

Appendix 2 – Summary of Internal Audits

Year	Name	Summary	Assurance Outcomes
2014/15	Plant Hire Contract (coverage included ARA and other services)	<p>Ensure that hires are awarded to the correct service provider in accordance with the framework agreement;</p> <p>Ensure that processes for managing plant on and off hire are rigidly controlled and properly recorded;</p> <p>Ensure that the correct contractual prices are paid for plant hires provided in accordance with the framework terms and conditions.</p>	Reasonable
2014/15	Inventory Inspections (unannounced visits)	<p>Verify the accuracy of inventory levels recorded within the store</p> <p>Report any areas for improvement identified,</p> <p>Recommend actions to address areas for improvement</p>	Reasonable
2014/15	Profess Costing System	Assess the status of implementation and roll-out of the	Reasonable

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		<p>PROFESS costing system, including the integration of inputs from the former East and South Ayrshire roads services;</p> <p>Consider whether the information needs of management and stakeholders are being met by the current arrangements</p> <p>Report any areas for improvement identified, and recommend actions to address areas for improvement</p>	
2015/16	TRIPS System Advisory	<p>Advisory to support governance, risk and internal control arrangements regarding the development of the established Transparent Roads Infrastructure Procurement Software (TRIPS) system used to manage the Roads Minor Works Framework Contract to support best value.</p>	Advisory
2016/17	Parking Income and Penalty Charge Notices (PCNs	<p>Review the systems for Parking-related income</p>	Reasonable

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		<p>Report any areas for improvement identified</p> <p>Recommend actions for improvement</p>	
2017/18	Performance Bonds	<p>Corporate governance and reporting arrangements are fit for purpose and effectively applied;</p> <p>Practical processes and supervisory controls are in place in ARA for implementing approved policy;</p> <p>ARA' s bond management is supported by effective partnership arrangements with third parties (for example with South Ayrshire Council and with EAC's Planning and Economic Development, Finance and ICT and Legal);</p> <p>Bond values reflect application of the above and give sufficient budget to fund any necessary remedial works</p>	Limited
2017/18	Use of Contractors	<p>Establish the process for awarding roads works contracts</p>	Reasonable

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		<p>procured through the Transparent Roads Infrastructure Procurement Software (TRIPS)</p> <p>Ensure roads works are being awarded appropriately in line with Standing Orders Relating to Contracts and assess whether Best Value is being achieved</p> <p>ensure adequate controls are in place with regards to processes for awarding works, payment of invoices and monitoring of contractor performance</p>	
2018/19	Girvan Harbour – office administration (unannounced visit)	<p>Understand the operation of Girvan Harbour and ensure that there are adequate arrangements in place to control income collected in respect of Harbour operations</p>	Limited
2018/19	Payment Controls	<p>Review the procedures in place for payment of contractors</p> <p>Verify that there are adequate controls in place to verify the work</p>	Sound

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		completed prior to approving invoices for payment.	
2018/19	Bridge Inspections	The EAC Depute Chief Executive (Safer Communities) with assistance from Internal Audit reviewed ARA-East's arrangements for bridge inspection and reporting. Following this work, in 2019/20 Internal Audit undertook a full examination of arrangements for the Principal Inspections of road bridges	Advisory
2019/20	Arrangements for the Principal Inspection (PI) of road bridges	Update the findings of 2018/19 advisory work to reflect the undertaking and completion of the outsourced Principal Inspection programme and work done by ARA further to the Client Response agreed actions set out in the draft audit report and accompanying advisory note of 2018/19	Sound in South and Reasonable in East

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<p>2019/20</p>	<p>Road Bonds review of new processes</p>	<p>Verify procedures in relation to roads bonds are adequate, have been updated to reflect the findings of previous audit work and have been fully implemented within the service, and • the audit will also seek to confirm that ARA’s internal review of the process, and scrutiny by external assessor (SGS Ltd), have verified control effectiveness; and that if necessary, procedures have been further revised to improve controls</p>	<p>Sound in most areas</p>
<p>2020/21</p>	<p>Roads Maintenance: materials and stores</p>	<p>Obtain assurance that the service has adequate arrangements in place to ensure proper control over the receiving, storing and issuing of materials and stores, and that these processes are operating efficiently and effectively</p>	<p>Reasonable</p>
<p>2022/23</p>	<p>Payment Controls (including measurement of works)</p>	<p>The objective of this audit was to verify that payments made to contractors accurately reflect the</p>	<p>Three outcomes: Limited (2) and sound assurance.</p>

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		quality and quantity of works carried out. If controls are absent or ineffective, then	Our audit confirmed that ARA has appropriate procedures in place incorporating robust controls, which when applied in practice, should ensure sound control of expenditure, and accurate payments to contractors. We noted an operational impact due to staff absence. ARA has responded positively to our findings.
2023/24	Flood risk management	Governance arrangements for statutory flood risk management duties, with a view to ensuring these are fit for the purpose of supporting strategic oversight, decision-making and accountability	Advisory. Service engaged with process; self-assessment checklist developed with assurance session being progressed with Depute Chief Executive and Head of Roads.
2024/25	Contract Controls	Verify payments made to major contractors accurately reflect the quality and quantity of works carried out; Confirm service arrangements support achievement of best value and secure effective internal control	Report being finalised with seven recommendations which will further enhance the control environment. Scope expanded following request from EAC DCE (Communities & Economy). Issue of report delayed in order that changes in operational practices are reflected in client responses. Internal Audit

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			has provided ongoing support during this period.
2024/25	Stores	Review processes for managing inventory within the Ayrshire Roads Alliance (ARA) stores.	Sound in most areas
2025/26	Digital Transformation:Temporary Traffic Restriction Orders	Verify effective internal controls have been incorporated within processes subject to digital transformation	Sound