Sheltered Accommodation. Our aim is to ensure all residents can more easily heat their homes and includes Winter Warm initiatives and interventions.

### *Homelessness*

We continue to implement our 'Housing First' approach in the provision of homelessness services. Since April, 18 Housing First tenancies out of a target of 20 for the year have been created. Working across the Community Planning Partnership, the aim of Housing First tenancies is to break the cycle of homelessness for those suffering from addiction or mental health problems, or for residents who present offending behaviour. The Housing First tenancy sustainment success rate is as follows:

- ◆ Year 1 (2019/2020) 67%
- ◆ Year 2 (2020/2021) 91%
- ◆ Year 3 (2021/2022) 92%

### *Community Safety*

With the warmer weather over the summer, our Streetscene team assessed all areas of open water across North Ayrshire under our responsibility and installed new safety equipment and signage. Our Water Safety Policy was updated and partner organisations encouraged to promote water safety.

The Ayrshire Safer Shores Campaign 2022 was launched ahead of HM The Queen's Platinum Jubilee holiday this summer. Working alongside partners including NHS Ayrshire and Arran, Abellio Scotrail and the British Transport Police, it aimed to maximise public safety and people's enjoyment of our shores without the worry of antisocial behaviour or alcohol related incidents.

## Aspiring Communities – Case Study

### Tackling Child Poverty and the Cost of Living

Tackling child poverty and the current cost of living crisis is an immediate priority. We have established a new Child Poverty and Cost of Living Board, chaired by the Leader of our Council and supported by our Community Planning Partners. The aim of the board is to provide leadership in the development and delivery of our Child Poverty Action Plan and our approach to addressing the cost of living.

Ensuring the voices of our residents are heard underpins the work of the Board. We have already hosted a mini-public enquiry with a range of partner organisations and residents from across North Ayrshire. Part of a rolling programme, the initial theme was to identify ways of improving access to public services and vital support through discussing ways to achieve a 'No Wrong Door' approach – ensuring residents are supported to access advice no matter how they contact our Council or our partners. The Board will continue to have conversations with residents on themes such as employability, food and childcare in the coming weeks. These important discussions will help to inform our Child Poverty Strategy 2023-26.



In June, our [Cabinet approved the allocation of £2.154m of the Scottish Government Covid Recovery Fund](#), to provide a range of support to low-income households and measures to stimulate local economic recovery. This includes immediate support such as a £100 top up to the existing £130 Summer, October and December Child Bridging Payments and is extended to families with children of pre-school age. Approximately 3,300 families in North Ayrshire (5,700 children) will be eligible to receive this support. In addition, a public transport travel scheme to support travel to work, support for the delivery of our Modern Apprentice programme, new Skills for Life work placements, employer recruitment incentives and a Digital Growth Fund to assist local businesses will be funded.

In August 2022, our [Cabinet approved an investment of £2.348m](#) in addition to the £1.726m already secured through the 2022/23 budget for an Energy Smart Scheme Investment - a total of £4.074m to help our families with the cost of living. The Energy Smart Scheme will offer advice and support to help residents lower their energy bills, as well as practical help to install energy-saving features in homes. This support will be directed to our residents most in need.

The approved funding in August also includes £500,000 to strengthen our existing community food network and ensure essential food provision is available to anyone who requires this support. These actions demonstrate our commitment to creating a fairer and more equitable society in North Ayrshire.



## Aspiring Communities – Areas of Focus

### Active and strong communities

- ◆ We will continue to tackle child poverty and the cost of living by identifying immediate and medium-term actions through community workshops and mini enquiries.
- ◆ We will continue to support our Fairer Food Network, including our 14 community larders.
- ◆ We will develop our new Tenant Participation Strategy 2022-2027.
- ◆ We will refurbish Dreghorn and Fairlie libraries in order to accommodate community partners, strengthening our community hub approach.

### Children and young people experience the best start in life

- ◆ We will implement and embed our new learning, teaching and assessment framework to maximise the quality of educational experience for all learners.
- ◆ We will develop a three-year Raising Attainment Strategy to improve outcomes for all learners and reduce inequity of outcomes, including a focus on accelerating progress in the early stages of primary and early learning settings.
- ◆ We will implement our redesigned targeted approaches to reducing the poverty-related attainment gap.
- ◆ We will refresh our supports and provision to promote good mental health and wellbeing in our children and young people.
- ◆ We will establish an enhanced range of flexible child centred learning provisions, curriculum options and delivery methods that support a wide variety of needs.
- ◆ We will co-create with our children and young people new ways to maximise learner participation and voice.
- ◆ We will continue to actively progress and monitor education new builds and refurbishments.

### Inclusive, growing, and enterprising economy

- ◆ We will implement the Ayrshire Skills Investment plan across Ayrshire to ensure the skills of our residents meet the needs of local businesses in order to support access to good quality jobs.
- ◆ We will support digitally excluded residents through our community hubs and spaces.
- ◆ Through our new 'Quick Quote' process, we will encourage more local small and medium enterprises to apply for our supplier contracts, further supporting Community Wealth Building.
- ◆ We will develop an Ayrshire Regional Economic Strategy focussed on Community Wealth Building.

### Residents and communities, enjoy good, life-long health and wellbeing

- ◆ We will continue to deliver a combination of day services and outreach provision.
- ◆ We will continue to collaborate with North Ayrshire Health and Social Care Partnership, NHS Ayrshire and Arran, Third Sector Interface (TSI) North Ayrshire and Scottish Care to instil the foundations of '[The Promise](#)' in North Ayrshire.
- ◆ We will review the way we offer period products to ensure they are meeting the needs of our communities.

### Residents and communities are safe

- ◆ We will open our new Mental Health Hub, Woodland View, Irvine, early in 2023.
- ◆ We will continue to create Housing First tenancies in order to alleviate homelessness and provide settled accommodation for our residents as soon as possible.

## Inspiring Place – Key Activities

### Well connected with effective Infrastructure

#### *Lochshore*

Completed at the end of summer, we are preparing to open our Lochshore Park Hub on 4<sup>th</sup> October. The Hub will open with a free family fun day with activities for people of all ages to take part in. Our Active Travel connection linking Lochshore Park to the National Cycle Network (NCN7) is also complete with some additional landscaping works to follow. We began construction on our 5km leisure route with completion expected by the end of this year.

Our woodland planting proposals are fully designed and an application for funding is with Scottish Forestry for approval, with ground preparation works anticipated to start late 2022 with 17,632 new trees planted early 2023.

An application to the UK Government's Levelling Up Fund Round Two ('Levelling Up Fund') was submitted in early August, with the outcome expected in the autumn. If approved, this will accelerate the delivery of future phases.

#### *Ayrshire Growth Deal*

**Great Harbour** - Our long-term planning document for the [Great Harbour Project](#) is currently being finalised. Alongside this we are developing our delivery strategy as well as detailing how the funding will be distributed. This will allow us to ensure the project remains within budget.

**Ardrossan Harbour** – Potential design revisions are being informed by consultation events that were held earlier this year. More than 120 written responses were received as part of the consultation process while 60 people attended public events held in Brodick and our library in Ardrossan.

**Ardrossan Marina** – This project has progressed through the preliminary design stage including the exploration of available engineering options. Following a revised costing exercise and current challenging construction market conditions, we are reviewing this project alongside our partners.

**Ardrossan Campus Site** - In response to the challenges faced by construction projects across the country as a result of global economic factors, a revised delivery programme has now been developed

which aims to open the Ardrossan Community Campus development in August 2026.

**Marine Tourism** - Our Cumbrae Transit Marina Outline Business Case is now in development. We are in the process of agreeing the project programme and timeframes related to the Millport Coastal Flood Protection Scheme.

We are currently looking at identifying a suitable location for our Arran Transit Marina. Throughout this process we are engaging with Caledonian Maritime Assets Ltd.

A programme of engagement and consultation has been established with community steering groups on both Arran and Cumbrae to further inform the most appropriate marina operating model.

**I3 Digital Innovation Campus** - Our Phase 1 Full Business Case for the **Digital Processing Manufacturing Centre** was approved by the Ayrshire Joint Economic Committee, alongside the lease agreement for the facility. Works are expected to be completed by mid-January 2023 and we are expecting the Phase 1 facility to be launched prior to end of March 2023.



Our **Flexible Business Space Unit** tender process is complete for Phase 1 with the industrial unit and costs confirmed. Our Full Business Case was prepared and submitted to the Project Management Office, Scottish Government and Cabinet for endorsement. Approval will be sought from the Ayrshire Economic Joint Committee in early December, following which the tender can be awarded.

#### *Electric Vehicles*

We continue to invest in our public Electric Vehicle (EV) charging infrastructure, with the following publicly accessible EV charge point installations commissioned:

- ◆ Ship House car park in Arran - 2 x 7kW EV charge points
- ◆ Beach Drive car park in Irvine - 2 x 7kW EV charge points

The following chargers are expected to be commissioned later in 2022:

- ◆ Skelmorlie Community Centre - 1 x 50kW EV charge point
- ◆ Arran Education Centre as part of the Island Infrastructure Fund - 2 x 7kW EV charge points

We are also working in partnership with East and South Ayrshire Councils, supported by Scottish Futures Trust, as part of a pathfinder project to deliver additional EV charging infrastructure.

#### *Regeneration External Funding*

The following Regeneration Funding Proposals for 2022/23 under the Regeneration Delivery Plan were agreed by Cabinet, including:

- ◆ £1.093m Place Based Investment Programme proposals for 2022/23 and their subsequent implementation.
- ◆ £1.32m Vacant and Derelict Land Fund proposal for 2022/23, the Local Delivery Plan's submission to Scottish Government and their subsequent implementation.
- ◆ £1.385m awards under Strathclyde Partnership for Transport's (SPT) Capital Programme for 2022/23 for active travel and public transport improvements and their subsequent implementation.
- ◆ £0.86m Cycling Walking and Safer Routes proposals for 2022/23 and their subsequent implementation.

We have submitted the following applications for external funding:

- ◆ Two applications to Round 2 of the Levelling Up Fund were submitted for Lochshore Park and a joint North and South Ayrshire Council Commercial Estate Low Carbon Infrastructure project.
- ◆ Two applications to the Scottish Government's Vacant and Derelict Land Investment Programme for the King's Arms Redevelopment and Town Centre Living Pilot projects in Irvine. The King's Arms has now progressed to a stage 2 application to be submitted in November. Feedback and

alternative funding options to support our Town Centre Living pilots are being assessed.

The following projects are ongoing:


- ◆ Development of the B714 Upgrade project utilising Levelling Up Fund monies and our Council's Investment Fund. Landowner and stakeholder consultation is informing development of the next stage (the Outline Business Case).
- ◆ Delivery of the approved £0.259m Islands Infrastructure Fund projects including Mountain Rescue car park upgrade, layby upgrades and new EV charging points (see EV charging (left)).
- ◆ Delivery of the £1.96m Ardrossan Low Carbon Hub and Ardrossan Connections projects in partnership with Sustrans.
- ◆ Delivery of the UK Government Community Renewal Fund (CRF) funded projects to pilot a Place Framework approach in our town centres and the Islands Green Programme. Both proposals have involved extensive public and stakeholder consultation and engagement.
- ◆ Launch of the second round of the Repurposing Property Grant Fund to support landowners and communities to bring vacant land and properties back into positive use.

#### *Road Assets*

Our second phase of the implementation of our new asset management system that will help us manage the condition of our roads is progressing. This will include the introduction of mobile working for operational teams providing a more effective and efficient means of managing reactive and routine works.

#### *Digital Connectivity*

The current percentage of our properties with access to superfast broadband in North Ayrshire is 97.44% (Scotland-wide figure is 95.30%). Whilst the percentage of properties has not increased significantly in the last 12 months, the average available download and upload speed has improved significantly. The mean download speed has more than doubled in a year and is now 88 Mbps. The mean upload speed has doubled to 15 Mbps. Though we cannot directly influence this rollout, we monitor it as it impacts directly on our residents and local businesses.



Public Wi-Fi is also now available in 23 of our community venues and was accessed by 48,558 users between April and September 2022.

### Homes that meet residents' needs

We have completed 79 new homes at the unique St Michael's Wynd development site in Kilwinning, bringing a diverse range of homes to the area. This development includes 43 homes (including nine designed for residents with wheelchairs), 24 sheltered houses, 10 supported accommodations with a 24-hour employee base and two amenity bungalows. The St Colm's Sheltered Housing unit in Largs is complete and will provide 29 new accessible homes for older people. Work has also commenced on the nearby former Largs Police Office (Court Street) site.

Our officers from Housing, Legal and Finance have been working closely with Scottish Futures Trust (SFT) around the financial modelling for the 'HOME' alternative affordable housing model and to establish and mitigate the financial risk. Costs have been updated to reflect the current situation with regards to inflation, which has made the scheme unaffordable. In addition, SFT worked with the Scottish Government regarding the classification of tenancy and ownership. They have confirmed they wouldn't recognise it as a shared ownership scheme. Further work is required to establish the most appropriate way forward.

Our Private Sector Team dealt with 136 property condition complaints between April and September. 61 of these cases have been resolved, with the remainder of the owners and landlords working with the Private Sector Team to bring the properties up to standard. 11 of these private properties failed to meet the tolerable standard (the basic level of repair for a property to be fit to live in).

### Vibrant, welcoming and attractive environment

We secured an additional £509,000 of grant funding from the Scottish Government Islands Programme to support the Phase 2 restoration of Millport Town Hall. This funding will help fund the creation of office and community space, conservation centre, permanent Men's Shed and small community garden. Phase 1 of the restoration (£2.3m) is progressing well.

As part of the same round of funding – aimed at supporting islands-based projects relating to climate change, population retention and tourism – the Scottish Government committed £540,000, supported by further funding of £60,000 from our Council, for the redevelopment of island toilet buildings on both Arran and Cumbrae. These Island Pit Stops are eco-designed buildings with landscaped outdoors space offering visitors sustainable and efficient amenities. Consultation and engagement will be undertaken with our local communities, stakeholders and Elected Members on Arran and Cumbrae to help shape the detailed development of the proposals.

Our residents in Largs, Saltcoats and Kilwinning are taking part in a pilot project to shape their towns through a Place Framework. This framework identifies the priorities and projects needing addressed in each area. Funded by the UK Government's Community Renewal Fund and the Scottish Government's Place Based Investment Programme, a series of emerging projects and ideas have been identified through discussions with our communities and stakeholders, including during our public engagement events in the towns in May, June and August 2022.

### A sustainable environment

We continue to progress with delivery of our two solar farm developments, initiating the procurement process in July 2022 for a design and build contractor, with a view to appointment in early 2023. Following allocation of budget from the Council's Investment Fund, we are developing a range of sustainability projects for implementation, including proposals for further energy efficiency investment in our building estate for delivery in 2023/24.

Our bulky waste reuse partner Cunninghame Furniture Recycling Company (CFRC) is now collecting and sanitising mattresses as part of a new initiative to improve opportunities for their reuse, funded through a successful bid to the Scottish Government's Recycling Improvement Fund.

Two new local strategies are under development and will be the subject of consultation in 2022, with final recommendations and plans coming forward for approval in early 2023. The local Transport and Active Travel Strategy and the Vacant and Derelict land Strategy will be considered by Cabinet in Spring 2022.

## Inspiring Place – Case Study

### Making Waves Festival

The RAF Red Arrows, Del Amitri, Red Hot Chilli Pipers and Twin Atlantic were among the entertainment at our first ever Making Waves Festival in Irvine on 23<sup>rd</sup> and 24<sup>th</sup> July. As well as the concerts, a range of free activities drew crowds to the waterfront event which was organised by North Ayrshire Council, Event Scotland, the Scottish Maritime Museum and local music promoters Freckfest.



The world-renowned RAF Red Arrows took to the sky for a spectacular aerobatic display, having last performed above Irvine in 1993 during a BBC Radio 1 Roadshow.

Our Maritime Museum welcomed thousands for a fantastic Ayrshire Makers Market along with free entry to a Sea Monsters exhibition and family fun fair.

More fun on and off the water included fairground rides, paddleboarding and activity stalls which all ages could enjoy.

Our harbourside's cafes and bars provided attendees with a great range of food and drink, some staying open for extended hours over the weekend.

The economic impact report on the event shows that over 25,000 people turned out to view the Red Arrows display, enjoy the music and/or visit the Scottish Maritime Museum and other attractions along the Harbourside. In summary:

- ◆ Gross Direct Spend £1.1m
- ◆ North Ayrshire Net Direct Spend £0.7m
- ◆ North Ayrshire Net Additional GVA £0.3m
- ◆ Seven Net full time equivalent (FTE) jobs created

Ratings for the Festival were overwhelmingly positive, particularly relating to the staff and volunteers and the live music. Some of the comments left on social media included:

***"Massive credit to North Ayrshire Council. What a set up. What a line up. What a great festival"***

***"Fab day, great atmosphere and everybody just having fun... lovely to see all the kids having a great time as well"***

***"Brilliant I had two nine year olds with me they absolutely loved it, danced the whole time"***

## Inspiring Place - Areas of Focus

### Well connected with effective infrastructure

- ◆ We will explore an alternative route for the Brodick to Corrie Cycle Path.
- ◆ We will commission electric vehicle charging points in Skelmorlie and Arran.
- ◆ We will launch our Phase 1 facility at I3 Digital Innovation Campus.
- ◆ We will formally launch the Lochshore Park Hub with a community event.
- ◆ We will seek approval for the Flexible Business Space Unit from the Ayrshire Economic Joint Committee.
- ◆ We will complete the construction of the 5km leisure route and play areas as part of our Lochshore Regeneration Project.

### Homes that meet residents' needs

- ◆ We will explore options for an alternative affordable housing model.

### Vibrant, welcoming and attractive environment

- ◆ We will finalise our Open Space Strategy update and accompanying Open Space Asset Management Plan.
- ◆ We will finalise our Litter, Fly Tipping and Dog Fouling Prevention Strategy to align with the Scottish Government's updated national strategy.

### A sustainable environment

- ◆ We will progress the next steps of our 'remakery' project to increase the level of re-use and repair.
- ◆ We will continue to clarify and report transparently on our emissions so that the North Ayrshire emissions baseline is clearly understood. This will be outlined in our Public Bodies Climate Change Duties Report and Review of North Ayrshire Environmental Sustainability and Climate Change Strategy 3 Report presented to Cabinet in November.



## A Council for the Future – Key Activities

### An accessible Council that puts residents and communities at the heart of what we do

We successfully delivered the Local Government Elections on Thursday 5 May 2022 with a turnout of 44%. The votes cast were counted electronically at the Portal, High Street, Irvine on Friday 6 May 2022 and returned 33 Councillors for our area.

Our Accessing our Council programme is progressing. We are initially focusing on shifting many of our services online, while being mindful of digital exclusion and protecting non-digital access. We are working to rationalise contact details to make it easier for our residents and partners to contact appropriate services. This work strongly links into the 'No Wrong Door' approach of our Tackling Child Poverty and the Cost-of-Living Board.

We have developed a dedicated '[Cost of Living Support](#)' page on our website where residents can immediately see support provided by our Council and can directly access the information.

The Scottish Public Services Ombudsman (SPSO) has published their Annual Performance Report 2021-22 which highlights how public services are handling complaints in their area. For our Council, none of the 24 complaints sent to the SPSO were taken to the investigation stage. They were resolved at either the 'advice' or the 'early resolution' stage. Of the 24 complaints, 17 were closed under the 'early resolution' stage with nine (53%) categorised as good complaint handling. This demonstrates that we have robust complaint handling procedures in place.

### An efficient Council that maximises resources and provides value for money

Our procurement process has been revised to ensure more local businesses are able to quote for lower value goods and services through the Quick Quote process. Full details are available in the Procurement section above.

New mobile technology has been purchased for our domestic refuse collection vehicles, which will

improve the service information that is available to our Customer Contact Centre and our residents.

Work is continuing to progress the Single Use Plastics Waste Prevention Action Plan following the ban on certain single-use plastics on 1<sup>st</sup> June. A three-phase communication plan which links to the Environmental Sustainability and Climate Change Strategy is ongoing to encourage our employees and residents to be 'Plastic Smart'.

### A valued workforce that delivers high quality services

We continue to promote our employee wellbeing programme '**LiveWell**' which now includes a new 'SaveWell' theme providing advice on energy saving, affordable loans, accessing affordable food, white goods, housing support, financial pressures and mental health advice.

We have paid the Real Living Wage since 2011 and have committed to paying the new rate of £10.90 per hour seven months early to help support our employees through the current cost of living crisis. This will benefit 961 employees in predominantly frontline roles.

We held our first in person Leadership Conference since the Covid-19 lockdown. The event in June raised awareness of the symptoms and effects of child poverty and aimed to identify key ways for our services to work together and support some of our most vulnerable young people and their families.

In September, we achieved the Disability Confident: Level Three Leader award. This demonstrates our commitment to our employees who have a disability. Disability Confident encourages employers to think differently about disabilities and encourages them to take action to improve how they recruit, retain and develop employees with disabilities

We committed to the Miscarriage Association's Pregnancy Loss Pledge, encouraging a supportive workplace where people feel safe and can discuss pregnancy and/or loss without fear of being disadvantaged. We are providing employees and managers with a range of updated resources and guides.

## A powerful and respected voice

### *Equality and Inclusion*

We jointly held the first ever Hate Crime Conference in Ayrshire, which was delivered by the Ayrshire Equality Partnership (AEP). The AEP includes all three Ayrshire Councils (North, East and South), NHS Ayrshire and Arran, Police Scotland, Scottish Fire and Rescue and the Procurator Fiscal. The conference allowed partners to come together to share their experiences in tackling Hate Crime, sharing best practice as well as resources that are available for organisations to help them support victims of Hate Crime.

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## A Council for the Future - Areas of Focus

### **An accessible Council that puts residents and communities at the heart of what we do**

- ◆ We will implement our new Customer Portal that will be fully integrated with the National MyAccount. This will include upgrading Housing Rent and Council Tax account access.
- ◆ We will renew our Public Services Network Compliance Certificate.
- ◆ We will deliver our Accessibility Approach to all Council Services to raise awareness of Digital Accessibility, ensuring all our services are accessible to our residents.
- ◆ We will review our current hybrid system provision for committees and improve the future delivery of hybrid meetings.

### **An efficient Council that maximises resources and provides value for money**

- ◆ We will continue to progress our “Accessing Our Council” project, to ensure our services are as accessible as possible. This includes reviewing and streamlining our transactions, such as forms and systems.

### **A valued workforce that delivers high quality services**

- ◆ We will produce and collate information on Mental Health Awareness to ensure a single point of contact and produce guides for employees.
- ◆ We will continue to develop our LiveWell Programme which offers employees a range of Health and Wellbeing Activities.

### **A powerful and respected voice**

- ◆ We will continue our work with the Improvement Service, Social Security Scotland and Glasgow City Council on a data sharing pilot to help address poverty in our communities.
- ◆ We will strengthen our Business Continuity Planning with services and trade unions.
- ◆ In partnership with the Scottish Government and other councils, we will take forward the procurement and implementation of an externally provided Security Operations Centre.

# Performance Summary

Where performance indicator information is pending, the most recent status up to 2020/21 year end is used. Indicators and actions adrift of target and not previously reported are detailed on the next page.

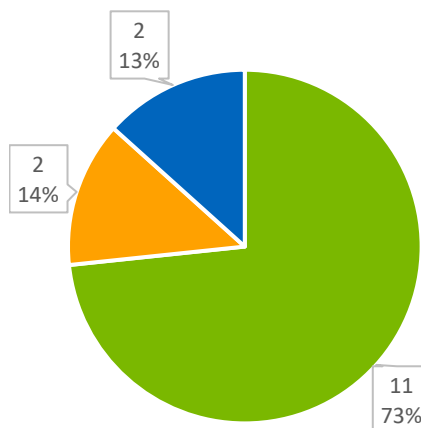
## Legend

On Target / Complete  
Slightly Adrift of Target  
Significantly Adrift of Target  
Status Unknown / Data Only

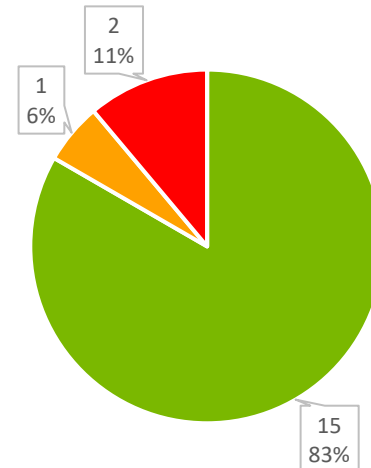
### Aspiring Communities

- ◆ Active and strong communities
- ◆ Children and young people experience the best start in life
- ◆ Inclusive, growing and enterprising local economy
- ◆ Residents and communities enjoy good life-long health and well-being
- ◆ Residents and communities are safe

Performance Indicators



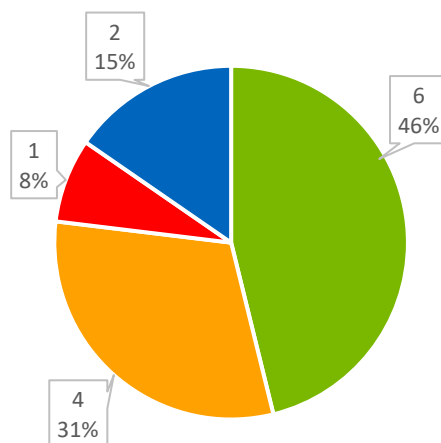
Actions



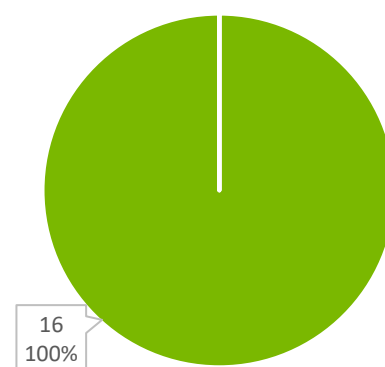
### Inspiring Place

- ◆ Well connected with effective infrastructure
- ◆ Homes that meet residents' needs
- ◆ A vibrant, welcoming and attractive environment
- ◆ A sustainable environment

Performance Indicators



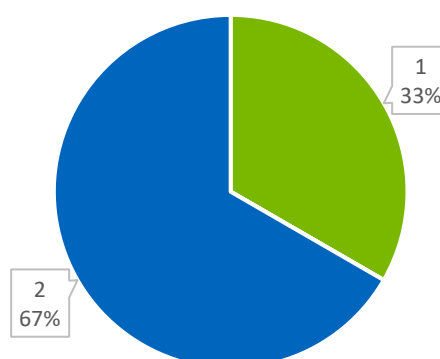
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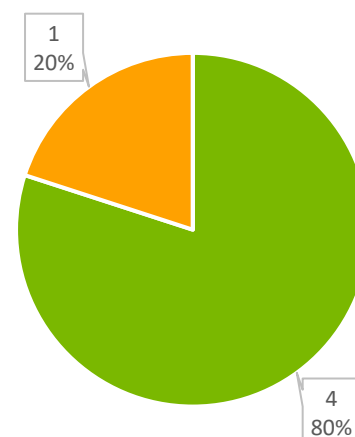
### A Council for the Future

- ◆ An accessible Council that puts residents and communities at the heart of what we do
- ◆ An efficient Council that maximises resources and provides value for money
- ◆ A valued workforce that delivers high quality services
- ◆ A powerful and respected voice

Performance Indicators



Actions



## Performance Indicators Adrift of Target

This section details the performance indicators adrift of target and the action being taken to address performance. Due to expected data lags the most recent data may relate to previous time periods but may only now be available to report. To avoid duplication, only data that has not previously been reported to our Cabinet is included in this section.

*The current status of the following indicators is being reported for the first time, however the data relates to 2021/22;*

### ▲ CP\_10a % of Procurement Spent on Local Enterprises

The 2021/22 local enterprise spend percentage was 22.93%, which is lower than the target of 24%, however performance has improved over the past two years and this represents the highest percentage of spend with local businesses since 2017/18 (when it was 23.04%). 2021/22 performance also represents the second highest proportion of spend with local suppliers since we began recording this measure in 2015/16. We continue to embrace Community Wealth Building by supporting local suppliers, such as through our revised Quick Quote procedures detailed above.

### ● CP\_26 Tourism Visitor Numbers

This figure has become available since our Year End report and relates to the 2021 calendar year. The number of visitors to North Ayrshire has increased as Covid-19 restrictions eased during this period. Due to the restrictions in 2021, it is still below pre-pandemic levels, however we have plans in place which include events to attract tourism back to North Ayrshire.

*The current status of the following indicator relates to mid-year 2022-23:*

### ▲ CP\_27 Street Cleanliness Index - % Clean (LGBF)


Performance has reduced from 91.34% in 2020/21 to 86.3% as at September 2022, however the most recent figure is provisional as final figures are provided through the Local Government Benchmarking Framework (LGBF) in February 2023. To help address performance, we have ordered larger capacity street bins and an evaluation of our existing street cleaning schedule has been completed. A pilot is underway to target poor performing streets with an increased frequency of cleaning backed up by litter educational campaigns in these areas.

## Performance Indicators - Additional Information

### ✔ CP\_08 % of Children Living in Poverty (After Housing Costs)

The most recent child poverty figures from the Child Poverty Action Group were published on 12th July 2022 and relate to 2020/21. This most recent data release appears to show that the percentage of children in poverty in North Ayrshire has reduced to 24.7% during 2020/21 compared to 27.9% the year before. This would mean it is close to levels in 2014/15, however there are concerns around the accuracy of the 2020/21 figure due to the pandemic. Therefore, it is appropriate to highlight this measure in this report despite it being seen as on target.

The decrease seems unusual due to the expected impact of the pandemic. These figures are sourced from Loughborough University and are based on the Department for Work and Pensions (DWP) figures which come with a [caveat](#) that they are impacted by Covid-19 (whereas 2019-20 figures were unaffected). Due to the pandemic, the method for gathering this information changed from focus groups to telephone calls (meaning it wasn't possible to verify if actual documents such as payslips etc. were referred to during discussions) and the sample size was also affected. As a result, the UK Government states "We recommend that all users consider using the caveat: 'Data collection for FYE 2021 was affected by the coronavirus (Covid-19) pandemic. Figures for FYE 2021 are subject to additional uncertainty and may not be strictly comparable with previous years.'"



In addition, the figures on the [UK Government](#) website show we have the second highest proportion of children aged under 16 years old in relative or absolute low income families (as at year end 2021), behind Glasgow City Council.

Addressing child poverty is a key aim of our Council as detailed throughout this report. In addition, we are developing a suite of local indicators that will support decision making as part of our Child Poverty Action Plan 2023-26.

## Performance Indicator Amendments

**CP\_01 % of population who are involved in local decision making (as a percentage of the population)** was introduced in 2019 as an attempt to quantify our communities' participation in decision making. However, it is not possible to fully exclude potential duplication and as a result the figures could be misleading. To ensure our measures are as accurate as possible we are deactivating this indicator. Participation is central to our Council Plan and will continue to be managed through our Council Plan reporting, particularly via sub action "CP-SUB-04 We will extend and mainstream our participatory approach to offer communities, including young people, more opportunities to lead in local decision-making".

Following the removal of **CP\_12 Percentage of learning disability service users accessing employment support activities** (as detailed in the Year End Progress Report and approved by Cabinet), we have identified two replacement indicators that capture our supported employment activities. **CP\_12a Number of unemployed residents with a disability supported**, and **CP\_12b Number of unemployed residents with a disability supported into employment** will demonstrate the current support that is in place and the results of that support in terms of enabling residents with additional needs to access employment.

As agreed by Cabinet in our 2021-22 Year End Council Plan Progress Update report, we are currently working with the HSCP to identify a replacement for the discontinued indicator **CP\_13 Percentage of children with BMI centile >91 at 27 month review**. This will now be detailed in our Year End Progress Update report.

**CP\_29 Overall carbon emissions (tonnes)** – Provisional figures for 2021/22 have been updated as more information has been made available. This has changed the year end status of 2021/22 reported in our Year End Progress Report from significantly adrift of target (red) to slightly adrift of target (amber).

## Actions Adrift of Target

Within our Council Plan Delivery Plan overall actions are supported by sub actions. Officers provide an update on activity for each sub action and an estimate of the current status (red, amber or green). Discussions between the Corporate Policy, Performance and Elections Team and the service, followed by constructive scrutiny by the Executive Leadership Team, inform the status of the overall action. As a result, we are confident the statuses accurately reflect our position. This section highlights the reasons for underperformance within each action and efforts being made to remedy it. An overview of action performance can be shown in appendix three of this report.

	<b>CP_05 We will expand our learning and childcare estate, including ensuring all eligible children are able to access 1140 hours of free childcare each year</b>
	<p>CP-SUB-08 Deliver major educational new build and refurbishment projects aligned to Scotland's Learning Estate Strategy: "Connecting People, Places and Learning"</p> <p><i>All large scale capital projects across our Learning Estate have been adversely affected by external factors including the Covid-19 pandemic and global economic factors. However, all eligible children in North Ayrshire are currently receiving 1140 hours of free childcare.</i></p> <p><i>Due Date 30<sup>th</sup> June 2022</i></p>
	<p>CP-SUB-09 Develop an Outdoor Play Strategy to support Early Years Practitioners to provide excellent learning and developmental opportunities</p> <p><i>(Complete – no remedial note required)</i></p>
	<b>CP_15 We will let people decide how best to manage their own care needs and support people to live in their own homes for as long as possible.</b>
	<p>CP-SUB-32 Grow Care At Home capacity</p> <p><i>(Due 31<sup>st</sup> March 2022. It is proposed to extend due date to March 2024, see "Action Amendments" section below.)</i></p> <p><i>Our Care at Home recruitment campaign has been very effective in growing the workforce, this has been facilitated through TV and radio advertising, leaflet drops and social media campaigns. For the year to September 2022, 57 events were held across North Ayrshire with 365 people offered employment as a result. Care at Home is an area of high turnover but overall in North Ayrshire the workforce has grown over the period. Work remains ongoing to continue to grow the service to fully meet the demand for care in the community.</i></p>
	<p>CP-SUB-33 Prioritise Day Services Model and Support for Carers.</p> <p><i>(Due 31<sup>st</sup> March 2022. It is proposed to extend due date to March 2023, see "Action Amendments" section below.)</i></p> <p><i>The Partnership's inhouse Day Services commenced a careful phased period of re-opening on 6 June 2022 and have re-opened Day Services in all of the localities on the mainland. The Day Services are now successfully delivering a mix of day services and outreach provision.</i></p> <p><i>There is a programme of work underway to improve carer identification, information and support services in North Ayrshire in line with the Carers Act. A range of plans are in place to expand the reach of carers information, assessment and support, how to involve more carers in collaborative decision making and getting resources (both personnel and financial) to carers more quickly. Proposals which have been formed in collaboration with the Carers Advisory Group include increasing staffing capacity, payments to carers with completed assessments, a softer approach to assessment and support, support for young carers in partnership with KA Leisure and Active Schools, the service specification for the future Carers Service and support for involving carers in discharge planning.</i></p>
	<p>CP-SUB-34 Prioritise integrated Island services, including unscheduled care.</p> <p><i>Recruitment is ongoing to the new and enhanced integrated roles on the island, staff accommodation remains a challenge, a solution to this is being</i></p>

(Due 31<sup>st</sup> March 2022. It is proposed to extend due date to March 2023, see "Action Amendments" section below.)

progressed and expected to positively impact on recruitment and mainland support to Arran services from February 2023.

CP-SUB-35a We will help individuals to have better choice and control of their support at an early stage by reinvestigating Self-Directed Support.

Good progress is being driven by a Self-Directed Support (SDS) Learning Review Board which was established in June 2022 and is led by senior employees and external interested partner stakeholders. The review was commissioned by the Chief Officer and Chief Social Work Officer to explore the implementation and delivery of SDS.

The review will provide strategic guidance and oversight to co-ordinate recommendations made as a result, by identifying and supporting opportunities to:

- Increase Social Work capacity to meaningfully deliver self-directed support.
- Maintain staff wellbeing, both physical and psychological.
- Provide assurance to legislative and regulatory bodies that safe practice is supported by good governance.

(Due 31<sup>st</sup> March 2022. It is proposed to extend due date to March 2023, see "Action Amendments" section below.)

## CP\_16 We will work with individuals and communities to support positive lifestyle choices which improve health and wellbeing.

CP-SUB-36 We will provide opportunities for people to be more active more often, through the Active Communities Strategy

(On target – no remedial note required)

CP-SUB-37 We will work with Scottish Government as a trailblazer site for the whole systems approach to diet and healthy weight (public health priority)

The work of the Trailblazer was paused at national level as employees in Public Health were focused on the pandemic response and seconded elsewhere. During this time Lead Officers have attended the regular Catch Up and Skills Sharing events to keep abreast of developments across the sector. Work has now been reactivated and officers have been involved in active discussions with partners.

Since early July there has been engagement with KA Leisure, partners in the Active Communities Strategy and the CPP Board to develop a North Ayrshire Wellbeing Alliance. The Alliance will be led KA Leisure and its responsibilities will be to deliver the Wellbeing priority in the Local Outcomes Improvement Plan. Other work that has clear strategic links with a whole systems approach to diet and healthy weight includes: The development of North Ayrshire's Fairer Food Network of community larders; and the renewal of the four year strategic partnership agreement between the Council, North Ayrshire's Active Schools and sportscotland, with an enhanced capacity to support diversity and inclusion.

(Due 31<sup>st</sup> March 2022. It is proposed to extend due date to March 2024, see "Action Amendments" section below.)

CP-SUB-38 Prioritisation of children and young people receiving support from Child and Adolescent Mental Health Services.

(Due 31<sup>st</sup> March 2022. It is proposed to extend due date to September 2023, see "Action Amendments" section below.)

The HSCP and wider partners are working together to improve access to Child and Adolescent Mental Health Services (CAMHS) and alternative community supports to improve access for assessment and treatment for young people. CAMHS, which is an NHS service, has seen referrals to increase month on month with demand now having doubled, the vast majority of these being for Neurodevelopmental Assessment and diagnosis.

Accommodation has been secured and supported by North Ayrshire Council to host the CAMHS Neuro Service and Community Eating Disorders Service at West Road in Irvine. This is an exciting opportunity to redesign a facility with the concept of neurodiversity in mind and the recommendations of the National Review of Eating Disorders Services.

 <p>CP-SUB-39 Prioritise community mental health services supporting people within their communities. (Due 31<sup>st</sup> March 2022. It is proposed to extend due date to March 2024, see "Action Amendments" section below.)</p>	<p>Demand and capacity continue to remain challenging across mental health services. The Community Mental Health Team has been supported with funding for social work capacity to recruit to additional Mental Health Officers (MHO), Social Work and Social Work assistant posts, this resource is essential to meet the growing demand and complexity of need in our communities.</p> <p>The Scottish Government allocated a Communities Mental Health and Wellbeing Fund which was distributed by Third Sector Interfaces (TSIs) to communities across Scotland. This is to support adults through community based initiatives to help address the impact of distress and mental ill health caused by social isolation and loneliness, as well as addressing mental health inequalities made worse by the Covid-19 pandemic. The funding has been critical to the recovery of local communities.</p>
 <p>CP-SUB-40 We will place Mental Health Practitioners into GP practices to offer triage calls, urgent and routine face to face assessments as well as directing patients to the most appropriate support without unnecessary referrals to mental health services. Due Date 31 March 2022</p>	<p>The expansion of Mental Health Practitioners into GP practices is currently on hold pending confirmation of funding from the Scottish Government. This was anticipated as part of the £120m investment as part of the Mental Health Recovery and Renewal Fund but has been paused given other financial pressures. Plans have been developed in anticipation of funding being released.</p>
 <p>CP-SUB-41 We will improve emotional and mental health and wellbeing through physical and social participation in community activities, including for young people.</p>	<p>(On target – no remedial note required)</p>
 <b>CP_38 We will use technology to improve access to and delivery of our services</b>	
 <p>CP-SUB-90 Implement cloud solutions where appropriate giving consideration to business need, solution availability, viability of business cases, cyber security and information governance.</p>	<p>(On target – no remedial note required)</p>
 <p>CP-SUB-92 Deliver Cyber Resilience Digital Services to support technological innovation and provide confidence in the security of our infrastructure, data management and technology.</p>	<p>(On target – no remedial note required)</p>
 <p>CP-SUB-93 We will review, refresh and re-launch the Digital Strategy taking account of learning from the Covid-19 pandemic. (Due Date 31<sup>st</sup> March 2022)</p>	<p>A draft updated strategy is being reviewed following engagement with businesses, learners and tourism.</p>
 <p>CP-SUB-94 We will work collaboratively with our communities to streamline the benefits process – helping residents maximise income opportunities and build relationships to support them.</p>	<p>(On target – no remedial note required)</p>

## Action Amendments

To ensure transparency, where the Corporate Policy, Performance and Elections Team in partnership with services feel an alteration to an action may result in more effective performance management, these recommendations are listed below.

Many of the actions relate to the Education Services Plan as it is revised during the summer (end of the academic year) but links into our Council Plan. It is therefore appropriate to update the Council Plan sub actions relating to our Education Service in this mid-year report.

### *Proposed New Sub Actions – Education*

- ✓ Overall Action: CP\_06 - We will support our children and young people to become successful learners, confident individuals, effective contributors and responsible citizens.

New proposed sub-actions:

1. Extend play methods and teaching practices from early years into Primary One and Two, through a pilot programme in identified schools. (Due 30th June 2023)
2. Promote progressive and interdisciplinary outdoor learning experiences with a focus on sustainable development goals, directly related to our Environmental Sustainability and Climate Change Strategy. (Due 30th June 2023)
3. Deliver a range of facilitated programmes and bespoke sessions, to support the leadership development and enhance skills in context of education practitioners across all sectors. (Due 30<sup>th</sup> June 2023)
4. Develop a three-year Raising Attainment Strategy to improve outcomes for all learners and reduce inequity of outcomes, including a focus on accelerating progress in early primary and Early Learning Centres following implementation of 1140 hours of childcare. (Due 30th June 2023)
5. Develop an improving outcomes strategy (and action plan) for care experienced learners. (Due 30<sup>th</sup> June 2023)
6. Establish an enhanced range of flexible and child centred learning provisions, curriculum and delivery methods to meet a wide variety of support needs. (Due 30th June 2023)
7. Deliver our Education Service's capital project programme for the 2022-23 academic year to ensure high quality learning environments for all learners. (Due 30th June 2023)

- ✓ Overall Action: CP\_07 - We will offer opportunities to our young people and their families to play a more active role in school life and encourage more participation in learning opportunities.

New proposed sub-actions:

1. Co-create with our children and young people new ways to maximise learner participation and voice, as well as create a new Learner Participation Policy. (Due 30th June 2023)
2. Implement locally the revised 'Learning Together' Scottish Government parental involvement and engagement action plan. (Due 30th June 2023)
3. Continue to work collaboratively with establishments through the Family Learning Team and offer a wide range of opportunities that enhance family learning in establishments. (Due 30th June 2023)

- ✓ Overall Action: CP\_08 - We will work with our young people to build their resilience, supporting their mental and physical wellbeing.

New proposed sub-actions:

1. Assist education establishments to implement the national mental health and wellbeing Whole School Approach, including curricular, professional learning and parental supports. (Due 30th June 2023)
2. Review approaches to promoting positive relationships and whole school nurture and continue to adapt our approaches based on an analysis of need. (Due 30th June 2023)
3. Support a range of targeted nurturing approaches, including nurture groups that will continue to develop the social and emotional skills of identified children and young people so that they are able to be included and nurtured within their local community. (Due 30th June 2023)

- ✓ **Overall Action: CP\_09 - We will work with schools, colleges, universities, businesses and partners to deliver education, skills and training, helping people into work and sustaining employment.**

New proposed sub-actions:

1. Through Developing the Young Workforce (DYW) co-ordinators and other partners, embed approaches to planning, supporting and tracking post-school destinations for all school leavers. (Due 30th June 2023)
2. Refresh and strengthen the focus of the school-college partnership and provide enhanced opportunities for achievement, e.g., through the Regional Improvement Collaborative, in the senior phase. (Due 30th June 2023)
3. Design tailored programmes with partners to provide enhanced support for specific groups of school leavers, including those with identified needs. (Due 30th June 2023)

- ✓ **Overall Action: CP\_10 - We will make sure that everyone has the ability and knowledge to participate in the digital world.**

New proposed sub-action:

- Develop an Education Digital Skills Strategy and support establishments to achieve Digital Schools status, ensuring that digital technologies are a central component of our approaches to quality learning and teaching. (Due 30th June 2023)

## Sub-Action Amendments

### ▲ **CP-SUB-32 - Grow Care at Home Capacity**

This is an ongoing action, therefore it is proposed the end date is extended from 31<sup>st</sup> March 2022 to 31<sup>st</sup> March 2024.

### ▲ **CP-SUB-33 - Prioritise Day Services Model and Support for Carers.**

This is a longer term action, therefore it is proposed the end date is extended from 31<sup>st</sup> March 2022 to 31<sup>st</sup> March 2023.

### ▲ **CP-SUB-34 - Prioritise integrated island services, including unscheduled care.**

Expected developments in this area mean extending this action from 31<sup>st</sup> March 2022 to 31<sup>st</sup> March 2023 will better reflect performance.

### ▲ **CP-SUB-35a - We will help individuals to have better choice and control of their support at an early stage by reinvigorating Self-Directed Support.**

Following the establishment of A Self-Directed Support (SDS) Learning Review Board in June 2022 and resulting change in scope for this action, it is proposed this sub-action is extended from 31<sup>st</sup> March 2022 to 31<sup>st</sup> March 2023.

### ▲ **CP-SUB-37 - We will work with Scottish Government as a trailblazer site for the whole systems approach to diet and healthy weight (public health priority).**

This work was paused due to the involvement of Public Health partners in the pandemic and resulting secondment of partners to other roles. However, it has recently recommenced and we now have a better understanding of the expected due date. It is proposed this sub-action is extended from 31<sup>st</sup> March 2022 to 31<sup>st</sup> March 2024.

### ▲ **CP-SUB-38 - Prioritisation of children and young people receiving support from Child and Adolescent Mental Health Services.**

Expected developments including opportunities to host services at West Road, Irvine, mean extending this sub-action's due date from 31<sup>st</sup> March 2022 to 30<sup>th</sup> September 2023 will better reflect performance.

### ▲ **CP-SUB-39 - Prioritise community mental health services supporting people within their communities.**

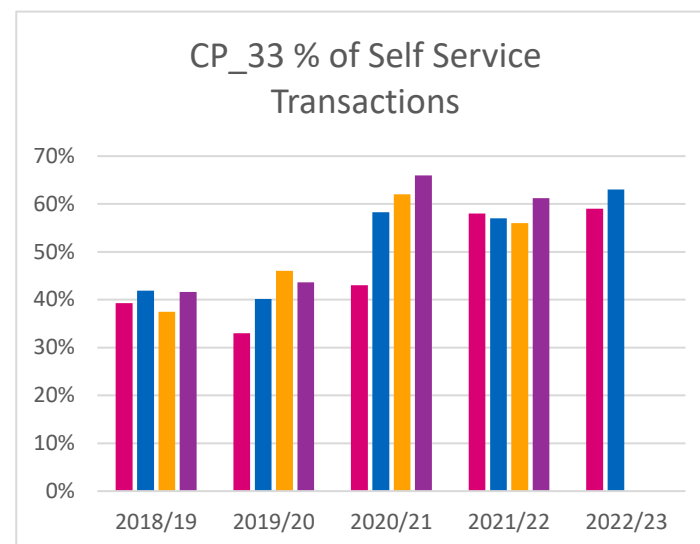
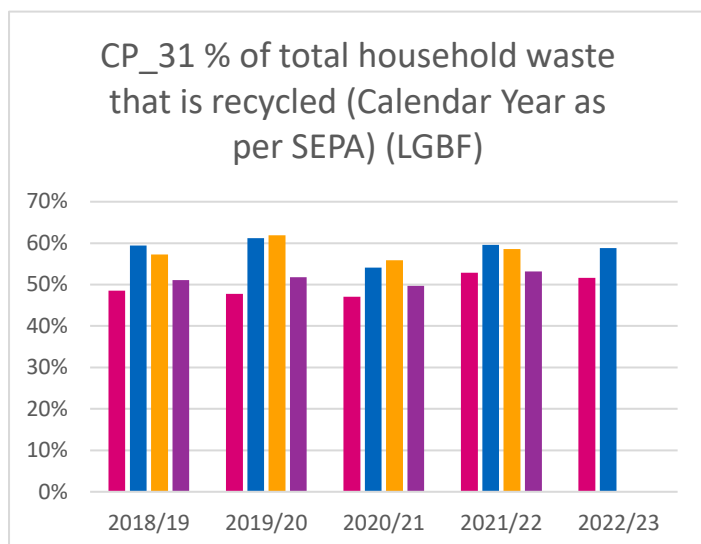
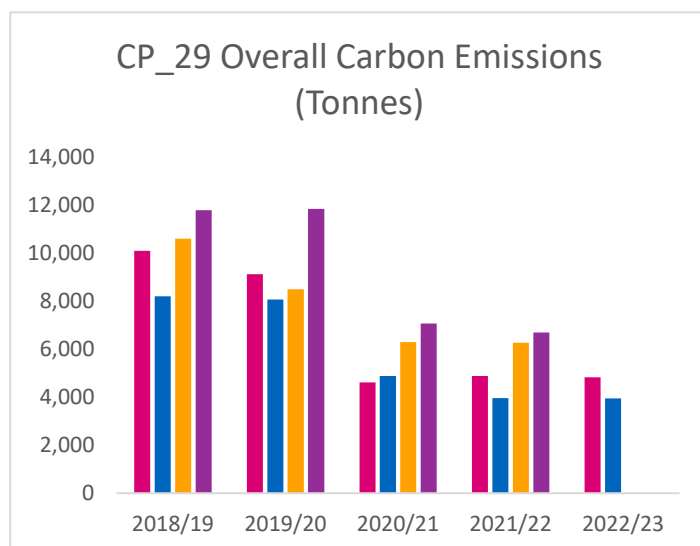
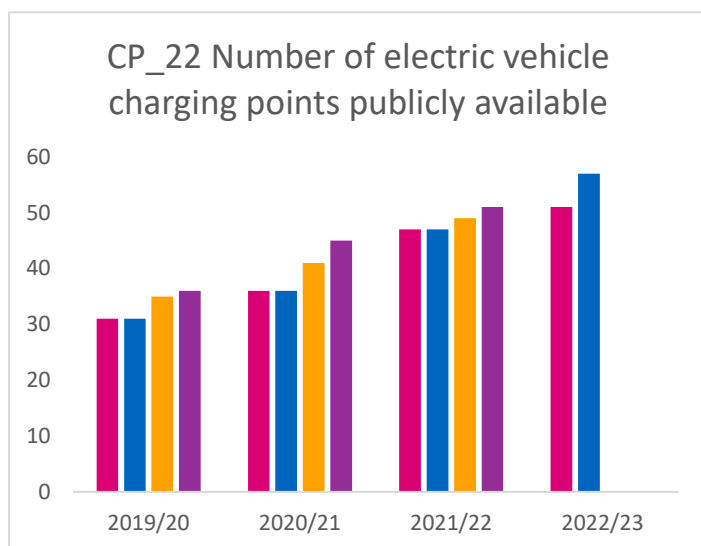
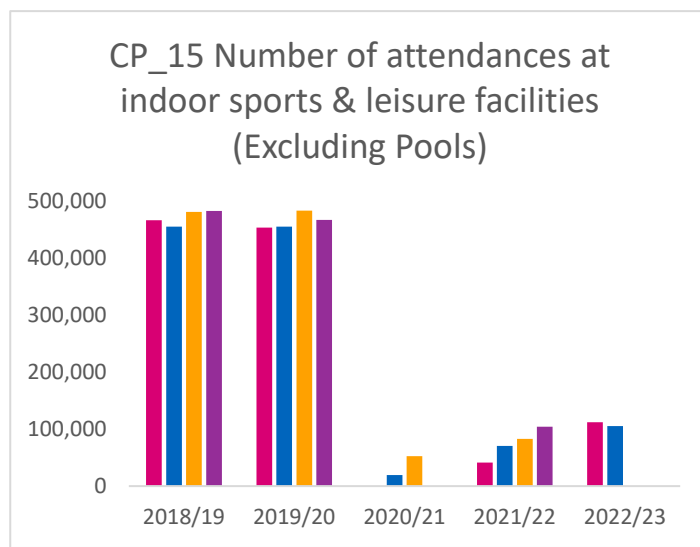
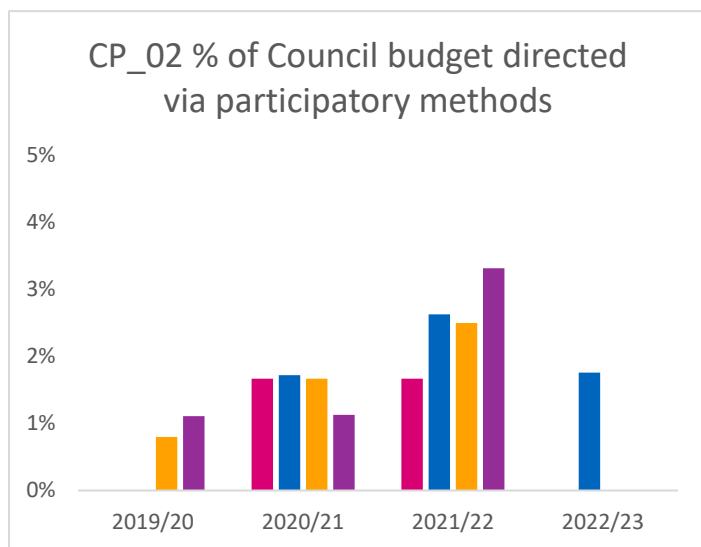
This is an ongoing action, therefore it is proposed the end date is extended from 31<sup>st</sup> March 2022 to 31<sup>st</sup> March 2024.

### ✓ **CP-SUB-42 Work closely with colleagues in Acute Services and Police Scotland to address the levels of unscheduled care in mental health.**

It is proposed the end date is extended from 31<sup>st</sup> March 2022 to 30<sup>th</sup> September 2023 to reflect the opening for the new mental health hub at Woodland View, Irvine in the spring.

## Trend Charts

Key: ■ Q1 ■ Q2 ■ Q3 ■ Q4



## Best In Class

Our Senior Manager for Customer Services was invited to present at a national webinar 'Child Poverty and the Cost of Living Crisis' led by the Improvement Service in September. This included presenting our approach to delivering top-up bridging payments of £100 to low-income families.

East Lothian Council have approached us to learn more about our fuel poverty payments approved by Cabinet in August.

We continue to contribute to both the national UNCRC Implementation Network and Child Poverty Peer Group led by the Improvement Service. This has led to becoming joint leads in a pilot to explore data sharing with Social Security Scotland, with the aim of ensuring some of our most vulnerable residents are aware of support available to them. Working in partnership with the Improvement Service and Glasgow City Council, if successful it could help deliver better outcomes for residents locally and nationally.

The North Ayrshire Council Strategic Community Learning and Development Plan 2021-2024 was

developed through consultation and engagement with communities. Education Scotland undertook an Aspect Review in May 2022, with a focus on Food with Dignity and Community Food Networks. As a result, North Ayrshire Community Learning and Development Service will feature in the report as a good practice example.

Our Corporate Policy, Performance and Election Team provided support to Aberdeenshire Council on their performance framework, strategy and Council Plan.

The Scottish Government have commended the approach in North Ayrshire in delivering the Long-Term Unemployed programme, exceeding the job creation targets set for the area.

In addition, the Scottish Government gave very positive feedback on the quality of the submissions to the 2022/23 Islands Programme fund.

Neighbourhood Services performed well in the Best Kept War Memorial national competition judged by the British Legion. The Saltcoats memorial won the overall award and the Kilwinning memorial was Champion of Champions, Stevenston and Ardrossan memorials also received recognition.

Recently published SEPA recycling rates for 2021 show we have the second highest recycling rate of the 32 Scottish local authorities.

We were awarded gold level re-accreditation in July 2022 by the Tenant Participation Advisory Service Scotland (TPAS) for our approach to customer engagement, analysis of services and digital engagement. Bronze, silver, or gold accreditation is awarded to organisations based on how well they perform in regard to tenant participation services and is nationally recognised for providing an impartial report on performance.

Our Senior Manager for Waste and Streetscene Strategy and Contracts is participating in the new National Fly Tipping Forum and contributing to the development of the revised National Litter and Fly Tipping strategy, which will have a six-year lifespan. The strategy will outline actions under behaviour change, services and infrastructure and enforcement.

One of our Building Services apprentices was shortlisted for the UK Apprentice of the Year finalist.



## What Our Customers Say

*"I used the Bartonholm recycling centre. I want to compliment the council and staff at the centre for doing a great job. The staff were polite and helpful and the centre was neat and tidy and looked cared for. The lady that I spoke to was especially helpful and she was busy with a broom keeping the place in good shape and clearly has pride in her work. Long may this go on."*

**North Ayrshire Resident**

*"Can you thank the Streetscene team on my behalf for the wonderful job they did cutting the grass at Coldstream, West Kilbride, it's much appreciated."*

**North Ayrshire Resident**

*"The beach was beautiful today, lovely and clean with no rubbish, excellent job done keeping it looking well groomed."*

**North Ayrshire Resident**

*"I want to say how happy I am at the brilliant service I have had from the Homeless team to the housing allocation and Largs housing. After what was a terrible personal situation myself and my children found ourselves, I reluctantly reached out for help and to say I was overwhelmed by the kindness of every person I spoke to is an understatement!*

*I will always be very grateful for the support I received. And my children and I finally have a safe place to call our home. Many thanks NAC!!"*

**North Ayrshire Resident**

*"Thank you for your recent classes at Beith library, my son has enjoyed attending the organised events and looks forward to Fridays' Digi Dabble. Absolutely amazing to have these over the summer and all free.*

*The ladies are absolutely wonderful and the girl who took the sewing class on Thursday was very patient and amazing with the children, very fun and engaging.*

*We look forward to all our future visits especially the weekly Saturday Lego club which is now very much part of our weekend routine."*

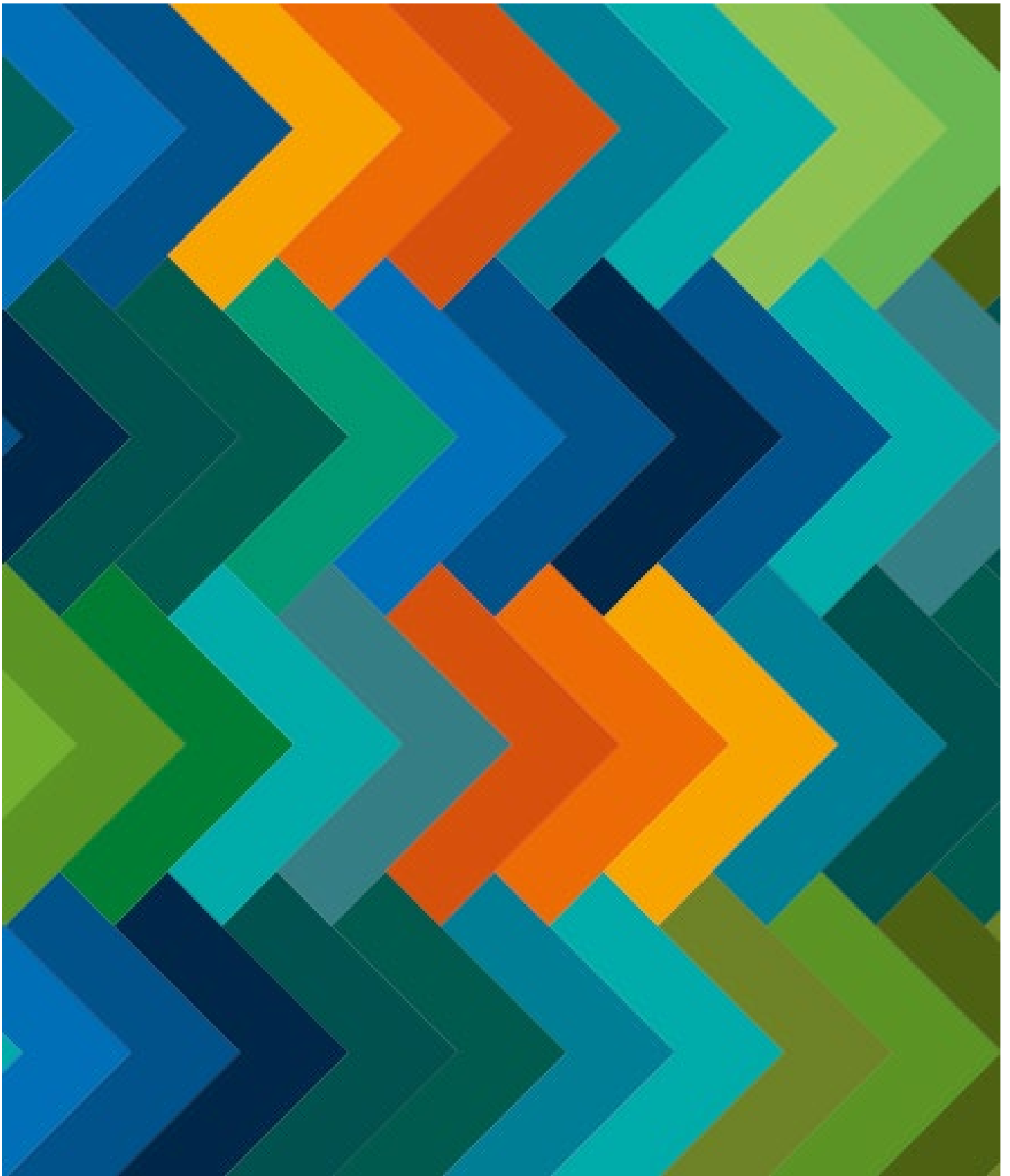
**North Ayrshire Resident**

*"Hi, there are some faulty lamp posts burning throughout the day. Please can someone investigate?"*

**North Ayrshire Resident**

*"Thank you for reporting this fault. I can confirm our electrician has attended and repaired the timeclock within the lamp posts and they are now not on during the day."*

**North Ayrshire Council Representative**








For further information please contact:














**The Corporate Policy, Performance and Elections Team**  
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## Appendix 2 – Council Plan Performance Indicators

### Priority - Aspiring Communities














PI Status	
	Significantly Adrift of Target
	Slightly Adrift of Target
	On Target
	Data Only
	Data Not Available

PI Code & Description	2019/20			2020/21			2021/22			Q2 2022/23		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_02 Percentage of Council budget directed via participatory methods	1.11%	0.89%		1.13%	1.2%		2.32%	1.1%		1.76% <sup>1</sup>	1%	
CP_03 Percentage of residents who agree they have access to opportunities to participate in their local community	47%	47%		47%	47%		-	47%		Measured Annually		
CP_04 Percentage of children achieving their developmental milestones at the time the child starts primary school	N/A	79%		72%	80%		78.5%	78%		Measured Annually		
CP_05 Average total tariff score of pupils living in SIMD 30% most deprived areas	685.8	718		744.7	724		Due Feb 2023	710		Measured annually, next data release due February 2023.		

<sup>1</sup> This figure is provisional pending further data.

PI Code & Description	2019/20			2020/21			2021/22			Q2 2022/23		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_06 Average tariff score: All Leavers	857.4	895		912	900		Due Feb 2023	880		Measured annually, next data release due February 2023.		
CP_07 Percentage of school leavers entering positive destinations (LGBF)	92.5%	96%		95.2%	96.2%		Due Feb 2023	96.2%		Measured annually, next data release due February 2023.		
CP_08 Percentage of children living in poverty (after housing costs)	27.9%	26.5%		24.7% <sup>2</sup>	26.5%		Due July 2023	26.5%		Measured annually, next data release due July 2023.		
CP_09 Percentage of working age population in employment	70.2%	70%		69%	64.7%		66.3%	70%		67.8%	-	
CP_10a Percentage of procurement spent on local enterprises	19.98%	23%		21.39%	23.5%		22.93%	24%		Measured Annually		
CP_11 Percentage of people earning less than the living wage (LGBF)	16%	24%		16.2%	23%		Due Feb 2023	22%		Measured Annually		
CP_14 Percentage of households in fuel poverty	28%	25.5%		28%	28%		Due Feb 2023	28%		Measured Annually		

<sup>2</sup> CP\_08 Children Living in Poverty (After housing costs): Data collection for 2020/21 was affected by the coronavirus (Covid-19) pandemic. Figures for FYE 2020/21 are subject to additional uncertainty and may not be strictly comparable with previous years. Please see '[Performance Indicators - Additional Information](#)' section for more details.

PI Code & Description	2019/20			2020/21			2021/22			Q2 2022/23		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_15 Number of attendances at indoor sports & leisure facilities (excluding pools)	1,859,843	1,964,100		71,913	736,915		298,806			105.089 <sub>3</sub>		
CP_16 Percentage of people aged 65 and over with long-term care needs who receiving personal care at home (LGBF)	69.42%	66%		69.51%	66%		Due Feb 2023	66%		Measured Annually		
CP_17 Emergency Admissions (Number)	19,150	20,257		16,283	20,257		17,966	20,257		Measured Annually		
CP_18 Percentage of new tenancies to applicants who were assessed as homeless sustained for more than a year	84.07%	82%		92.48%	85%		86.92%	85%		Measured Annually		

<sup>3</sup> We are continuing to work closely with KA Leisure to support and promote their services.

## Priority - Inspiring Place

Code & Short Name	2019/20			2020/21			2021/22			Q2 2022/23		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_19 Proportion of operational buildings that are suitable for their current use (LGBF)	90.89%	93%	⚠️	91.05%	93%	⚠️	Due Feb 2023	93%	❓	Measured Annually		
CP_20 Overall percentage of road network that should be considered for maintenance treatment	37.3%	38.1%	✅	37.1%	38.1%	✅	33.9%	37.5%	✅	Measured Annually		
CP_21 Proportion of properties receiving superfast broadband (LGBF)	94.1%	97%	⚠️	94.7%	97%	⚠️	Due Feb 2023	97%	❓	Measured Annually		
CP_22 Number of electric vehicle charging points publicly available	36	30	✅	45	42	✅	49	43	✅	57	Not possible to set quarterly targets due to nature of roll out of EV points with private partners	📈
CP_23 Number of new build Council housing units reaching completion (cumulative)	381	351	✅	437	755	🛑	681	630	✅	Measured Annually		
CP_24 Number of empty homes brought back into use (cumulative)	594	500	✅	594	600	⚠️	1,051	600	✅	Measured Annually		

Code & Short Name	2019/20			2020/21			2021/22			Q2 2022/23		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_25 Percentage of Council dwellings that meet the Scottish Housing Quality Standard (LGBF)	99.36%	99.4%	✓	98.83%	99.5%	✓	Due Feb 2023	99.5%	?	Measured Annually		
CP_26 Tourism Visitor Numbers	1,599,400	1,534,968	✓	315,620	1,534,968	✗	858,300	1,534,968	✗	Measured Annually		
CP_27 Street Cleanliness Index - Percentage Clean (LGBF)	94.6	94	✓	91.34	94	⚠	89.5 <sup>4</sup>	94	?	86.3	90	⚠
CP_28 Hectares of vacant & derelict land in North Ayrshire	1,180	1,244	✓	1,204	1,194	✓	1,198	1,144	⚠	Measured Annually		
CP_29 Overall carbon emissions (tonnes) <sup>5</sup>	37,508	39,320	✓	22,846	35,127	✓	21,791	21,247	⚠	3,942	-	?
CP_30 Total installed capacity of low carbon heat and electricity generation across the Council's estate	9,700	9,700	✓	10,720	9,800	✓	11,680	11,000	✓	Measured Annually		
CP_31 Percentage of total household waste that is recycled (calendar year as per SEPA) (LGBF)	56.3%	59%	⚠	52.1%	52.1%	✓	56.4%	53.1%	✓	58.8%	51%	✓

<sup>4</sup> CP\_27 Street Cleanliness Index - Percentage Clean (LGBF) – This is a provisional figure based on an audit in late October 2021. The final figure will be confirmed through the Local Government Benchmarking Framework (LGBF) in February 2023.

<sup>5</sup> CP\_29 - As we continue to broaden the scope of what we measure within our carbon emissions, this indicator will evolve to capture elements such as carbon emissions resulting from our supply chains as well as other areas. This will ensure as accurate a picture as possible of our emissions but may mean years are not directly comparable depending on when additional information begins to be captured. Please see 'Performance Indicator Amendments' section for more details.

## Priority - A Council for the Future

Code & Short Name	2019/20			2020/21			2021/22			Q2 2022/23		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_32 Percentage of Customers delighted with the overall Customer Service	81%	77%	✓	Surveys suspended due to Covid-19 and due to resume in 2022/23.						Measured Annually		
CP_33 Percentage of Self-Service Transactions	41.26%	40%	✓	58%	45%	✓	58.33%	50%	✓	63%	50%	✓
CP_34 Employee Engagement Level - Council Wide	70.67%	70%	✓	No survey planned								

## Appendix 3 - Council Plan Action Tracker

\*2021 status based on information available rather than specific sub-actions.

\*\*Council Plan Delivery Plan was in development during Q1.

\*2021 status based on information available rather than specific sub-actions.  
 \*\*Council Plan Delivery Plan was in development during Q1.

Priority	Outcome	Ref #	Existing Overall Action	2019-20				2020-21*	2021-22				2022-23				2023-24			
				Q1	Q2	Q3	Q4	Year End Estimate	Q1**	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Aspiring Communities	What we’ Il do to make active and strong communities	CP_01	We will build stronger relationships between the council, communities and partners.	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓						
		CP_02	We will co-produce a local charter with our communities which sets out the things we jointly commit to do for each other, to help each other create a better North Ayrshire.	✓	✓	✓	✓	✓		✓	✓	✓	Complete							
		CP_03	We will extend our participatory approach, offering communities more opportunities to lead in local decision-making.	✓	✓	✓	✓	✓		✓	✓									
		CP_04	We will support communities to achieve what’s important to them through strong local networks.	✓	✓	✓	✓	✓		✓	✓									
	What we’ Il do to ensure our children and young people experience the best start in life	CP_05	We will expand our early learning and childcare provision to make sure all eligible children are able to access 1140 hours of free care each year.	✓	✓	✓	✓	✓		✓	△	△	△	⛔						
		CP_06	We will support our children and young people to become successful learners, confident individuals, effective contributors and responsible citizens.	✓	✓	✓	△	✓		✓	✓	✓	✓							
		CP_07	We will offer opportunities to our young people and their families to play a more active role in school life and encourage more participation in learning opportunities.	✓	✓	△	✓	✓		✓	✓	△	✓							

\*2021 status based on information available rather than specific sub-actions.

\*\*Council Plan Delivery Plan was in development during Q1.

*2021 status based on information available rather than specific sub-actions. **Council Plan Delivery Plan was in development during Q1.				2019-20				2020-21*	2021-22				2022-23				2023-24			
Priority	Outcome	Ref #	Existing Overall Action	Q1	Q2	Q3	Q4	Year End Estimate	Q1**	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
What we’ ll do to have an inclusive, growing and enterprising local economy		CP_08	We will work with all young people to build their resilience, supporting their mental health and physical well-being.																	
		CP_09	We will work with schools, colleges, universities, businesses and partners to deliver education, skills and training, helping people into work and sustaining employment.																	
		CP_10	We will make sure that everyone has the ability and knowledge to participate in the digital world.																	
		CP_11	We will support our local businesses to become more innovative and competitive.																	
		CP_12	We will promote fair employment practices.																	
		CP_13	We will develop and implement a Community Wealth Building (CWB) strategy.																	
What we’ ll do to make sure North Ayrshire residents and communities		CP_14	We will continue our work with partners, including the Scottish Government, to explore the feasibility of a Scottish Basic Income Pilot.						Complete											
		CP_15	We will let people decide how best to manage their own care needs and support people to live in their own homes for as long as possible.																	
		CP_16	We will work with individuals and communities to support positive lifestyle choices which improve health and wellbeing.																	

\*2021 status based on information available rather than specific sub-actions.

\*\*Council Plan Delivery Plan was in development during Q1.

Priority	Outcome	Ref #	Existing Overall Action	2019-20				2020-21*	2021-22				2022-23				2023-24			
				Q1	Q2	Q3	Q4	Year End Estimate	Q1**	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	What we will do to ensure North Ayrshire	CP_17	We will work with partners to support our vulnerable residents and communities.																	
		CP_18	We will extend the 'Housing First' pilot to address homelessness.																	
Inspiring Place	What we' ll do to make North Ayrshire well-connected with effective infrastructure	CP_19	We will provide well-maintained, integrated travel and transport networks, supporting alternative and sustainable transport.																	
		CP_20	We will work with partners to make sure there is sustained investment in our roads, ports and harbour infrastructure to ensure that travel is resilient and reliable.																	
		CP_21	We will work with partners to extend public wi-fi and improve our digital connectivity.																	
		CP_22	We will provide an appropriately sized, fit for purpose, energy-efficient and digital- enabled property portfolio, including our schools.																	
		CP_23	We will attract investment, through the Ayrshire Growth Deal and other means, to support regeneration and job creation at our key development sites of i3 Irvine, Hunterston, Lochshore, Ardrossan Marine Quarter, and the Irvine Great Harbour.																	
		CP_24	We will support our communities to maximise the use of community assets (such as schools) and encourage Community Asset Transfers.																	
		CP_25	With our social landlord partners, we will build new, modern, energy-efficient lifelong homes for life, tailored to the needs of tenants.																	

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\*\*Council Plan Delivery Plan was in development during Q1.

Priority	Outcome	Ref #	Existing Overall Action	2019-20				2020-21*	2021-22				2022-23				2023-24			
				Q1	Q2	Q3	Q4	Year End Estimate	Q1**	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	What we’ ll do to provide our residents with homes and houses that meet their	CP_26	We will actively promote a mix of homes by facilitating private housing development.	✔	✔	✔	⚠	⚠			✔	✔	✔	✔	✔					
		CP_27	We will work with property owners and landlords to make sure our private housing is suitable for the needs of our residents.	✔	✔	✔	✔	⚠			✔	✔	✔	✔	✔					
		CP_28	We will form a partnership with other Councils to introduce a low-cost energy offer.	✔	✔	✔	✔	Off Programme	No longer being pursued following a decision by Nottingham City Council to sell their not-for-profit energy company to British Gas following significant financial losses.											
	What we’ ll do to make North Ayrshire a vibrant, welcoming and attractive environment	CP_29	We will provide well-kept public places and town centres which will benefit our residents, visitors and businesses.	✔	✔	✔	✔	✔			✔	✔	✔	✔	✔					
		CP_30	We will, where possible, bring empty properties back into use.	✔	✔	✔	✔	✔			✔	✔	✔	⚠	✔					
		CP_31	We will work with communities to improve the quality of the local environment through a participatory approach.	✔	✔	✔	✔	✔			✔	✔	✔	✔	✔					
		CP_32	We will develop North Ayrshire as a coastal and island destination, attracting tourism investment and visitors.	✔	✔	✔	✔	⚠			✔	✔	⚠	✔	✔					

\*2021 status based on information available rather than specific sub-actions.

\*\*Council Plan Delivery Plan was in development during Q1.

Priority	Outcome	Ref #	Existing Overall Action	2019-20				2020-21*	2021-22				2022-23				2023-24			
				Q1	Q2	Q3	Q4	Year End Estimate	Q1**	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	What we'll do to make sure we all live in a sustainable environment	CP_33	We will support a circular economy by re-using, recycling and generating energy from the waste we manage.	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓						
		CP_34	We will develop additional low carbon renewable energy schemes and networks.	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓						
		CP_35	We will protect our communities by delivering the Local Flood Risk Management Plan, the Shoreline Management Plan and the Millport and Upper Garnock Valley Flood Protection Schemes.	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓						
A Council for the Future	An accessible Council that puts residents and communities at the heart of what we do	CP_36	We will work with communities and key stakeholders to radically review what we do and how we do it, to deliver cost effective services.	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓						
		CP_37	We will provide joined up services across the Council and with partner agencies and communities.	✓	✓	✓	✓	✓		✓	✓	⚠	✓	✓						
		CP_38	We will use technology to improve access to and delivery of our services.	⚠	⚠	⚠	⚠	✓		✓	✓	⚠	✓	⚠						

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Priority	Outcome	Ref #	Existing Overall Action	2019-20				2020-21*	2021-22				2022-23				2023-24			
				Q1	Q2	Q3	Q4	Year End Estimate	Q1**	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	A powerful and respected voice	CP_39	We will make our case nationally, regionally and locally levels to secure investment to support delivery of our priorities.																	
	An efficient Council that maximises resources and provides value for money	CP_40	We will review what we do and how we do it to ensure we deliver the best possible services.						This action was removed as approved by Cabinet in August 2021 as it duplicates CP_36 and CP_37.											
	A valued workforce that delivers high quality services	CP_41	We will empower and invest in our workforce to develop new and innovative ways of working.																	

## NORTH AYRSHIRE COUNCIL

28 March 2023

### Audit and Scrutiny Committee

<b>Title:</b>	<b>Internal Audit Plan 2023/24</b>
<b>Purpose:</b>	To inform the Committee of the proposed Internal Audit plan for 2023/24.
<b>Recommendation:</b>	That the Committee approves the Internal Audit plan for 2023/24.

#### 1. Executive Summary

- 1.1 This report presents the proposed Internal Audit Plan for 2023/24. A review has been carried out, including consultation with members of the Executive Leadership Team, to identify areas which will be subject to audit review.
- 1.2 The audit plan is risk-based and fully utilises the available resource of 647 audit days.

#### 2. Background

- 2.1 The work of Internal Audit is governed by the requirements of the Public Sector Internal Audit Standards (PSIAS) 2017. The standards, issued jointly by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (IIA), require the Senior Manager (Audit, Fraud, Safety & Risk) to establish a risk-based internal audit plan to determine the priorities of the internal audit activity, consistent with the Council's goals and objectives.
- 2.2 In the development of the internal audit plan, the PSIAS requires the Senior Manager to consult with senior management and obtain a thorough understanding of the Council's strategies, key business objectives, associated risks, and risk management processes. The audit plan also needs to be flexible, with the ability to adjust in response to changes in the business, risks, operations, programmes, systems and controls.
- 2.3 The objective of the work of internal audit is to enable the Senior Manager to form an evidence based independent opinion at the end of the year on the adequacy of the Council's internal control, risk and governance arrangements. This opinion forms part of the Annual Governance Statement for the year which is included within the Council's financial statements.

- 2.4 The Internal Audit Charter is a formal document which defines the internal audit activity's purpose, authority and position. The Senior Manager reviews the Internal Audit Charter on an annual basis and presents any changes to the Audit and Scrutiny Committee for approval. The Internal Audit Charter has been reviewed and an updated version is presented to this meeting of the Committee for reapproval.
- 2.5 The Senior Manager is also required to ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan. The Internal Audit Team currently comprises a Senior Manager, an Internal Audit Manager, two Internal Auditors and a Computer Auditor. All members of the team hold professional accountancy or audit qualifications and are suitably experienced.
- 2.6 The resources available to deliver the internal audit plan take into account an estimate of the number of available working days per team member. The total estimate for the year is detailed as follows:

<b>Activity</b>	<b>Planned Days</b>
Audit reviews	462
Time allocated to the North Ayrshire Integration Joint Board	15
Consultancy and contingency (including non-fraud investigations)	55
Other planned audit days (e.g. follow up, audit planning, reporting to Committee and internal audit development)	115
<b>Total</b>	<b>647</b>

- 2.7 Appendix 1 contains the detailed audit plan for 2023/24 with an allocation of audit days assigned to each assignment. It should be noted that these audit days are indicative only. The plan may therefore be subject to change throughout the year, depending on a number of factors such as available resources, time required to complete reviews, and unplanned work arising throughout the year.
- 2.8 The internal audit plan for 2023/24 is risk based, as required by the standards. A number of sources of evidence are used to identify all potential auditable areas and to assess the risk or significance of each one to ensure the plan adds the most value to the Council. The process includes:
- maintaining an up-to-date audit universe of all potential auditable areas;
  - consultation with members of the Executive Leadership Team (ELT);
  - review of the Council's operational, corporate and strategic risk registers;
  - review of the Council Plan 2019-24;
  - review of national publications from Audit Scotland, CIPFA and IIA; and
  - knowledge of the business through previous audit assignments and internal audit's own risk assessment of those areas.
- 2.9 Examples of the key risk factors which have influenced the 2023/24 internal audit plan are as follows:
- The financial environment in which the Council is operating has been identified as a strategic risk for the Council, and therefore a review of the financial viability and resilience of the Council is included in the audit plan for 2023/24.
  - In order to facilitate payment for low value transactions, Council services use corporate procurement cards. The potential misuse of these cards is identified by internal audit as a high risk and therefore further work will be carried out in

2023/24 to assess the adequacy and effectiveness of arrangements that are in place to ensure compliance with relevant policies and procedures.

- Transformation and change management is identified as a strategic risk for the Council. Internal audit will focus on the governance arrangements in place to take forward a programme of transformational change.
- European Structural and Investment Funds (ESIF) ended in December 2022 and are being replaced by the UK Shared Prosperity Fund (SPF). With the final drawdown of all funds to be completed by 31 December 2023, the internal audit review will focus on the accuracy and completeness of claims to ensure all funds due to the Council are drawn down in advance of this deadline.
- iPayImpact is a secure online payment platform for parents and carers to pay for school meals, trips and events online. The system was introduced in 2021/22 and a review will be carried out to ensure key policies and procedures exist for the management of the system, and that adequate controls are in place for any manual interventions.
- The cost of living crisis, including the rising costs in relation to construction, has led to the addition of two reviews within the proposed audit plan – capital monitoring, and rental income and arrears.
- Climate change is highlighted not only as a strategic risk for the Council, but also recognised as a global risk. Internal audit will be involved in a consultancy capacity in the Council's 4<sup>th</sup> iteration of the Environmental Sustainability & Climate Change Strategy.
- Cyber resilience is identified as a strategic risk for the Council. Added to this, most global risk literature continues to identify cyber security as the number one global risk. The Scottish Government's cyber resilience framework is intended to support public sector organisations to develop and improve their cyber security arrangements. Internal audit will base the next phase of cyber resilience audits on aspects of this framework.
- Regular coverage of the Ayrshire Growth Deal (AGD) is required by the governance arrangements for the programme. Audit work in 2023/24 will focus on the AGD revenue projects.

2.10 Progress against the internal audit plan will be reported quarterly to the Audit & Scrutiny Committee.

2.11 Training needs within the service are reviewed on an annual basis during the Council's Our Time to Talk process, as well as ad-hoc opportunities identified during the year as events arise. The Senior Manager is an active member of the Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) and the IIA's Local Authority Forum. The Computer Auditor is an active member of the Computer Audit Sub-Group of SLACIAG (CASG). All members of the internal audit team will be attending the SLACIAG two-day conference in June 2023.

### **3. Proposals**

3.1 It is proposed that the Committee approves the Internal Audit plan for 2023/24.

#### **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 Consultation has taken place on an individual basis with the Executive Leadership Team during the preparation of the Internal Audit plan.

Mark Boyd  
Head of Service (Finance)

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

##### **Background Papers**

None.

Key Corporate Systems	Audit Objective	Total Indicative Days
Accounts payable	Review controls in place within a sample of services around their use of Procurement Cards	15
Financial resilience and viability	Review the arrangements and assumptions around medium and long term financial plans and strategies, tested against the CIPFA Financial Management Code	15
HR/Payroll systems	Review the controls within the Education network for leavers and movers	15
<b>TOTAL AUDIT DAYS</b>		<b>45</b>

Other Systems	Audit Objective	Total Indicative Days
Capital Monitoring	Examine the effectiveness of the Council's capital monitoring arrangements	15
HR/Payroll policies and procedures	Review the Council's workforce planning arrangements	15
Supply teachers	Review new system and associated procedure notes for the management and booking of supply teachers	15
Pupil Equity Funding/ Closing the Attainment Gap	Review a sample of schools and ensure PEF spending is in accordance with plans, and there is a clear link between spend and closing the attainment gap	15
Transformation and Change Management	Review the Council's approach to transformation and its progress with best value	20
Self-Directed Support	Review the use of 'Self Directed Support' to provide assurance that appropriate controls are in place and operating effectively	15
Carers Act	Review progress with the delivery of the requirements of the Carers (Scotland) Act 2016	15
Community based support - Adults	Review controls in relation to Community based support, with a particular focus on Adults	15
Integration Joint Board audit days	Carry out audit work as agreed by the Performance and Audit Committee of the North Ayrshire Integration Joint Board	15
Employability	Review of European monies to ensure controls are in place for the full drawdown of ESF prior to the final closure of the programmes	15
iPayImpact	Review the controls around the collection of income through the new iPayImpact online payment system for schools	15
Housing - rental income and arrears	Examine a range of controls within Housing with a focus on the processes for the management of rent arrears	15
Property Asset Management	Review the Council's property asset management arrangements focussing on the Property Lifecycle Investment fund	15
Waste	Consultancy assignment - participation in an advisory capacity in the comprehensive review of Waste Management	10
Sustainability & Climate Change	Consultancy assignment - provide real-time advice and feedback on the 4th Environmental Sustainability & Climate Change Strategy	15
<b>TOTAL AUDIT DAYS</b>		<b>225</b>

ICT Auditing	Audit Objective	Total Indicative Days
ICT - information security management	Utilising the Scottish Government's cyber resilience framework, review controls around information security management	20
ICT - access control	Utilising the Scottish Government's cyber resilience framework, review controls around access	20
ICT - environmental and physical security	Utilising the Scottish Government's cyber resilience framework, review controls around physical and environmental security	20
ICT - business continuity	Utilising the Scottish Government's cyber resilience framework, review controls around business continuity in the event of a cyber incident	20
<b>TOTAL AUDIT DAYS</b>		<b>80</b>

Governance	Audit Objective	Total Indicative Days
Code of Corporate Governance	Review aspects of the Council's arrangements for completion of the Delivering Good Governance Framework	10
Ayrshire Growth Deal	Review the arrangements in North Ayrshire Council in relation to the Ayrshire Growth Deal revenue projects	20
Community Planning	Community keyholding arrangements	10
<b>TOTAL AUDIT DAYS</b>		<b>40</b>

Regularity Audits	Audit Objective	Total Indicative Days
Accounts Payable Transaction Testing	Use data analysis software to interrogate the HR/Payroll system and examine any anomalies which arise.	15
Payroll Transaction Testing	Use data analysis software to interrogate the Accounts Payable system and examine any anomalies which arise.	15
Early Years Centres	Review financial and other controls within the Council's stand alone Early Years Centres	10
<b>TOTAL AUDIT DAYS</b>		<b>40</b>

Following the Public Pound	Audit Objective	Total Indicative Days
Community Funding	Examine the controls around funding support provided by the Council to a range of community groups	15
Regeneration Delivery Plan and Funding	Review of Place-based investment programmes and funding streams	20
Community Councils	Annual audit of Community Councils accounts' to ensure Council funding is used in accordance with the Council's Scheme of Administration.	10
Tenants and Residents Associations	Annual audit of the accounts of various Tenants and Residents Associations	2
<b>TOTAL AUDIT DAYS</b>		<b>47</b>

Other Planned Audit Work	Audit Objective	Total Indicative Days
Prior year audit work	Finalising audits from the 2022-23 audit plan that were not fully complete by the end of March 2023	44
Audit consultancy: ad-hoc advice	Providing advice to council services in response to ad-hoc queries	10
Audit consultancy: project work	Participating in project work to support developments in other council services	25
Follow-up	Follow up of previous audit reports to ensure that appropriate action has been taken	15
Audit planning and monitoring	Preparing audit plans and monitoring progress and performance against plans	20
Audit and Scrutiny Committee	Supporting the Council's Audit and Scrutiny Committee by preparing reports, attending meetings and delivering training for elected members as required	25
Governance documents	Review of governance documents (e.g. Codes of Financial Practice)	2
Development of the Audit service	Carry out developmental work to further enhance the efficiency of the audit section	5
Internal Audit self-assessment against PSIAS	Undertake a quality assurance programme for Internal Audit in line with the requirements of the Public Sector Internal Audit Standards (PSIAS)	2
Annual Accounts	Work in relation to the Council's annual accounts for preparing the Annual Governance Statement	2
<b>TOTAL AUDIT DAYS</b>		<b>150</b>

Contingencies & Investigations	Audit Objective	Total Indicative Days
Non-Fraud Investigations	Time allocated for unplanned non-fraud investigations arising during the year	20
<b>TOTAL AUDIT DAYS</b>		<b>20</b>

<b>TOTAL AUDIT PLAN 2023-24</b>		<b>647</b>
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**NORTH AYRSHIRE COUNCIL****28 March 2023****Audit and Scrutiny Committee**

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**Title:** Internal Audit and Corporate Fraud Action Plans:  
Quarter 3 update

**Purpose:** To advise the Audit and Scrutiny Committee on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 31 December 2022.

**Recommendation:** That the Committee (a) notes the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenges those Services that have not implemented actions within the previously agreed timescales.

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**1. Executive Summary**

- 1.1 The CIPFA document 'Audit Committee Principles in Local Authorities in Scotland' highlights that Audit Committees should monitor and review the progress made in implementing audit recommendations.
- 1.2 Service managers are responsible for ensuring that agreed actions arising from Internal Audit and Corporate Fraud reviews are implemented. This provides assurance that identified control weaknesses have been addressed and are being managed effectively.
- 1.3 All actions are monitored on the Pentana system and service managers are responsible for updating Pentana as they progress each action. This enables Internal Audit to monitor progress on a 'real-time' basis and address any delays in implementation.
- 1.4 This report details the position at 31 December 2022.

**2. Background**

- 2.1 The last report to the Audit and Scrutiny Committee on 15 November 2022 highlighted that there were 13 actions outstanding at the end of September 2022: one that had not been started or were only partially implemented and 12 where the due date had not yet passed.

- 2.2 In addition to these 13 carried forward actions, there have been 12 new actions agreed, giving a total of 25 action points for review.
- 2.3 Services have completed 16 actions since the last report. All Council Services are required to retain evidence of work carried out in completing their actions and Internal Audit carries out 'spot-checks' on a sample of completed actions on an ongoing basis.
- 2.4 Of the remaining nine actions, eight were either not started or only partially complete at 31 December 2022 and the remaining action was not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the eight actions that were not completed within the agreed timescales.

### **3. Proposals**

- 3.1 It is proposed that the Committee (a) notes the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenges those Services that have not implemented actions within the previously agreed timescales.

### **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 effective implementation of agreed Internal Audit and Corporate Fraud actions 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 Council Services are consulted during the completion of each Internal Audit and Corporate Fraud review and have also provided updates on progress made in implementing action points.

Mark Boyd  
Head of Service (Finance)

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

### **Background Papers**

None.

## Actions due by 31<sup>st</sup> December 2022 but not started or partially complete

<b>Code</b>	CFT3120f	<b>Description</b>	<b>Audit Action:</b> Education Service should consider routes to recover the embezzled funds as recommended for any financial loss to the Council, through fraudulent activity, in its Counter Fraud and Corruption Strategy.  <b>Audit Risk:</b> Loss of council funds, No deterrent or consequences for wrongdoing or breach of Council policy, procedures and regulations.		
<b>Priority</b>	1	<b>Latest Note</b>	Legal Services have advised the Service not to progress recovery until the outcome of the court case is known, as the court may impose repayment on the subject. The case is currently still pending at court. Next review date, as agreed with Audit, is 30 April 2023.		
<b>Progress Bar</b>	<input type="text" value="5%"/>	<b>Original Due Date</b>	30-Apr-2022	<b>Due Date</b>	31-Oct-2022
<b>Parent Code &amp; Title</b>	CFT3120 Allegation against an Education Business Assistant (Early Years)			<b>Managed By</b>	Lindsay Morris
				<b>Assigned To</b>	Lindsay Morris

<b>Code</b>	IA2017PA020b	<b>Description</b>	Data protection information awareness for schools training should be agreed and implemented as soon as possible.		
<b>Priority</b>	1	<b>Latest Note</b>	There is only one school left to complete this training, which is Garnock Campus. Sessions have been arranged at this school twice, in November 2022 and February 2023, and on both occasions these were cancelled at short notice due to trainer availability. The Head of Service (Democratic Services) has given a commitment that the training will proceed at the next agreed date, which is 30th May 2023.		
<b>Progress Bar</b>	<div><div>95%</div></div>	<b>Original Due Date</b>	01-Jun-2018	<b>Due Date</b>	22-Nov-2022
<b>Parent Code &amp; Title</b>	IA2017PA020 Email Controls In Education			<b>Managed By</b>	Andrew McClelland
				<b>Assigned To</b>	Susan Lauder

<b>Code</b>	IA2019IJB001d	<b>Description</b>	HSCP Management should work with officers from East and South Ayrshire HSCP's to progress the fair share methodology at the earliest opportunity, including developing detailed Directions with commissioning plans		
<b>Priority</b>	1	<b>Latest Note</b>	The pan Ayrshire work on Directions has recommenced and workstreams have been agreed to take forward the elements in relation to - Integration Schemes, Set Aside, Joint Commissioning Plans and Lead Partnership Arrangements. Expected completion date 31st March 2024.		
<b>Progress Bar</b>	<div><div>50%</div></div>	<b>Original Due Date</b>	31-Mar-2019	<b>Due Date</b>	31-Dec-2022
<b>Parent Code &amp; Title</b>	IA2019IJB001 IJB Lead Partnership Arrangements			<b>Managed By</b>	Caroline Cameron
				<b>Assigned To</b>	Caroline Cameron

<b>Code</b>	IA2020PA007a	<b>Description</b>	<p><b>Audit Action:</b> Carefirst should be considered as a storage location for holding all relevant placement information – as a replacement to the current systems being used.</p> <p>This would ensure that all data is held securely against each young person's record, whilst remaining accessible to those with appropriate system access rights. In addition, Carefirst could be used to hold financial cost information on each placement. This would reduce the reliance on spreadsheets.</p> <p><b>Audit Finding:</b> Highly sensitive young person placement data is being kept in paper files by Education, with no direct electronic equivalent being available.</p> <p><b>Risk:</b> Data loss due to paper files not being backed up; inability to locate highly confidential data; GDPR breaches</p>		
<b>Priority</b>	1	<b>Latest Note</b>	<p>We now have a secure filing system for all Psychological Service files - Fast Online Referral Tracking (FORT) - we still need to complete archiving our paper files. Archiving is expected to be complete by the end of June 2023.</p>		
<b>Progress Bar</b>	<div><div>99%</div></div>	<b>Original Due Date</b>	31-Dec-2019	<b>Due Date</b>	31-Dec-2022
<b>Parent Code &amp; Title</b>	IA2020PA007 External Residential and Education Placements			<b>Managed By</b>	Caroline Amos
				<b>Assigned To</b>	Gail Nowek

<b>Code</b>	IA2021PA009b	<b>Description</b>	<p><b>Audit Action:</b> The team should liaise with the Transformation team to streamline this part of the process and reduce the number of times the same information must be keyed.</p> <p><b>Audit Finding:</b> The admin team are required to update the budget monitoring spreadsheet, an operational access database and the CareFirst system at each stage of this process for all council tenant jobs. In addition, the access database is not supported by IT Services.</p> <p><b>Risk:</b> Inefficient use of staff time and increased risk of keying errors.</p>		
<b>Priority</b>	2	<b>Latest Note</b>	<p>We are currently working with the Eclipse team to build the Community OT process into the system. We are hoping to capture reporting information within this process. Unfortunately there have to be no new developments to CareFirst therefore this will be hopefully come into place by August 23.</p> <p>We are also running our budget reports from Integra and validating the information against our old process. Once we are confident that this is accurate the database and some of the fields in the spreadsheet can be reduced. Validation will run for approximately 3 months.</p>		
<b>Progress Bar</b>	<div><div>50%</div></div>	<b>Original Due Date</b>	31-Dec-2021	<b>Due Date</b>	31-Dec-2022
<b>Parent Code &amp; Title</b>	IA2021PA009 Aids and Adaptations			<b>Managed By</b>	David Thomson
				<b>Assigned To</b>	Lynn Kirkland

<b>Code</b>	IA2022PA019b	<b>Description</b>	<p><b>Audit Action:</b> A minimum technical standard for CCTV systems should be set for the Council. A Council-wide audit of CCTV inventory should be carried out to assess compliance of CCTV assets against the standards, which will give an indication of the level of capital investment required to bring the Council's CCTV systems up to an appropriate standard and form the basis of a bid for capital.</p> <p>An approval process should be introduced to ensure new CCTV purchases meet the requirements of the standards.</p> <p><b>Audit Finding:</b> Audit were advised that there are various capital budgets in place covering vehicles and property lifecycle investment. However, there is no formal replacement programme for CCTV equipment.</p> <p><b>Risk:</b> Substandard systems that aren't fit for the intended purpose. CCTV footage is not available or not usable when required.</p>
<b>Priority</b>	2	<b>Latest Note</b>	<p>The corporate asset register for all CCTV systems has been completed, however it is evident that the data which has been returned by the services requires to be further scrutinised in terms of both the DPIA's and the physical assets reported. Work, including cross checking with other council data sets, is underway to ensure that all systems have been recorded and Protective Services are exploring the best method of capturing the physical data. The options being explored for this are either establishing an in-house team or utilising the existing the CCTV maintenance contracts and a budget pressure bid of £40K has been submitted for 23/24 to commence this work as soon as possible. Protective Services are, on request, currently advising on the operational requirements for new or replacement systems to ensure compliance for projects ongoing at the moment. This process will be finalised and formally embedded once the quantity and quality of the physical assets has been fully determined. The Corporate CCTV policy, published in August 2022 is being kept under review to take account of industry best practice and developments. Work is underway to rollout the I-Learn CCTV awareness course for those operating and responsible for CCTV systems which is anticipated to "go-live" on 10th March 2023.</p> <p>Note that that this essentially forms phase 1 of a wider project to have fully compliant council CCTV systems, subsequent phases being the physical asset surveys, then the prioritised replacement/removal programme. The quantum on funding required</p>

			will be established on completion of the physical surveys. Expected completion of audit action by end of financial year 2023/24.		
Progress Bar	<div><div>90%</div></div>	Original Due Date	30-Jun-2022	Due Date	31-Dec-2022
Parent Code & Title	IA2022PA019 CCTV in Council Buildings and Vehicles			Managed By	Aileen Craig
				Assigned To	Mark Boyd; Russell McCutcheon

Code	IA2023PA006b(1)	Description	<p><b>Action Description:</b> Services should revisit all agency staff transactions in 21/22 and assess whether these could have fallen within the scope of IR35. All decisions should be evidenced, and if deemed within the scope of IR35 appropriate corrective action should be taken.</p> <p><b>Finding:</b> IR35 is not being considered, evidenced, and applied consistently throughout the Council.</p> <p><b>Risk:</b> Council faces fines and penalties from HMRC for not correctly applying IR35 legislation.</p>		
Priority	1	Latest Note	<p>This has been progressing – we identified Lynne Ferguson (Business Support) and Lee Thomson (Finance) to be the experts around IR35 and undertake the training, who could then be a point of contact for managers who were looking at engaging someone via an agency. 3 of the CFJ SMT have now completed the training.</p> <p>New completion date: 31/3/23</p>		
Progress Bar	<div><div>50%</div></div>	Original Due Date	31-Oct-2022	Due Date	31-Oct-2022
Parent Code & Title	IA2023PA006 Off Payroll Working (IR35)			Managed By	Alison Sutherland
				Assigned To	Alison Sutherland

<b>Code</b>	IA2023PA006b(2)	<b>Description</b>	<p><b>Action Description:</b> Services should revisit all agency staff transactions in 21/22 and assess whether these could have fallen within the scope of IR35. All decisions should be evidenced, and if deemed within the scope of IR35 appropriate corrective action should be taken.</p> <p><b>Finding:</b> IR35 is not being considered, evidenced, and applied consistently throughout the Council.</p> <p><b>Risk:</b> Council faces fines and penalties from HMRC for not correctly applying IR35 legislation.</p>		
<b>Priority</b>	1	<b>Latest Note</b>	<p>This has been progressing - we identified Lynne Ferguson (Business Support) and Lee Thomson (Finance) to be the experts around IR35 and undertake the training, who could then be a point of contact for managers who were looking at engaging someone via an agency. 1 of the MH SMT has now completed the training</p> <p>New completion date 31/3/23</p>		
<b>Progress Bar</b>	<div><div>50%</div></div>	<b>Original Due Date</b>	31-Oct-2022	<b>Due Date</b>	31-Oct-2022
<b>Parent Code &amp; Title</b>	IA2023PA006 Off Payroll Working (IR35)			<b>Managed By</b>	Thelma Bowers
				<b>Assigned To</b>	Thelma Bowers

## NORTH AYRSHIRE COUNCIL

28 March 2023

### Audit and Scrutiny Committee

**Title:** Internal Audit Reports issued

**Purpose:** To inform the Committee of the findings of Internal Audit work completed between January and February 2023.

**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 January and February 2023. 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 two separate audit assignments are detailed at Appendix 1 to this report and the levels of assurance for each are noted in the table below:

<b>Audit Title</b>	<b>Assurance Level</b>
Financial Controls within ASN and Primary Schools	Reasonable
Social Care Establishments	Reasonable

### **3. Proposals**

- 3.1 It is proposed that the Committee considers the outcomes from the Internal Audit work completed between January and February 2023.

### **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 Risk)**, on **01294 324524**.

**Background Papers**

None.

## **FINANCIAL CONTROLS WITHIN ASN AND PRIMARY SCHOOLS**

### **1 Background**

- 1.1** This audit was performed by requiring all schools to complete a self-assessment questionnaire and provide supporting documentation. Each response was reviewed in detail and followed up as necessary. In addition, a sample of schools were visited to allow more detailed audit testing to be performed.

### **2 Objectives and Scope**

- 2.1** The objective of this audit was to review financial controls within the Council's ASN and primary schools.

The questionnaire and detailed testing were designed to gain assurance that:-

- Staff are aware of all relevant Council governance procedures.
- All cash is being held securely and is being properly managed.
- Cash withdrawals made via the Procurement Card are being used for appropriate types of expenditure, and all transactions are being properly recorded.
- A full audit trail exists for all school fund income and expenditure transactions.
- Processes are in place to ensure PEF spend is maximised.

### **3 Findings**

#### **Governance**

- 3.1** Head Teachers were asked to confirm they were aware of a number of key Council policies and had completed a number of key training courses. The majority of Head Teachers gave full assurance. Those who didn't were asked to familiarise themselves with the policies and complete any outstanding training as soon as possible.
- 3.2** Schools were asked to confirm if all relevant officers have completed cash handling training. The majority of officers have, and those who haven't are on the waiting list for the training.
- 3.3** Finally, schools were asked to confirm that all relevant officers have completed fire warden training. The majority of officers have completed the training. Those who haven't have been directed to the Council's online training course which is available for immediate completion.

#### **Cash Holding**

- 3.4** A cashless catering system (iPayimpact) is in operation in all ASN and primary schools. Schools can also use this system to collect payments for other items such as school trips, school uniform, fundraising etc.
- 3.5** The ability to accept payments online has reduced, but not eliminated, cash in schools.

- 3.6** There is a risk associated with holding cash, therefore schools were asked to confirm:-
- The arrangements in place for the safe storage of cash
  - That they are aware of the maximum insurable value of cash held within the school
  - Keyholder registers are up to date. Schools were also asked to provide copies of these
- 3.7** No issues were noted regarding cash storage locations, and schools confirmed they were aware of insurable limits.
- 3.8** Audit liaised with a number of schools to clarify and/or expand their keyholder registers. Updated registers have been provided by all these schools.

### **GPC Cash Withdrawals**

- 3.9** Officers can withdraw cash using their procurement cards IF this facility has been activated on their card.
- 3.10** Only 5 schools have cardholders with this facility activated.
- 3.11** Audit reviewed GPC cash expenditure from 1 April 22 to 31 December 22. During this period only 2 schools have used GPC cash – with transactions totalling £189.33.
- 3.12** Audit reviewed the cash transactions to ensure the expenditure type seemed reasonable – no issues were noted. Due to the minimal volume and value of transactions, no further detailed testing has been undertaken.

### **School Funds**

- 3.13** Council procedures state that school fund accounts must be audited annually by an independent party.
- 3.14** These audit reports give assurance that detailed and accurate records are being kept of school fund transactions.
- 3.15** Schools must have accounts audited and a copy submitted to Education HQ by 30<sup>th</sup> November. As of 31 December 22, 3 schools have indicated that their accounts have not yet been audited.
- 3.16** Education HQ has confirmed that a direct instruction has been sent to those who have failed to meet the deadline.
- 3.17** During site visits it became evident that, at times, school fund expenditure is being authorised verbally. This means there is no audit trail available to confirm who/when/if expenditure has been approved.
- 3.18** Audit has spoken directly to the Head Teachers in the schools where this issue was witnessed. **(action point a)**

### **Inventory**

- 3.19** The Council's Inventory procedure states that all establishments must maintain detailed inventory records which are updated throughout the year to reflect purchases, disposals and movements of assets. Updates should not be restricted to annually for the year end.
- 3.20** Head Teachers complete an 'Annual Inventory Certificate' in which they confirm that inventories are being maintained on a continuous basis. Whilst Head Teachers were instructed to return a copy of this certificate to Education HQ, not all complied. **(action point b)**
- 3.21** In addition to ensuring compliance with Council procedures, detailed inventory records are essential for Insurance purposes – in order to prove an item is an 'insurable asset' it must be recorded on an establishment's inventory record.
- 3.22** Schools were asked to confirm the date that their inventories were last updated and provide copies of all detailed inventory records.
- 3.23** The information supplied highlighted that not all schools have updated their inventories recently – with several quoting 2021 for the last update. **(action point c)**
- 3.24** Audit noted that the level of detail being recorded for IT assets varies between schools. Not all IT records are sufficiently detailed to allow specific assets to be clearly identified. **(action point d)**

#### **PEF**

- 3.25** Head Teachers are responsible for PEF spend.
- 3.26** Audit obtained copies of the monthly PEF monitoring reports provided by Education HQ to support Head Teachers in this role.
- 3.27** These reports contain detailed staffing projections along with information on all other actual spend to date.
- 3.28** Audit deemed these reports sufficient to support Head Teachers.

#### **4 Internal Audit Opinion**

- 4.1** Overall, reasonable assurance was obtained with regard the areas of financial control reviewed during the Audit.

## Definitions of Assurance Levels:

<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>None</b>	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

### FINANCIAL CONTROLS WITHIN ASN AND PRIMARY SCHOOLS

<b>Action</b>	a
<b>Finding</b>	Incomplete audit trail for school fund transactions.
<b>Action Description</b>	<p>Education HQ to remind all Head Teachers/Heads of Centres of the importance of ensuring a detailed audit trail is available for all school/early years fund transactions.</p> <p>There should always be clear written evidence of a transaction having been authorised.</p>
<b>Risk</b>	Misappropriation of school funds; failure to comply with the Council's school funds procedures
<b>Priority (1, 2, 3)</b>	2
<b>Paragraph Reference</b>	3.18
<b>Managed by</b>	Andrew McClelland, Head of Service
<b>Assigned to</b>	Lynn Taylor, Senior Manager
<b>Due Date</b>	31 March 2023
<b>Management Comment</b>	A reminder will be issued by the Head of Service to remind all Head Teachers/Heads of Centres of the importance of ensuring a detailed audit trail is available for all school fund transactions.

<b>Action</b>	b
<b>Finding</b>	<p>The Council's Inventory Procedure requires establishments to submit signed copies of Annual Inventory Certificates to Headquarters.</p> <p>These certificates then support the completion of the Annual Composite Certificate for the Service.</p> <p>Whilst Primary School Head Teachers are completing the Annual Certificates and retaining these on site, they are not being required to submit these to Education HQ.</p>
<b>Action Description</b>	<p>All Head Teachers should be instructed to submit signed Annual Inventory Certificates to a nominated Education HQ officer.</p> <p>This officer should ensure all schools submit returns timeously.</p>
<b>Risk</b>	Non-compliance with Council Procedures
<b>Priority (1, 2, 3)</b>	2
<b>Paragraph Reference</b>	3.20
<b>Managed by</b>	Andrew McClelland, Head of Service
<b>Assigned to</b>	Lynn Taylor, Senior Manager
<b>Due Date</b>	31 March 2023
<b>Management Comment</b>	<p>A communication will be issued by the Head of Service to remind Head Teacher/Heads of Centres to submit signed Annual Inventory Certificates to a nominated Education HQ officer.</p> <p>HQ will ensure all schools submit returns timeously.</p>

<b>Action</b>	c
<b>Finding</b>	Not all school inventories have been updated recently.
<b>Action Description</b>	<p>Education HQ to remind all Head Teachers of the importance of updating inventory records as soon as a change in assets occurs. This ensures that the inventory remains an exact reflection of every asset within the school.</p> <p>Regular spot checks should be undertaken by Education HQ to ensure that inventory records are being maintained. This ensures all records are sufficient to support an Insurance claim if required, but also ensures that Annual Inventory Certificates are accurate.</p>
<b>Risk</b>	Loss or theft of assets going unnoticed due to schools losing track of the movement of assets; insufficient records to make a claim against the Council's insurance policy.
<b>Priority (1, 2, 3)</b>	2
<b>Paragraph Reference</b>	3.23
<b>Managed by</b>	Andrew McClelland, Head of Service
<b>Assigned to</b>	Lynn Taylor, Senior Manager
<b>Due Date</b>	31 March 2023
<b>Management Comment</b>	<p>A communication from the HOS will be sent to remind all Head Teachers/Heads of Centres of the importance of updating inventory records as soon as a change in assets occurs. This ensures that the inventory remains an exact reflection of every asset within the school.</p> <p>Head Teachers/Heads of Centres will also be reminded of the need for their establishment responsible officer to carry out random, period checks of the inventory records. This will ensure all records are sufficient to support an Insurance claim if required, but will also ensure that Annual Inventory Certificates are accurate.</p>

<b>Action</b>	d
<b>Finding</b>	Not all IT inventories contain sufficient information to allow specific assets to be clearly identified.
<b>Action Description</b>	<p>Education HQ to remind all Head Teachers of the minimum level of detail required to be included in all inventories, but in particular IT inventories.</p> <p>Consideration should be given to providing templates for schools to record inventories on. This would ensure a consistent approach with all schools recording the same level of information for each category of asset.</p>
<b>Risk</b>	Loss or theft of assets going unnoticed due to schools losing track of the movement of assets; insufficient records to make a claim against the Council's insurance policy.
<b>Priority (1, 2, 3)</b>	1
<b>Paragraph Reference</b>	3.24
<b>Managed by</b>	Andrew McClelland, Head of Service
<b>Assigned to</b>	Lynn Taylor, Senior Manager
<b>Due Date</b>	31 March 2023
<b>Management Comment</b>	A communication will be sent to remind all Head Teachers/Heads of Centre of the Inventory Template Forms (IRF1) and (IRF2) that require to be maintained to provide relevant details of all assets located within establishments.

#### Priority Key used in Action Plan

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

## SOCIAL CARE ESTABLISHMENTS

### 1 Background

- 1.1 This audit was conducted as part of the approved 2022/23 Internal Audit Plan and reviewed financial and other controls within a sample of operational establishments within the Health and Social Care Partnership (HSCP). Five HSCP establishments were visited as part of this audit namely, one of the Children's Houses, a Day Care and Resource Centre, Community Based Services, a residential Care Home and an Area Team.
- 1.2 Questionnaires were issued to 31 establishments providing a wider perspective of financial and other controls.

### 2 Objectives and Scope

- 2.1 The main objectives of this audit were to ensure:
- All cash and income is properly accounted for and held securely;
  - Income and expenditure relating to independent funds is recorded in line with procedures;
  - Petty cash purchases are valid, authorised and properly accounted for in line with procedures;
  - Service User accounts are properly accounted for in accordance with departmental policy;
  - Purchases made via procurement card or E-procurement are valid, authorised and administered in line with procedures;
  - Staff are complying with the Council's Financial Regulations and other financial instructions;
  - Asset management is properly conducted and administered in line with procedures.

### 3 Findings

#### Policy and Procedures

- 3.1 Policy-related questionnaire responses indicated a general awareness of key financial and IT policies. This was confirmed at all locations visited.
- 3.2 Questionnaire responses relating to awareness of contract policies, highlighted gaps in awareness of the maximum amount of cash which may be held on their premises, and attendance at the Council's training courses on both financial regulations and cash handling. This is reflective of considerable pressures experienced by the service provision and change of management within individual establishments. (**action a**)

#### Cash Holding and Security

- 3.3 Two questionnaire responders confirmed that they had no cash on the premises, other responses confirmed different sources of money were held separately and access was restricted to those who had legitimate need. The typical amounts of cash per premises ranged from £100 to £6,000 depending on client requirements.

- 3.4** Site visits confirmed that cash was kept in a secure location with access restricted to only those responsible for cash. Different funds were locked in separate cash tins and client funds were kept in separate pouches.

### **Cash Handling**

- 3.5** Depending on the site, cash reconciliations were completed on shift changeover, or in offices which had no shift handover daily.
- 3.6** A complete cash check of petty cash and client cash was carried out in each of the establishments visited. No discrepancies were identified.
- 3.7** Petty cash purchases were recorded on a Microsoft Excel template in 3 of the establishments visited and on a manual card for 2 of the sites visited. In each establishment, petty cash purchases were audited and confirmed to be accurately recorded and valid with supporting receipts.
- 3.8** One establishment visited provided shop vouchers for clients. These were properly secured and accounted for.
- 3.9** All third-party funds were accurately recorded and individually stored in individual envelopes or pouches. In one establishment visited, staff reported a concern with handing clients funds in a busy reception area. (**action b**)
- 3.10** No bank books were located within the establishments visited.

### **Inventories**

- 3.11** The questionnaire responses indicated that 16 establishments did not have an up-to-date inventory. Lists of items under warranty are maintained by 4 establishments. Site visits confirmed that 2 establishments had up-to-date inventory lists and the other 3 had inventories but had not kept them up-to-date. (**action c**)

### **GPC Cards**

- 3.12** All cards were reported to be secure in the questionnaire which was confirmed at the site visits.
- 3.13** All the cash handling establishments reported in the questionnaire that they used the GPC card for withdrawing cash. Site visits confirmed the process for collecting cash was carried out in a secure manner, including an irregular pattern.
- 3.14** A random sample of GPC card transactions for each of the establishments visited was tested for procurement compliance. No issues were identified.

## **4 Internal Audit Opinion**

- 4.1** Overall, reasonable assurance was obtained with regard to security and handling cash.

- 4.2** Lack of policy knowledge and attendance at financial and cash training courses is reflective of change of managers and newness of some establishments.

**Definitions of Assurance Levels:**

<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>None</b>	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 SOCIAL CARE ESTABLISHMENTS

<b>Action</b>	a
<b>Finding</b>	Not all managers have completed financial procedure and cash handling training.
<b>Action Description</b>	In light of current pressures, a guidance booklet be established to provide guidance to new managers and a long-term training strategy be established which ensure training is completed in line with HSCP's operational needs.
<b>Risk</b>	Managers are unaware of their responsibilities and processes become localised and inconsistent with NAC corporate policy.
<b>Priority (1, 2, 3)</b>	1
<b>Paragraph Reference</b>	3.2
<b>Managed by</b>	Julie Davis, Principal Manager (Business Administration)
<b>Assigned to</b>	Lynne Ferguson, Business Admin Manager
<b>Due Date</b>	31/05/2023
<b>Management Comment</b>	We will implement a process to ensure that all relevant staff undertake financial regulations and cash handling training where appropriate. This will involve running reports from the e-learning system on a regular basis and liaising with senior managers to ensure their staff complete the training.

<b>Action</b>	b
<b>Finding</b>	Clients' cash is distributed in a public domain
<b>Action Description</b>	In establishments where client cash is being distributed an independent review of locations used is completed and a procedure established.
<b>Risk</b>	The potential risk of targeted fraud or theft.
<b>Priority (1, 2, 3)</b>	1
<b>Paragraph Reference</b>	3.9
<b>Managed by</b>	Julie Davis, Principal Manager (Business Administration)
<b>Assigned to</b>	June McLennan, Centre Co-ordinator
<b>Due Date</b>	Complete
<b>Management Comment</b>	This has now been addressed at the location which was visited by Internal Audit and a closed office has been allocated for the distribution of cash to clients. At other locations, cash is handled either behind screens or in a closed office.

<b>Action</b>	c
<b>Finding</b>	Asset inventories are incomplete and not maintained to reflect current estate.
<b>Action Description</b>	Asset registers are to be brought up to date.
<b>Risk</b>	Items are not properly valued, new items are not registered and missing assets not identified. Assets are not covered by the Council's insurance policy.
<b>Priority (1, 2, 3)</b>	1
<b>Paragraph Reference</b>	3.11
<b>Managed by</b>	Julie Davis, Principal Manager (Business Administration)
<b>Assigned to</b>	Julie Davis, Principal Manager (Business Administration)
<b>Due Date</b>	30/04/2023
<b>Management Comment</b>	An email has been sent to all establishments instructing them to bring their inventories up-to-date and this will be completed and checked in line with financial year-end requirements.

### Priority Key used in Action Plan

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



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## NORTH AYRSHIRE COUNCIL

28 March 2023

### Audit and Scrutiny Committee

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<b>Title:</b>	<b>Internal Audit Charter 2023</b>
<b>Purpose:</b>	To seek Committee approval of the updated Internal Audit Charter.
<b>Recommendation:</b>	That the Committee (a) approves the Internal Audit Charter attached at Appendix 1 and (b) agrees that future amendments to the Charter will be made where a need is identified.

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#### 1. Executive Summary

- 1.1 Internal Audit operates in accordance with the requirements of the 'Public Sector Internal Audit Standards (PSIAS)'. The Standards are designed to ensure that common practices are followed across all public sector bodies.
- 1.2 One requirement of the PSIAS is the preparation of an 'Internal Audit Charter' which must be approved by the Audit and Scrutiny Committee.
- 1.3 In May 2014 it was agreed that the Charter would be reviewed on a biennial basis or at any other time if required by a material change to the terms of the Charter.
- 1.4 The existing Internal Audit Charter was approved by the Audit and Scrutiny Committee in September 2020. A revised Charter is attached at Appendix 1 for approval.

#### 2. Background

- 2.1 The Charter is a formal document that defines the purpose, authority and responsibility of Internal Audit; the section's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of audit engagements; and defines the scope of Internal Audit activities.
- 2.2 It was agreed by the former Audit Committee that the Charter should be reviewed on a biennial basis to ensure it remains current and brought to

Committee for approval. It is now proposed that an annual review of the Charter will continue to be carried out by the Senior Manager as this is a requirement of the PSIAS, however only where material changes occur would this result in a change to the Charter and require reapproval by Committee. Examples of such circumstances would include: changes to internal structures or arrangements, findings from an internal or external quality assessment, or changes to the standards or guidance around internal audit charters or the requirements of internal audit.

- 2.3 The Internal Audit Charter has been reviewed and found to remain fit for purpose.
- 2.4 Minor changes have been required to the Charter to ensure it continues to reflect the organisational structure of the Council and the requirements of the PSIAS:
- Updates throughout the document to reflect changes to designations; and
  - Definition of the mission of Internal Audit, which was a recommendation raised by the external review team as part of the external quality assessment.

### **3. Proposals**

- 3.1 It is proposed that the Committee (a) approves the Internal Audit Charter attached at Appendix 1 and (b) agrees that future amendments to the Charter will be made where a need is identified.

### **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 No consultations have been required in the preparation of this report.

Mark Boyd  
Head of Service (Finance)

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

### **Background Papers**

None.

# INTERNAL AUDIT CHARTER

## 2023

<b>Version:</b>	Final
<b>Date:</b>	28/03/2023
<b>Author:</b>	Laura Miller
<b>Classification:</b>	Public



**North Ayrshire Council**  
Comhairle Siorrachd Àir a Tuath

## **INTERNAL AUDIT CHARTER 2023**

### **1 Introduction**

- 1.1** North Ayrshire Council has adopted the definition of Internal Audit as given in the Public Sector Internal Audit Standards (PSIAS):

‘Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’

- 1.2** PSIAS requires the Council to define its interpretation of the generic terms ‘Chief Audit Executive’, ‘Senior Management’ and ‘Board’.

- 1.3** For the purposes of this Internal Audit Charter, the role of the ‘Chief Audit Executive’ is fulfilled by the Senior Manager (Audit, Fraud, Safety & Risk), hereafter referred to as the Senior Manager; the Chief Officers are defined as ‘Senior Management’ and the ‘Board’ is deemed to be the Audit and Scrutiny Committee.

### **2 Responsibilities of Internal Audit**

- 2.1** The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

- 2.2** The scope of Internal Audit activity includes, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation’s governance, risk management and internal control processes. This enables Internal Audit to provide the Audit and Scrutiny Committee with assurance on the adequacy of these arrangements.

- 2.3** Internal Audit does this by:

- Providing high quality, independent audit services to the Council and its Senior Management;
- Performing a systematic and continuous review of the Council’s internal control, risk management and governance arrangements in accordance with a risk-based annual plan approved by the Audit and Scrutiny Committee;
- Highlighting opportunities to reduce costs through greater economy, efficiency and effectiveness within existing internal controls throughout the Council’s systems and activities;
- Advising on cost effective controls for new systems and activities;
- Providing an assurance statement and annual report to the Audit and Scrutiny Committee on the adequacy of the Council’s internal control and governance arrangements.

**2.4** Internal Audit is responsible for reporting risk exposures and control risks to the Audit and Scrutiny Committee and Senior Management.

**2.5** Internal Audit will consult with the Council's external auditor and with other relevant inspection and review bodies in order to co-ordinate effort and avoid duplication.

### **3 Standards and Ethics**

**3.1** Internal Audit will carry out its work in accordance with:

- Relevant standards and guidelines issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Internal Auditors (IIA);
- The Council's 'Local Code of Corporate Governance';
- The section's own Internal Audit Manual and Procedures.

**3.2** In particular, Internal Audit will adhere to the Public Sector Internal Audit Standards (PSIAS) which were issued by CIPFA and the IIA and were most recently updated in April 2017. The PSIAS incorporates the mandatory elements of the IIA's International Professional Practices Framework – the definition of Internal Auditing (see 1.1 above), the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing.

**3.3** Internal Auditors will comply with appropriate professional ethics at all times. These cover:

- Integrity;
- Objectivity;
- Confidentiality;
- Competency.

**3.4** The Chief Audit Executive will hold a relevant professional qualification and will be suitably experienced. Audit staff will adhere to the requirements of the Council's Employee Code of Conduct, the Seven Principles of Public Life and the ethical standards of any professional institute of which they may be a member. Staff will undertake Continuing Professional Development (CPD) as required and will also keep their skills and knowledge current through appropriate professional learning and the Council's employee development programme.

### **4 Position of Internal Audit within the Council**

**4.1** Internal Audit is an independent activity. It is not an extension of, or a substitute for, the functions of line management and must remain free from any undue influence or other pressure affecting its actions and reporting.

**4.2** At all times, the responsibilities of Senior Management across the Council include:

- Maintaining proper internal controls in all processes for which they have responsibility to ensure probity in systems and operations;
  - Preventing and detecting fraud and irregularities within their service areas and reporting any suspicions to the Senior Manager;
  - Co-operating fully with Internal Audit to help ensure that Internal Audit can properly fulfil its role;
  - Considering and acting on Internal Audit findings and recommendations or accepting responsibility for any resultant risk from not doing so.
- 4.3** In terms of the PSIAS, the status of Internal Audit should enable it to function effectively, with recognition of the independence of the section fundamental to its effectiveness. The Chief Audit Executive should have sufficient status to facilitate the effective discussion of audit strategies, plans, results and improvement plans with Senior Management.
- 4.4** Within North Ayrshire Council, the Senior Manager will have unrestricted access to the Section 95 Officer, the Monitoring Officer (the Head of Democratic Services), the Chief Executive and the Chair of the Audit and Scrutiny Committee.
- 4.5** In addition, unrestricted access to all Chief Officers and employees of the Council is afforded to the Senior Manager and all members of Internal Audit staff in the course of carrying out their work.
- 4.6** In terms of accountability and independence, the Senior Manager reports **functionally** to the Audit and Scrutiny Committee; this means the Audit and Scrutiny Committee will:
- Approve the Internal Audit Charter;
  - Approve the internal audit plan;
  - Receive reports from the Senior Manager on the outcome of Internal Audit work and any other matters the Senior Manager deems necessary;
  - Make enquiries to ensure that Internal Audit is adequately resourced to meet its assurance and other key responsibilities;
  - Receive periodic confirmation from the Senior Manager that Internal Audit complies with the requirements of PSIAS.
- 4.7** The Senior Manager reports **administratively** to the Section 95 Officer (the Head of Service (Finance)). The administrative reporting line will be managed in a manner that ensures:
- The Senior Manager is accorded open and direct communication with Senior Management across the Council;
  - The Internal Audit function has an adequate and timely flow of information concerning the activities, plans and initiatives of the Council.

**4.8** It is recognised that the administrative reporting line does not have authority over the scope of reporting of results of Internal Audit activity. Ultimate authority in this regard rests with the Senior Manager, who retains the final right of edit over all Internal Audit reports.

**4.9** The Senior Manager also has managerial responsibility for the Council-wide functions of risk management, insurance, business continuity planning and health and safety. In order to ensure that Internal Audit independence and objectivity is maintained, any audit work in these areas will be carried out by other Internal Audit staff with the Senior Manager as the client. The Senior Manager will have no involvement in the delivery or reporting of the audit review and the report will be published by the Team Manager (Internal Audit).

## **5 Rights of Access**

**5.1** In relation to audit work being carried out, the Senior Manager and any member of the Internal Audit section has the authority to:

- Enter at all reasonable times and without notice any premises or land of the Council, provided that where such premises or land are leased to a third party the terms of the lease are observed;
- Have access to, and remove, all records (both paper and electronic), documents and correspondence within the possession or control of any officer of the Council, relating to any financial or other matters of the Council;
- Be provided with a separate log-in to any computer system within the Council and have full access to any system, network, personal computer or other device in the ownership of the Council;
- Require and receive explanations concerning any matter under examination from any employee, including Chief Officers, and request such explanations from any Elected Member;
- Require any employee of the Council to produce cash, stores or any other Council assets under their control.

**5.2** These rights of access are also embedded within the Council's Financial Regulations, which were last approved by the Council on 16<sup>th</sup> December 2020.

## **6 Fraud-related Work**

**6.1** As outlined at 4.2 above, responsibility for the prevention and detection of fraud lies primarily with Senior Management across the Council, not with Internal Audit. However, Internal Audit staff will be alert in all their work to risks and exposures that could allow fraud or corruption. The Corporate Fraud Team will also undertake proactive work to identify potentially fraudulent activity.

**6.2** The Council's 'Defalcation Procedures' require that any suspected fraud against the Council will be reported to the Senior Manager.

- 6.3** The Corporate Fraud Team will investigate suspected instances of fraud against the Council and report their findings to Senior Management, along with any recommendations for action to rectify the situation. This may include the recommendation that Senior Management should consider investigating relevant members of staff under the Council's Disciplinary Policy.
- 6.4** Senior Management will be responsible for acting on the recommendations of Internal Audit, including carrying out any disciplinary reviews.
- 6.5** Any contact with the Police or the Procurator Fiscal in relation to employee fraud will be made only by the Chief Executive or by another officer acting with the prior approval of the Chief Executive.

## **7 Consultancy Work**

- 7.1** When invited by Senior Management, Internal Audit may provide advice and consultancy services on:
- Cost effective controls for new systems and activities;
  - Opportunities to reduce costs through greater economy and efficiency within processes or systems.
- 7.2** Acceptance of any assignment will be dependent on available resources, the nature of the assignment and any potential impact on future independent assurances.
- 7.3** Internal Audit will not accept any consultancy assignment where the Senior Manager considers that staff do not have the necessary specialist knowledge or skills.
- 7.4** The role of Internal Audit in a consultancy assignment is to provide advice and support to Senior Management, who retain the ultimate responsibility for the decisions taken within the area under review.
- 7.5** Internal Audit may in future carry out assurance work in service areas where advice or consultancy services were previously provided. The objectivity of individual audit staff will be managed in assigning any such assurance work.

## **8 Audit Reporting**

- 8.1** After the completion of each assignment, Internal Audit will issue a draft report to the relevant Head of Service, containing the findings of the audit work, an action plan and an audit opinion on the area under review. Internal Audit will aim to issue this draft report within 21 days of completion of the audit fieldwork.
- 8.2** Senior Management is expected to respond to Internal Audit with a completed action plan within 21 days of the issue of the draft report. A clearance meeting will be offered to the Head of Service during the 21 day

period if they wish to discuss the findings and facilitate the completion of the action plan.

- 8.3** Following the return of the completed action plan, Internal Audit will aim to finalise and publish the report within 14 days.
- 8.4** Each final Internal Audit report will be issued to the relevant Executive Director and Heads of Service. Copies will also be made available to the Chief Executive and the Section 95 Officer.
- 8.5** Once finalised, each Internal Audit report and action plan will be submitted to the Audit and Scrutiny Committee.
- 8.6** Internal Audit recognises that its responsibility does not cease at the point when a report is published. Regular follow-up work will be carried out to ensure that actions are in place and are effective.
- 8.7** Failure by Senior Management to implement actions within the previously agreed timescales will be reported to the Audit and Scrutiny Committee at the first meeting following the end of the quarter in which the action was due to be implemented.
- 8.8** The Audit and Scrutiny Committee may call for explanations from Senior Management around actions that have not been implemented and will have responsibility for agreeing any extensions to timescales.
- 8.9** The Senior Manager will prepare an annual report to the Audit and Scrutiny Committee, confirming compliance with PSIAS, highlighting key findings from audit work during the preceding audit year, and providing an opinion on the internal control environment of the Council.
- 8.10** The work of Internal Audit, including the opinion on the control environment, will contribute to the Council's review of its corporate governance arrangements, the outcome of which will be published in the Annual Governance Statement.

## **9 Audit Resources and Prioritisation of Work**

- 9.1** Work will be prioritised according to risk, through the judgement of the Senior Manager, and aligned to the Council's risk registers. The Senior Manager will consult with the Executive Leadership Team in making this assessment.
- 9.2** The Senior Manager will determine the actual deployment of available resources and will do so within the framework of risk prioritisation used to prepare the annual audit plan approved by the Audit and Scrutiny Committee.
- 9.3** The audit plan will have within it a provision of resources to address unplanned work. These resources will be directed towards responding to

specific control issues highlighted by Senior Management during the audit year.

- 9.4** In the event that the risk assessment within the audit plan identifies a need for more audit work than there are resources available, the Senior Manager will identify the shortfall and initially advise the Section 95 Officer followed by the Audit and Scrutiny Committee as required.
- 9.5** It will be for the Audit and Scrutiny Committee to decide whether to accept the risks associated with the non-delivery of sufficient audit work or to recommend to the Council that it identifies additional resources.

## **10 Quality Assurance**

- 10.1** The Senior Manager will develop and maintain a Quality Assurance and Improvement Programme that covers all aspects of the Internal Audit activity. This will include both internal and external assessments.
- 10.2** The internal assessments will include:
- Ongoing monitoring of the performance of Internal Audit through the use of performance indicators, staff supervision and team meetings;
  - Periodic self-assessment of the Internal Audit function against the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 10.3** External assessments will be conducted at least once every 5 years by a qualified, independent assessor from outside the organisation.
- 10.4** The external assessment may be a full external assessment or a self-assessment with independent validation. The format will be agreed in advance of each external assessment by the Section 95 Officer and the Audit and Scrutiny Committee.
- 10.5** The findings of each internal and external assessment will be reported to the Audit and Scrutiny Committee along with a plan for any improvement action that may be required.

## **11 Approval of the Audit Charter**

- 11.1** This Internal Audit Charter was reported to and approved by the Audit and Scrutiny Committee of North Ayrshire Council on 28<sup>th</sup> March 2023.
- 11.2** The Charter will be subject to annual review by the Senior Manager. Where any material changes are required to the Charter, this will be presented to the Audit and Scrutiny Committee for their approval.

