# NORTH AYRSHIRE COUNCIL

**20 November 2025**

**Audit and Scrutiny Committee**

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| **Title:** | **Internal Audit and Corporate Fraud Action Plans: Quarter 2 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 30 September 2025. |
| **Recommendation:** | That the Committee notes the current position with the implementation of Internal Audit and Corporate Fraud actions. |

## 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 as at 30 September 2025.

## 2. Background

2.1 The last report to the Audit and Scrutiny Committee on 28 August 2025 highlighted that there were 14 actions outstanding at the end of June 2025 and all but one actions had not yet passed their due date.

2.2 In addition to these 14 carried forward actions, there have been 19 new actions agreed, giving a total of 33 action points for review.

2.3 Services have completed 26 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 7 actions, 3 were only partially completed as at 30 September 2025 and the remaining 4 actions were not due for completion until after that date.

2.5 Appendix 1 to this report provides the Committee with full details of the 3 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 2023-2028.

**Community Wealth Building**

4.7 None.

**Islands Communities Impact Assessment (ICIA)**

4.8 None.

**United Nations Rights of the Child (UNCRC)**

4.9 None.

**Consumer Duty**

4.10 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 **Anne-Marie Fenton, Interim Senior Manager (Internal Audit),** on **afenton@north-ayrshire.gov.uk**.

**Background Papers**
None.

**Appendix 1 - Actions due by 30 September 2025 but not started or partially completed**

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| **Code** | IA2025PA005b | **Description** | **Action Description:**<br>Management should investigate the feasibility of streamlining the end-to-end process as part of the transition to Eclipse to minimise the number of instances where data input is required, where possible.<br>In the meantime, management should ensure that the access database (DB) is restricted to a limited number of authorised users only and that the DB is suitably protected (e.g. by way of strong password) until such time as the new system has been implemented.<br><br>**Finding:**<br>The admin team currently update the budget monitoring spreadsheet, an operational access database and the CareFirst system at each stage of the process for all Council tenant jobs. All serve a different purpose. This is very time consuming for staff and increases the risk of keying errors being made. In addition, the access database is not supported by IT Services.<br><br>**Risk:**<br>Inefficient use of staff time and increased risk of keying errors. | | |
| **Priority** | 2 | **Latest Note** | Current trial of reporting via Eclipse with a view to eliminating the need for the Access Database from process. Target date for removal of Access Database 30th November 2025.<br><br>This action will streamline and remove the requirement for admin duplicate information across platforms. The spreadsheet and Eclipse data input will remain. | | |
| **Progress Bar** | 95% | **Original Due Date** | 30-Sep-2025 | **Due Date** | 30-Sep-2025 |
| **Parent Code & Title** | IA2025PA005 Aids and Adaptations | | | **Managed By** | Head of Service (Housing & Public Protection); AHP Senior Manager & Professional Lead |
| | | | | **Assigned To** | Team Manager (Housing); Team Manager OT |

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| **Code** | IA2025PA010a | **Description** | **Audit Action:** The revised Terms of Reference should be presented to the Transformation Board for approval.<br><br>**Audit Finding:** It was noted that the Terms of Reference stated that action notes from the Board meetings would be shared at each IJB via the Director's report, but this has not been done in practice, at the request of the IJB. However, the IJB have received 6-monthly updates on the progress of the Transformation Plan. The Senior Manager (Strategic Planning and Transformation) prepared a revised Terms of Reference to reflect the reporting arrangements to be presented to the Transformation Board in July 2025.<br><br>**Risk:** The arrangements for reporting the progress against the Transformation Plan to the IJB are not compliant with the Terms of Reference of the Transformation Board. | | |
| **Priority** | 3 | **Latest Note** | The next meeting of the Transformation Board is scheduled to take place on the 5th December 2025 (3pm). The Terms of Reference will be addressed at this meeting due to the scheduled meeting for the 22nd of October 2025 being cancelled. | | |
| **Progress Bar** | 75% | **Original Due Date** | 20-Aug-2025 | **Due Date** | 20-Aug-2025 |
| **Parent Code & Title** | IA2025PA010 IJB Transformation | | | **Managed By** | Director of Health & Social Care |
| | | | | **Assigned To** | Chief Social Work Officer |

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| **Code** | IA2025SI003a | **Description** | **Action description:** Review the SHR guidance and audit recommendations to ensure Data Dictionaries are fully completed and issued to appropriate staff prior to 24/25 SHR ARC return being completed. This will ensure consistency in data collection from year to year. Data Dictionaries should also make reference to what evidence is required to be kept, which format is used to present it and where this should be centrally filed.<br><br>**Audit finding:** No formal internal procedure notes are in place to ensure that Regulator guidance is followed and updated as required for the period tested - 23/24. Incomplete Data Dictionaries have been provided and are intended for use for 24/25, however there are currently in draft form. It was also noted that some staff responsible for collating the data for the ARC were not aware of the Data Dictionaries.<br><br>**Risk:** Inaccurate reporting to ARC as required by SHR, due to inconsistent data collection. Lack of consistency reduces comparability of PIs and therefore usefulness for management decision-making. Lack of clear instructions for new staff if those who currently prepare the PIs are unavailable in the future. | | |
| **Priority** | 1 | **Latest Note** | Work has taken place on the ARC indicators to gather the data on a monthly basis. The Business Improvement Team are currently working on the new reports which will form part of the data dictionaries. This will allow teams to understand where the data is being pulled from and the inclusions, exclusions set out by the Scottish Housing Regulator.<br><br>Work will be done to complete a 6 month return, which will enable the data dictionaries to be completed. The work will be completed by the 31st October 2025. | | |
| **Progress Bar** | 30% | **Original Due Date** | 30-Sep-2025 | **Due Date** | 30-Sep-2025 |
| **Parent Code & Title** | IA2025SI003 Housing Indicators | | | **Managed By** | Head of Service (Housing & Public Protection); |
| | | | | **Assigned To** | Team Manager (Performance) |