

**South Ayrshire Council**

**Report by Chief Financial Officer  
to Audit and Governance Panel  
of 26 June 2024**

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**Subject: External Audit Reports – Progress to 31 May 2024**

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**1. Purpose**

1.1 The purpose of this report is to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions.

**2. Recommendation**

**2.1 It is recommended that the Panel scrutinises the progress against the Council’s external audit improvement actions as presented in this report.**

**3. Background**

3.1 The Final Report on the 2022/23 Audit was presented to the Audit and Governance Panel (AGP) of 27 September 2023 (Special). This report covers progress against the three recommended improvement actions from that report.

**4. Proposals**

4.1 Progress to 31 May 2024 is summarised below:

Status of External Audit Actions as at 31 May 2024	Completed since 31 December 2023	On Target	Not on Target	Total
Annual Report on 2022/23 Audit – Sept 23	2	-	1	3
<b>Overall</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>3</b>

4.2 During the reporting period, two actions from the 2022/23 External Audit report were closed. The one remaining action is nearing its conclusion but requires an extension to 31 August 2024 to allow full completion of the action. The latest update against these actions is provided in [Appendix 1](#).

**5. Legal and Procurement Implications**

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

## **6. Financial Implications**

6.1 None.

## **7. Human Resources Implications**

7.1 None.

## **8. Risk**

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

8.1.1 There are no risks associated with adopting the recommendations.

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

8.2.1 Rejecting the recommendations may impact on the reputation of the Council.

## **9. Equalities**

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

## **10. Sustainable Development Implications**

10.1 ***Considering Strategic Environmental Assessment (SEA)*** This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## **11. Options Appraisal**

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## **12. Link to Council Plan**

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

## **13. Results of Consultation**

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and the contents of this report reflect any feedback provided.

**Background Papers**    **Report to Audit and Governance Panel of 9 November 2022 –**  
**[Best Value Action Plan 2021/22 - Update](#)**

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**Date: 17 June 2024**

## External Audit Reports – Actions now complete and still to be completed

Report Title	Action	Due Date	Managed By	Latest Note	SAC Status	Progress	Agreed Revisions	Completed Date
EA2022/23 Final Report on the 2022/23 Audit	<p><b>Recommendation:</b> The council should undertake a thorough assessment of the fixed asset register to ensure its accuracy. Going forward, there should be clearer communication between Estates and Finance to ensure that necessary updates are reflected in the fixed asset register.</p> <p><b>Management Response:</b> A review of the asset register is already underway and new protocols and procedures will be introduced to ensure its accuracy. Regular meetings are being planned between the Estates and Finance teams to maintain a clear route for communication of required changes.</p>	30-Jun-2024	Tim Baulk; Tom Burns	03-Jun-2024 Significant progress has been made in recent months with a number of discussions taking place between Finance and Estates Colleagues. New protocols and procedures have been developed and agreed and have been introduced for the 2023-24 year end process	✓	100%		03-Jun-2024
EA2022/23 Final Report on the 2022/23 Audit	<p><b>Recommendation:</b> The council should consider a matrix approach to valuations whereby a percentage of each class of asset is revalued each year. The council should ensure that all assets are included in this future programme.</p> <p><b>Management Response:</b> Discussions have already taken place between Estates and Finance teams with the aim of moving the revaluation methodology to a matrix approach for 2023/24 and beyond. Further work on this will continue in advance of the 2023/24 year end.</p>	30-Jun-2024	Tim Baulk	03-Jun-2024 Following a number of discussions between Estates and Finance colleagues, new protocols and procedures agreed have been agreed and introduced in the 2023-24 year end process to transition the council to the new matrix approach for valuing council assets.	✓	100%		03-Jun-2024
EA2022/23 Final Report on the 2022/23 Audit	<p><b>Recommendation:</b> The council should ensure formal procedures are in place to validate staff on the payroll. Responsible officer:</p> <p><b>Management Response:</b> An annual rolling programme will be implemented and undertaken by the HR team. Oracle Fusion introduced an automated task for</p>	31-Mar-2024	Wendy Wesson	07-Jun-2024 Establishment and Vacancy report is complete. Managers have received guidance on access and instructions to complete the validation exercise. An MS Teams form must be completed to confirm the payroll validation has been completed. Some services are in the process of completing their returns. An extension is		90%		

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	managers to confirm when an employee does not commence employment to ensure they are not set up on the payroll system. Officers will consider if staff validation can be automated via Oracle Fusion.			requested to 31 August 2024 to allow the process to reach its conclusion.				