

INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2023/2024

1. EXECUTIVE SUMMARY

- 1.1 There are three audits being reported to the Audit and Scrutiny Committee.
- 1.2 The table below provides a summary of the conclusions for the audits performed. The full reports are included as appendices to this report.

Audit Name	Level of Assurance	High Actions	Medium Actions	Low Actions	VFM Actions
Human Resources – Casual Workers	Substantial	0	2	3	0
Pupil and Public Transport	Substantial	0	1	1	2
Piers and Harbours	Reasonable	0	0	8	0

- 1.3 Internal Audit provides a level of assurance upon completion of audit work. A definition for each assurance level is documented in each audit report.

2. RECOMMENDATIONS

- 2.1 Audit and Scrutiny Committee to review and endorse this summary report and the detail within each individual report.

3. DETAIL

- 3.1 A high level summary of each completed audit report is noted below:

Human Resources – Casual Workers: this audit provided a substantial level of assurance. This means that control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale. The Council's "Casual Workers Guidance for Managers" document effectively aids managers but requires updates. Human Resources (HR) to consider introducing training e-videos on the HUB platform to enhance staff awareness of obligations regarding casual staff. HR generates monthly reports on casual worker utilisation, forwarded to Departmental Management Teams (DMTs), however, there is no evidence of service follow-up on identified areas of concern. HR generates both monthly and semi-annual reports on casual worker utilisation, while Finance generates quarterly reports on the number of casual workers paid per department and their total costs.

Pupil and Public Transport: this audit provide a substantial level of assurance. This means that internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale. The Council has a School Transport policy and guide which contain clear eligibility criteria, takes cognisance of the statutory distance from home to school and provides comprehensive information for parents and carers. Transport requests for children with ASN are internal documents submitted by Education Services. There is no formal protocol or agreement in place that sets out the roles and responsibilities of each service nor standard timescales for submitting requests to the Integrated Transport team. Consideration should be given to whether a cross service procedure document would be beneficial. There are extensive procedure notes for key tasks and systems. These are used for training staff and demonstrate good planning and provision for business continuity. The School Transport team of 4.6 FTE office staff currently administer home to school transport for almost 300 pupils across the whole Council area. There would be benefit to reviewing the volume of staff managed by these two posts and the current tasks to check that the current structure is sustainable and promotes appropriate resilience going forward. Assessment of pupil's needs are carried out by specialist trained staff within Education, sometimes with support from Social Work Services. These reviews considers the needs of the service user, their educational and transport requirements. The School Transport team have a well-established and robust process for dealing with requests for home to school transport for pupils with ASN, this utilises existing transport on or near the required route to check for availability and suitability for the needs of the pupil, where possible. A fixed annual amount of £0.331m is transferred via journal from Education Service to 'In House Pupil transport'. During discussions with senior staff, we understand that this arrangement is likely to have arisen from historical transactions which may have related to specific cases and/or services, relevant at that time. However, the specific justification for continuing this arrangement remains unclear, notwithstanding, this sum contributes annually to the provision of the ASN pupil transport service. Relevant parties should review and determine the most appropriate solution in dealing with this historic arrangement, taking cognisance of any corporate budgeting processes that may be applicable. Any additional cost pressures, relating to the provision of ASN pupil transport, due to increased demand should be escalated in accordance with corporate budgeting processes, by the budget holder. The School Transport Manager maintains a spreadsheet capturing the costs of in house transport. This is well managed, monitored and demonstrates that this Council is achieving best value while meeting its statutory requirements and the challenges of increased demand.

Piers and Harbours: this audit provided a reasonable level of assurance. This means that internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk. Whilst localised process and procedures are in place and are well understood for the collection of piers and harbour income there is no centralised comprehensive policy or procedure note that is consistently applied across the Council areas. CalMac, the main ferry operator uses the Council's Piers and Harbours on a daily basis, with an administratively intensive process in place for charging. In addition there

is no SLA or Harbour Access Agreements in place for the main users of the Council's facilities. Harbourmasters based at the Council's larger piers and harbours are able to record the use of the main facilities, however, a number of piers, slipways and harbours are in remote locations and difficult to manage in terms of use. In addition, there are no robust procedures in place to identify commercial tour vessels using our facilities potentially resulting in a loss of income for the Council. Fees and charges for the fishing fleet within the Council area are managed by the fishing fleet whereby they advise us of the value of their landings once the catch has been sold. There is no back up information provided to substantiate the value and it is generally paid through cash receipting or by cheque. Piers and Harbours income is managed at a local level with a great deal of reliance placed on the local knowledge of the Harbour Master and staff. Debtor's accounts are raised by a members of Roads and Amenity staff who have remote access to the Sundry Debtors system. The outstanding debt owed to the Council at the end of June in respect of Piers and Harbours amounted to £143k. There are a number of long term outstanding debts and it was noted that in some instances there is continued use of our facilities by vessels who have outstanding debts dating back to 2019. Pier and harbour dues are set as part of the budget setting process. Pier and harbour dues are standardised charges and applicable across the Council area. Where most piers and harbours are used by ferry providers or the leisure industry, Campbeltown pier and harbour is predominantly a commercial harbour dealing with large vessels loading and unloading cargo, therefore, perhaps our current charging policies do not take into account the differences with other areas in Argyll. We reviewed the fees and charges agreed by the Council and compared these to fees and charges applied in other piers and harbour throughout Scotland, including Clydeport. We found that there were areas that the Council were perhaps undercharging and in others, not charging for at all in comparison to that of other harbour authorities.

4. CONCLUSION

- 4.1 Management has accepted each of the reports submitted and have agreed responses and timescales in the respective action plans.

5. IMPLICATIONS

- 5.1 Policy – None
- 5.2 Financial – None
- 5.3 Legal – None
- 5.4 HR – None
- 5.5 Fairer Scotland Duty – None
 - 5.5.1 Equalities – protected characteristics – None
 - 5.5.2 Socio-economic Duty – None
 - 5.5.3 Islands – None
- 5.6 Climate Change – None
- 5.7 Risk – The implementation of recommendations contained in audit reports may help mitigate the risk to the Council.
- 5.8 Customer Service – None
- 5.9 The Rights of the Child (UNCRC) – None

Paul Macaskill
Chief Internal Auditor
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For further information contact:

Paul Macaskill, Chief Internal Auditor

Tel: 01546 604108

Email: paul.macaskill@argyll-bute.gov.uk

APPENDICES

1. Human Resources - Casual Workers
2. Pupil and Public Transport
3. Piers and Harbours