

Minute

Monitoring and Audit Committee

Thursday, 3 April 2025, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors P Lindsay Hall, Gillian Skuse, Stephen G Clackson, W Leslie Manson, James R Moar and John A R Scott.

Present via remote link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Gavin Mitchell, Head of Legal and Governance.
- Carole Graves, Service Manager (Revenue and Benefits).
- Andrew Paterson, Chief Internal Auditor.

In Attendance via remote link (Microsoft Teams)

- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.

KPMG:

- Michael Wilkie, Public Sector Audit Partner.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor P Lindsay Hall.

1. External Audit Annual Plan

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Public Sector Audit Partner, KPMG, the Committee:

Noted the external audit plan for 2024/25, prepared by KPMG, attached as Appendix 1 to the report by the Corporate Director for Enterprise and Sustainable Regeneration.

2. Internal Audit Charter

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Resolved to **recommend to the Council** that the Internal Audit Charter for 2025/26, attached as Appendix 1 to this Minute, be approved.

3. Internal Audit Strategy and Plan

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Resolved to **recommend to the Council** that the Internal Audit Strategy and Plan for 2025/26, attached as Appendix 2 to this Minute, be approved.

4. Internal Audit – Council Tax

After consideration of a report by the Chief Internal Auditor, copies of which had been circulated, the Committee:

Scrutinised the findings contained in the internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, relating to controls and procedures in place to ensure billing for Council Tax was accurate and comprehensive, payments were securely received, and processes were well defined and adhered to, and obtained assurance that action had been taken or agreed where necessary.

5. Conclusion of Meeting

At 14:36 the Chair declared the meeting concluded.

Signed: P L Hall.



Internal Audit

Internal Audit Charter 2025 to 2026

Issue date: 7 March 2025

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Purpose

The purpose of the Internal Audit Service is to strengthen Orkney Islands Council's ability to create, protect, and sustain value by providing the Monitoring and Audit Committee and senior management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Internal Audit Service enhances the Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Internal Audit Service is most effective when:

- Internal auditing is performed by competent professionals in conformance with The Institute of Internal Auditors (IIA) Global Internal Audit Standards (GIAS) in the UK Public Sector.
- The Internal Audit Service is independently positioned with direct accountability to the Monitoring and Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

The Council's Internal Audit service will adhere to the requirements of the GIAS subject to the interpretations and additional requirements set out in the CIPFA Application Note on the Global Internal Audit Standards in the UK Public Sector. The Chief Internal Auditor (CIA) will report annually to the Monitoring and Audit Committee and senior management regarding conformance with the Global Internal Audit Standards in the UK Public Sector which will be assessed through a quality assurance and improvement programme.

Mandate

Authority

The Council's Internal Audit Service mandate is contained in The Local Authority Accounts (Scotland) Regulations 2014 as follows:

A local authority must operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.

Any officer or member of a local authority must, as required by those undertaking internal auditing:

- make available such documents of that authority which relate to its accounting and other records for the purpose of internal auditing; and
- supply such information and explanation as those undertaking internal auditing consider necessary for that purpose.

The Internal Audit Service's authority is created by its direct reporting relationship to the Monitoring and Audit Committee. Such authority allows for unrestricted access to the Chair of the

Monitoring and Audit Committee. The CIA will also have unrestricted access and accountability to the Chief Executive as required.

The Council's Financial Regulations 2024 set out the authority of Internal Audit at section 17.3, whereby the CIA or their authorised representative will have authority to:

- enter at all reasonable times on any Council premises or land,
- have access to, and remove, all records, documents and correspondence, including computer records, relating to any financial and other transactions of the Council,
- be provided with a separate log-in to any computer system within the Council and have full access to any system, personal computer or other device in the ownership of the Council,
- require and receive such explanations as are necessary concerning any matter under examination,
- require any employee or member of the Council to produce cash, stores or any other Council property under his/her control, and
- examine financial records of Council owned companies, trusts administered by the Council and other organisations funded by the Council.

Independence, Organisational Position, and Reporting Relationships

The CIA will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the Internal Audit Service. The CIA will report functionally to the Monitoring and Audit Committee and administratively to the Head of Legal and Governance. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Monitoring and Audit Committee, when necessary, without interference and supports the Internal Auditors' ability to maintain objectivity.

The CIA will confirm to the Monitoring and Audit Committee, at least annually, the organisational independence of the Internal Audit Service. If the governance structure does not support organisational independence, the CIA will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

The CIA will disclose to the Monitoring and Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the Internal Audit Service's effectiveness and ability to fulfil its mandate.

Changes to the Mandate and Charter

The Audit Charter will be reviewed annually to ensure that it remains up to date. Any amendments will be approved by the Monitoring and Audit Committee.

Circumstances may justify a follow-up discussion between the CIA, Monitoring and Audit Committee, and senior management on the Internal Audit Mandate or other aspects of the Internal Audit Charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards in the UK Public Sector.
- A significant reorganisation within the Council.
- Significant changes in the CIA, Monitoring and Audit Committee, and/or senior management.

- Significant changes to the Council's strategies, objectives, risk profile, or the environment in which it operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Chief Internal Auditor's Roles and Responsibilities

Ethics and Professionalism

The CIA will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the Council based on the Seven Principles of Public Life (the Nolan Principles).
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The CIA will ensure that the Internal Audit Service remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the CIA determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Council or its affiliates.
- Initiating or approving transactions external to the Internal Audit Service.
- Directing the activities of any Council employee that is not employed by the Internal Audit Service, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to the CIA at least annually.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The CIA has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Monitoring and Audit Committee and senior management and submit the plan to the Monitoring and Audit Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Monitoring and Audit Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, and controls.
- Communicate with the Monitoring and Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector and laws and/or regulations.
- Follow up on engagement findings and confirm the implementation of recommendations and communicate the results to the Monitoring and Audit Committee and senior management periodically.
- Ensure the Internal Audit Service collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfil the Internal Audit Mandate.
- Identify and consider trends and emerging issues that could impact the Council and communicate to the Monitoring and Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the Internal Audit Service.
- Ensure adherence to the Council's relevant policies and procedures unless such policies and procedures conflict with the Internal Audit Charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the Monitoring and Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the CIA cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Monitoring and Audit Committee.

Communication with the Monitoring and Audit Committee and Senior Management

The CIA will report periodically to the Monitoring and Audit Committee and senior management regarding:

- The Internal Audit Service's Charter.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the Internal Audit Service's conformance with The Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit Service's deficiencies and opportunities for improvement.

- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Monitoring and Audit Committee that could interfere with the achievement of the Council's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the Internal Audit Service determines may be unacceptable or acceptance of a risk that is beyond the Council's risk appetite.

Quality Assurance and Improvement Programme

The CIA will develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the Internal Audit Service. The programme will include external and internal assessments of the Internal Audit Service's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the Internal Audit Service's progress toward the achievement of its objectives and promotion of continuous improvement. The programme also will assess compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the Internal Audit Service's deficiencies and opportunities for improvement.

Annually, the CIA will communicate with the Monitoring and Audit Committee and senior management about the Internal Audit Service's quality assurance and improvement programme, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted through an agreement through the Scottish Local Authority Chief Internal Auditors' Group (SLACIAG). Peer review assessments are carried out on a five-year cycle using the SLACIAG External Quality Assessment Framework. The allocation of assessors is rotated to ensure independence is maintained.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all of the Council's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Monitoring and Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Council.

In addition to the work undertaken for the Council, Internal Audit is also responsible for undertaking assurance work and providing an annual audit opinion in respect of the Orkney Integration Joint Board and the Orkney and Shetland Valuation Joint Board.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the Internal Audit Service does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the Council's strategic objectives are appropriately identified and managed.

- The actions of the Council's Corporate Directors, Officers, and contractors are in compliance with Council policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programmes are consistent with established goals and objectives.
- Operations or programmes are being carried out effectively, efficiently and economically, and best value can be demonstrated.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Council.
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently and sustainably, and adequately protected.
- There are adequate governance and risk management arrangements in place for programmes and projects.

Fraud

All Officers and Elected Members of the Council have a duty to report any suspicion of fraud, bribery or irregularity to their Line Manager, Head of Service, Corporate Director or Chief Executive, who must inform the Corporate Director for Enterprise and Sustainable Regeneration and the CIA. Matters can also be reported directly to the Corporate Director for Enterprise and Sustainable Regeneration or CIA. The CIA, in consultation with the Corporate Director for Enterprise and Sustainable Regeneration, will be responsible for the investigation of such matters. Action taken will be in accordance with the Council's Anti-Fraud policy.



Internal Audit

Internal Audit Strategy and Plan 2025 to 2026

Issue date: 7 March 2025

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Introduction

Purpose of the Internal Audit Strategy

The purpose of this strategy is to outline the direction and focus of the Council's Internal Audit Service, ensuring alignment with the Council's strategy and conformance with the Global Internal Audit Standards in the UK Public Sector. It sets out how Internal Audit will support and promote improvements in governance, risk management and control, underpinned by the Internal Audit Charter which describes the mandate, purpose, authority and responsibility of the Internal Audit Service. The strategy also guides Internal Audit in developing staff, integrating new technology into the audit process and improving the internal audit function as a whole.

Alignment with Council Objectives

This strategy aligns internal audit activity with the overall mission and strategic objectives of the Council by ensuring that internal audit plans and resources are prioritised to provide assurance over areas of strategic importance and highest risk to assist the Council in achieving its objectives.

Global Internal Audit Standards Requirements

The Global Internal Audit Standards in the UK Public Sector establish the following requirements regarding an internal audit strategy:

'The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the board, senior management, and other key stakeholders.

An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function.

An internal audit strategy helps guide the internal audit function toward the fulfilment of the internal audit mandate. The chief audit executive must review the internal audit strategy with the board and senior management periodically'.

Internal Audit Resources

The Audit Team consists of 1 Internal Auditor, 2 Trainee Internal Auditors and the Chief Internal Auditor. The annual planning process includes a review of the resourcing requirements of the Internal Audit Team.

Purpose, Vision and Mission

Purpose

The purpose of the Internal Audit Service is to strengthen the Council's ability to create, protect, and sustain value by providing the Monitoring and Audit Committee and senior management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Internal Audit Service enhances the Council's:

- Successful achievement of its objectives.

- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Vision

To be a trusted independent advisor to Council and management, recognised for delivering, risk-based audit solutions that drive continuous improvement and add value.

Mission

To help the Council achieve its objectives by providing independent and objective assurance, and to improve the effectiveness of risk management, control and governance processes.

Internal Audit Objectives

The table below details the objectives of the Audit Team, these are reviewed annually to ensure they remain relevant.

Objective	Action	Outcome
Enhancing Council governance, risk management and control.	Carrying out independent and objective evaluation and assessment to identify opportunities to improve the effectiveness of governance, risk management and control processes.	Improved Council governance, risk management and control processes through timely implementation of agreed actions.
Supporting Council Strategic Initiatives.	Provide assurance and advisory services for strategic projects and initiatives, advising on governance, risk management and control to assist achievement of objectives.	Improved governance, risk management and control processes for strategic projects and initiatives through early engagement, insight and review of lessons learned.
Improving Internal Audit Processes.	Identify opportunities for process improvements and operational efficiencies across internal audit. Utilising appropriate technology to inform and improve the audit process.	Greater use of appropriate technologies such as data analytics and artificial intelligence to assist the audit process.
Develop Internal Audit skill sets.	Support and fund staff training, development and Continuing Professional Development. Seek opportunities to increase auditors' digital skills.	Improved staff knowledge, skills and experience.
Raise the profile of Internal Audit through stakeholder engagement.	Improve awareness of internal audit planning, auditing processes, reporting and action tracking. Improve engagement through stakeholder surveys.	More informed understanding of the value and benefit of internal audit across the Council.

Planning Process

The Audit Plan is prepared on an annual basis and is continually reviewed. The plan may be adjusted as necessary in response to changes in the Council's risk profile.

The audit planning process is based on the following contributing factors.

- Consultation with the Chief Executive, Corporate Directors and Heads of Service to risk assess service areas and to identify areas of concern which would merit audit attention.
- Reviewing the Corporate Risk Register and all Directorate Risk Registers.
- A review of the Corporate Governance self-assessment process and the Certificates of Assurance completed by each member of the Corporate Leadership Team.
- A review of service plan actions and service performance indicators.
- A review of the external audit annual report.
- Audit work previously undertaken, and the conclusions reached as to whether the systems examined were sound, or that there were weaknesses in the internal controls.
- Any known relevant changes in legislation and other external factors.
- Known strengths and weaknesses in the internal control system.
- Consultation with the Chair and Vice Chair of the Monitoring and Audit Committee.

The planning process takes account of the work of other assurance providers both within and external to the Council. If we intend to rely on any work of another provider, we will review the reports and procedures employed.

The audit plan details specific areas of audit which will be subject to review. Following each review, audit reports are issued in draft format, initially to provide management with the opportunity to agree the factual accuracy of the audit findings. Copies of final audit reports are passed to the Corporate Director and to any other senior officer or manager of the Council who is responsible for acting on the recommendations.

The outcomes of audit reports feed into the Internal Audit Annual Report and Assurance Statement which is presented to the Monitoring and Audit Committee.

The audit plan is prepared each year by the Chief Internal Auditor and is approved by the Council's Monitoring and Audit Committee at the start of the financial year. The plan includes sufficient flexibility to allow the Chief Internal Auditor to direct internal audit resources as required so that new local or national issues and risks can be appropriately reviewed, where considered necessary.

Whilst managing the risk of fraud and corruption is the responsibility of senior management, internal audit work is planned to consider and to minimise the risks and exposures that could allow fraud or corruption to occur.

Service Delivery

The provision of the Internal Audit Service is through an in-house Internal Audit Team. This method of service delivery maintains a core of in-house knowledge and, providing that the team is fully staffed, the resources are deemed to be appropriate to carry out the plan.

Given the range and complexity of areas to be reviewed, it is important that suitable, qualified, experienced and trained individuals are appointed to internal audit positions. The Global Internal Audit Standards in the UK Public Sector require that the Chief Internal Auditor must hold a professional qualification such as CMIIA (Chartered Member of the Institute of Internal Auditors), CCAB (Consultative Committee of Accountancy Bodies qualified accountant) or equivalent and be suitably experienced.

The Internal Auditors must also have IIA qualifications or be CCAB qualified accountants or equivalent. The skills and knowledge of Internal Auditors are kept up to date through a range of in-house and specialist training courses and seminars.

Internal Auditors are required to conform to the Codes of Ethics of the professional accountancy bodies of which they are members and to the Code of Ethics and Standards included within the Global Internal Audit Standards in the UK Public Sector. Internal Auditors must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

The Internal Audit Team is independent and does not have any operational responsibilities. It does not 'own' any system or have any responsibility for any aspect of work subject to audit. Auditors are not assigned assurance work in areas where they have had any recent operational or other involvement.

Internal Audit Plan 2025 to 2026

Financial Systems

This section covers systems classified as the Council's financial systems. The reviews of finance systems are on a rolling programme which takes account of the risks associated with the process and the outcomes of previous audits. This year we will review the following financial systems:

Non-Domestic Rates

This review will look at the procedures and controls in place to ensure that non-domestic rates billing is accurate and comprehensive, payments are securely received and recorded and that processes are defined and adhered to.

Treasury Management

This review will look at the procedures and controls in place to ensure that borrowing, lending and investment transactions are properly controlled, Council cash flows are effectively managed and treasury management transactions are correctly recorded.

Fixed Asset Register

This is a review of the procedures and internal controls in place to ensure timely recording of the acquisition/disposal of assets, revaluations are undertaken in accordance with recognised best practice and that the asset register is accurate and up to date.

Financial Sustainability

This is a review to obtain assurance that the Council has appropriate arrangements in place to manage its long-term financial sustainability.

Systems Audits

Recruitment Processes

This review will look at recruitment processes within the Council. The exact focus of the audit will be decided nearer the time of the audit and once the new policies and procedures have been implemented.

Refuse Collection and Street Cleansing

The purpose of this audit is to review the Council's arrangements for the operation and management of Refuse Collections and Street Cleansing.

Pickaquoy Centre Trust

The Pickaquoy Centre Trust (PCT) delivers a range of services on behalf of the Council under the terms of a Service Level Agreement. This review will look at whether the current arrangements between the Council and the PCT are operating in accordance with the Service Level Agreement and examine whether the current Agreement adequately reflects the current and future requirements of the Council.

School Establishment Audits – St Andrews Primary School, Stromness Primary School, Westray Junior High School, Papa Westray Primary School and Papdale Primary School.

These are reviews of the procedures followed within the schools, including areas such as school administration, financial management, human resource management, school funds, risk assessments and security.

Home Energy Efficiency Scotland: Area Based Scheme (HEES:ABS)

This audit will review the arrangements with Warmworks, and the process followed for the awarding and payment of grants under the scheme.

Performance Management

This review will focus on how performance throughout the Council is measured, reported and scrutinised and how performance targets are used to drive continuous improvement.

Climate Change - Net Zero Ambitions

The objective of this audit is to review the processes in place to ensure that the net zero commitments are measured, tracked and reported and that risks to achieving targets are managed to ensure that the commitments are achieved within stated timescales.

Operational Property

This audit will review the policies and procedures surrounding the inspection, maintenance and repair of the Council's operational properties.

Marine Services – Maintenance and Inspection

This audit will review the policies and procedures surrounding the inspection, maintenance and repair of Marine Services' infrastructure, plant and equipment.

Criminal Justice Social Work

This audit will review the policies, procedures and controls surrounding the work of the Criminal Justice Social Work Services within the Council.

Elderly Residential Care Homes

This is a review of procedures followed within a residential care home, including areas such as administration, financial management, human resource management and security.

Project Reviews

Strategic Projects – Quanerness Windfarm

Failure of a project can have a significant impact on the Council's reputation and the confidence of its stakeholders. This review will provide an independent opinion on the efficiency and effectiveness of project governance, risk management and control throughout the first stages of the Quanerness Windfarm project.

Annual Audits

UHI Orkney - College Credits Audit

UHI Orkney is required to provide a Further Educational Statistical (FES) return to the Scottish Funding Council (SFC) annually. The FES return details student activity data for the academic year, which is used to determine the activity which is fundable by the SFC and then to calculate the grant-in-aid allocation for the next academic year. An audit certificate and audit report must be prepared annually for the FES return to comply with SFC requirements.

UHI Orkney – Discretionary and Childcare Funding

UHI Orkney submits an annual return to the Scottish Funding Council for the Discretionary Fund and Childcare Fund expenditure. This return must be checked to confirm that the information included agrees with the underlying records. Internal Audit must also provide an opinion on whether the funds have been used in accordance with the Scottish Funding Council conditions of grant.

Statutory Performance Indicators

This audit involves checking the systems from which information is produced for a sample of indicators, to assess the reliability of the data included. An analytical review of all indicators is also performed.

Stock Checks

Each year, as part of the financial year end procedures, stock takes are carried out to confirm that stocks have been correctly counted and recorded for the financial year end. This includes stock takes carried out at the Hatston depot, the Marine Services store, Cursiter Quarry and The Orkney and Scapa Flow Museums.

Miscellaneous Grant Claims

Audit work includes the checking and certification of grant claims as required by grant agreements.

Climate Change Reporting

The objective of this audit is to review the systems and processes from which information is produced for the Climate Change Duties Report and to assess the reliability and accuracy of the information contained within the report.

Corporate Reviews

Procurement Processes

This audit will review procurement processes throughout the Council to ensure they are in line with the Procurement Strategy and comply with Financial Regulations, Contract Standing Orders and relevant legislation.

Follow up of Audit Actions

Performance Management and Risk Software (Ideagen Risk Management) is used to track the implementation of agreed internal audit recommendations. The progress on implementing agreed actions is checked via this system on a three-monthly basis. Progress on the implementation of actions is reported quarterly to the Corporate Leadership Team and every six months to the Monitoring and Audit Committee.

The Internal Audit Section will review the assessments provided by responsible officers and where any recommendations have been marked as complete, we will complete checks to confirm the assessments. Where it is confirmed that actions have been completed, the recommendations will be archived on the system.

KGS School Establishment Audit

The purpose of this review is to follow up on the actions made following the establishment audit of Kirkwall Grammar School.

OHAC Payments Processes

The purpose of this review is to follow up on the actions made following the audit of the payment processes within Orkney Health and Care.

Integration Joint Board (IJB)

The role of the IJB Chief Internal Auditor is fulfilled by the OIC Chief Internal Auditor for a five-year period from April 2021.

OIC Internal Audit Team and NHS Orkney Internal Audit will provide internal audit resource to support completion of the IJB internal audit plan.

Orkney and Shetland Valuation Joint Board (VJB)

The role of the VJB Chief Internal Auditor is fulfilled by the OIC Chief Internal Auditor. The OIC Internal Audit Team will provide resource to complete the VJB internal audit plan.

Contingency Allocation

A contingency allowance has been included for any unplanned or additional audit or consultancy work required during the year. The UHI Shetland College Credits Audit is planned as part of this allocation.