

Scotland Excel

To: Executive Sub-Committee

On: 19 May 2023

**Report by:
Chief Auditor**

Internal Audit Engagement – Financial Sustainability Arrangements

1. Summary

- 1.1 In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board.
- 1.2 The Chief Auditor will report summaries of completed audit engagements to the Executive Sub Committee on the conclusion of each engagement for formal consideration by members in line with the best practice referred to above.
- 1.3 This report provides detail of the audit engagement completed in December 2022 with the overall assurance rating and the number of recommendations in each risk category. The detailed committee summary for the report is also attached.

2. Recommendations

- 2.1 Members are invited to consider and note the summary for the Internal Audit engagement of workforce planning arrangements.
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Appendix 1

Scotland Excel

Internal Audit Service

Summary of Internal Audit Reports issued

Category	Engagement	Assurance Rating	Recommendation Ratings			
			Critical	Important	Good Practice	Service Improvement
Assurance	Workforce Planning Arrangements	Substantial	0	0	1	0

Assurance Level	
Substantial Assurance	<ul style="list-style-type: none"> There is a sound system of internal control designed to achieve the objectives of the area being reviewed. The control processes tested are being consistently applied.
Reasonable Assurance	<ul style="list-style-type: none"> The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.
Limited Assurance	<ul style="list-style-type: none"> Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk. The level of non-compliance puts the objectives of the area being reviewed at risk.
No Assurance	<ul style="list-style-type: none"> Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed. Significant non-compliance with control processes leaves the processes/systems open to error or abuse.

Recommendation Rating	
Service Improvement	Implementation will improve the efficiency / housekeeping of the area under review.
Good Practice	Implementation will contribute to the general effectiveness of control.
Important	Implementation will raise the level of assurance provided by the control system to acceptable levels.
Critical	Addresses a significant risk, impacting on the objectives of the area under review.

Internal Audit Report

Scotland Excel

Workforce Planning (A0009/2022/001)

Date: December 2022

COMMITTEE SUMMARY

Audit Objectives

The objectives of the audit were to: -

1. An effective workforce planning model has been developed which extends to all employee groups and has been approved by Board.
2. Workforce plans are independently developed from financial planning arrangements and subsequently linked to financial plans to identify gaps in resources.
3. An Implementation Plan for the actions identified has been prepared and progress is adequately monitored.
4. There is regular engagement between those responsible for driving the Implementation Plan and other areas of the business to ensure that actions are being progressed.
5. Workforce reductions are adequately risk assessed, with mitigating controls being identified to ensure alternative processes have been put in place for any identified gaps.

Audit Scope

1. Interviewed officers to obtain background information and documentation in relation to workforce planning.
2. Prepared a series of tests to meet the above objectives.

Key Audit Assurances

1. Appropriate documents e.g. Scheme of Delegation reports, People Strategy, Investors in People Accreditation are available covering the areas required for an effective Workforce Planning Model. All employee groups were regularly updated during the development of these documents.
2. Workforce plans were developed independently from financial plans but financial matters were considered for staffing levels.
3. A single Implementation Plan was not documented but actions identified were recorded and adequately monitored by the Executive team.
4. The Scotland Excel workforce plan has been approved by the Executive Sub Committee and there is adequate monitoring by the Executive team and reporting to service level.
5. Workforce reductions are adequately risk assessed, being mindful of retaining key staff.

Key Risks

There were no key risks arising from the audit review.

Internal Audit Report
Scotland Excel
Workforce Planning (A0009/2022/001)
Date: December 2022

Overall Audit Opinion
The audit has identified that satisfactory arrangements were in place to develop Scotland Excel's workforce plans. Communications to staff increased the profile of workforce plans and improved understanding of staff roles in implementing those plans. Skills analysis and succession planning were adequately considered during the workforce planning process.