
NORTH AYRSHIRE COUNCIL

16 November 2021

Audit and Scrutiny Committee

Title: Internal Audit Plan 2021/22: Mid-year update

Purpose: To provide an update at as 30 September 2021 on progress made in delivering the 2021/22 Internal Audit Plan.

Recommendation: That the Committee (a) notes the mid-year position and (b) approves the deferral of seven audits for consideration as part of the 2022/23 internal audit plan.

1. Executive Summary

- 1.1 The current Internal Audit Plan, covering the period February 2021 to March 2022, was approved by the Audit and Scrutiny Committee in January 2021. The plan sets out the areas of work which Internal Audit intends to cover during the 14-month period.
- 1.2 This report updates the Committee on the position at 30 September 2021. It is good practice to regularly reassess the internal audit plan, and a number of amendments made as explained within this report and Appendix 1.

2. Background

- 2.1 Appendix 1 to this report is the approved audit plan for 2021/2022. For each audit, additional information has been provided to show the actual activity to 30 September and for completed audits, dates when the final report was published and reported to the Audit and Scrutiny Committee.
- 2.2 Thirteen reports have been published during the first half of 2020/2021; eight of these were from the 2020/21 plan and the remaining five have been completed from the current plan. All work relating to 2020/21 is now concluded.
- 2.3 In line with good practice, the plan has been reviewed at the mid-point and a number of changes are proposed for various reasons – reduction in the number of available audit days mainly as a result of a gap in resourcing, and continuing to avoid some audits which require physical site visits at the present time.
- 2.4 With Committee approval, the following audits will be deferred for consideration as part of the 2022/23 plan:

- Museums and Heritage;
- Agency staff and workers;
- Transport – Journeys and Hires;
- Building Services – Procurement;
- Facilities Management – Procurement;
- Workforce Planning; and
- Social care establishments.

3. Proposals

- 3.1 It is proposed that Committee (a) notes the mid-year position and (b) approves the deferral of seven audits for consideration as part of the 2022/23 plan.

4. Implications/Socio-economic Duty

Financial

- 4.1 None.

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 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. No additional consultation has been required in the preparation of this report.

Mark Boyd
Head of Finance

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

Background Papers

None

**NORTH AYRSHIRE COUNCIL
INTERNAL AUDIT PLAN 2021-2022**

PROGRESS REPORT at Quarter 2

PRODUCTIVE TIME - AUDIT PLAN

Key Corporate Systems	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21	Final Report issued	Report to Audit and Scrutiny
Procurement and Accounts Payable	Review a range of controls relating to Procurement and Accounts Payable.	15	0	23	Planned Q4 (including follow up of Pcard audit 2020/21)		
VAT	Carry out a review of the Council's VAT arrangements.	15	0	15	Planned Q4		
General Ledger system	Review controls in the Integra GL system.	15	0	15	Planned Q3		
TOTAL AUDIT DAYS		45	0	53			

Other Systems	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21	Final Report issued	Report to Audit and Scrutiny
Revenues and Benefits	Review a range of controls within Revenues and Benefits processes.	15	15	15	Fieldwork ongoing		
Museums and Heritage	Review the effectiveness of a range of controls within the Museums and Heritage service.	15	0	0	Defer		
Procurement of Educational supplies	Review controls around procurement within Education.	15	30	30	Fieldwork ongoing		
Agency staff and workers	Examine the Council's use of agency staff and workers.	15	0	0	Defer		
Social Media	Review the use of Social Media by the Council.	15	5	15	Fieldwork ongoing		
CM2000 system	Audit system controls in the CM2000 care management system used by HSCP	20	0	20	Planned Q4		
Care Home Admissions Process	Review the care home admissions process.	20	4	15	Fieldwork ongoing		
Community Alarms	Examine controls in relation to the Community Alarms service provided by the Health and Social Care Partnership.	15	16	16	Complete	08/09/2021	16/11/2021
Sustainability payments to care providers	Provide assurance on the sustainability payments made to care providers by the Health and Social Care Partnership.	15	18	18	Complete	19/08/2021	14/09/2021
Integration Joint Board audit days	Carry out audit work as agreed by the Performance and Audit Committee of the Integration Joint Board.	15	0	15	Planned Q4		
Transport - Journeys and Hires	Review controls in the Transport Hub in relation to transportation, with a particular focus on the use of taxis.	15	0	0	Defer		
Waste - Recycling and Landfill Contracts	Examine controls in relation to recycling and landfill.	15	16	16	Complete	05/08/2021	14/09/2021
Funding support to businesses including external compliance	Consider the controls around the provision of funding support to local businesses.	20	0	20	Planned Q3		
Building Services - procurement (inc. sub-conts and materials)	Review controls around procurement within Building Services.	15	0	0	Defer		
Facilities Management - Overtime controls	Carry out a detailed review of controls around the authorisation and payment of overtime across Facilities Management.	15	14	15	Fieldwork ongoing		
Facilities Management - Procurement	Review controls around procurement within Facilities Management.	15	0	0	Defer		
PMI - CCTV in Council Buildings and Vehicles	Review the controls around the use of CCTV in Council vehicles and buildings.	20	19	20	Fieldwork ongoing		
PMI - HRA Planned maintenance and reactive repairs	Consider the controls around the programme of planned maintenance and reactive repairs in the Housing Revenue Account.	15	20	20	Complete	07/05/2021	01/06/2021
TOTAL AUDIT DAYS		290	157	235			

ICT Auditing	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21	Final Report issued	Report to Audit and Scrutiny
Network Controls	Review a range of controls within the Corporate network.	20	0	20	Rescheduled to Q3		
Cyber resilience	Review the Council's response to the threat of cyber attack, which has been identified as a key strategic risk to the organisation.	15	3	15	Fieldwork ongoing		
TOTAL AUDIT DAYS		35	3	35			

Governance	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21	Final Report issued	Report to Audit and Scrutiny
Employee Services - Temporary Posts and Contracts	Examine controls around the use of temporary posts and temporary contracts across the Council	15	18	18	Complete	12/07/2021	14/09/2021
Leavers and Movers processes	Review the controls around employees who move job within the Council, with a particular focus on access to personal and sensitive information.	20	0	20	Rescheduled to Q3		
HR - Workforce Planning (inc. VER/VR schemes)	Review the Council's workforce planning arrangements.	15	0	0	Defer		
Ayrshire Growth Deal	Review the governance arrangements in North Ayrshire Council in relation to the Ayrshire Growth Deal.	20	2	15	Rescheduled to Q3		
TOTAL AUDIT DAYS		70	20	53			

Performance Monitoring	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21	Final Report issued	Report to Audit and Scrutiny
Performance Indicators	Provide assurance on the robustness and accuracy of a sample of performance information.	20	0	15	Rescheduled to Q3		
TOTAL AUDIT DAYS		20	0	15			

Regularity Audits	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21	Final Report issued	Report to Audit and Scrutiny
Accounts Payable transaction testing	Use computer audit software to interrogate the Accounts Payable system and examine any anomalies which arise.	15	6	12	Fieldwork ongoing		
Payroll transaction testing	Use computer audit software to interrogate the HR/Payroll system and examine any anomalies which arise.	15	10	10	Draft report with Service		
Secondary Schools	Review financial controls within the Council's secondary schools using self-assessment audit questionnaires and investigate any concerns which arise.	30	0	15	Planned Q4		
Social Care establishments	Review financial and other controls within a range of operational establishments managed by the Health and Social Care Partnership.	20	0	0	Defer		
TOTAL AUDIT DAYS		80	16	37			

Following the Public Pound	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21	Final Report issued	Report to Audit and Scrutiny
Community Councils	Annual audit of Community Councils accounts' to ensure Council funding is used in accordance with the Council's Scheme of Administration.	10	10	15	As required	n/a	n/a
Tenants and Residents Associations	Annual audit of the accounts of various Tenants and Residents Associations.	2	0	2	As required	n/a	n/a
TOTAL AUDIT DAYS		12	10	17			

Other Work	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21
Prior year audit work	Completing audits from the previous year's audit plan that were not fully complete by the end of March 2021 or starting audits early from the 2021/22 audit plan.	20	66	66	Complete
Audit consultancy: ad-hoc advice	Providing advice to council services in response to ad-hoc queries	10	10	10	As required
Audit consultancy: project work	Participating in project work to support developments in other council services.	25	12	25	As required
Follow-up	Follow up of previous audit reports to ensure that appropriate action has been taken.	15	5	10	As required
Audit planning and monitoring	Preparing audit plans and monitoring progress and performance against plans.	20	13	20	As required
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	18	25	As required
Governance documents	Review of governance documents	2	1	2	As required
Development of the Audit service	Carry out developmental work to further enhance the efficiency of the audit section.	5	5	5	As required
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	2	2	As required
Internal Audit EQA (assess or being assessed)	Participate in the Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) review network for the external quality assessment programme.	10	1	10	Planned for Q3
Grant claims	Certification of expenditure funded by specific grants from external funding bodies	2	0	2	As required
Annual Accounts	Work in relation to the Council's annual accounts, including stock counts, reviewing imprests and preparing the Annual Governance Statement.	2	3	2	As required
TOTAL AUDIT DAYS		138	136	179	

TOTAL	PRODUCTIVE TIME - AUDIT PLAN	690	342	624
--------------	-------------------------------------	------------	------------	------------

PRODUCTIVE TIME - CONTINGENCIES AND INVESTIGATIONS

Special Investigations	Audit Objective	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days	Current Progress @ 30/09/21	Final Report issued	Report to Audit and Scrutiny
Payroll overpayments	Small investigations relating to payroll overpayments reported to Internal Audit by Payroll		0		As required		
Community Association (C&E)	Review the accounts of a Community Association		6		Complete - no output		
TOTAL	PRODUCTIVE TIME - CONTINGENCIES AND INVESTIGATIONS	20	6	20			

NON-PRODUCTIVE TIME

	Original Planned Audit Days	Actual Days @ 30/09/21	Proposed Revised Audit Days
Management	20	10	20
Administration	29	25	39
Meetings	38	29	49
Training	18	19	28
TOTAL	105	83	136
TOTAL DAYS	815	431	780

PRODUCTIVE DAYS
NON-PRODUCTIVE DAYS

	ANNUAL BUDGET			ACTUAL to 30/09/21
	ORIGINAL	REVISED	%	
PRODUCTIVE DAYS	710	644	83%	348 81%
NON-PRODUCTIVE DAYS	105	136	17%	83 19%
TOTAL DAYS	815	780	100.0%	431 100.0%