

The Highland Council

Minutes of Meeting of the **Audit and Scrutiny Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on **Thursday 15 June 2023** at **10.30am**.

Present:

Mr M Baird
Mr C Ballance
Mr D Fraser
Mr L Fraser
Mr R Jones
Mr S Kennedy

Mr P Logue (Remote)
Mr G MacKenzie
Ms J McEwan
Mr P Oldham
Mrs T Robertson
Mr A Sinclair (Remote)

Non Members in attendance:

Mr J Bruce
Mr R Gale (Remote)
Mr A Graham (Remote)

Mr D Macpherson (Remote)

Also in attendance:-

Ms E Scoburgh, Audit Scotland
Ms C Gardiner, Audit Scotland

Officials in Attendance:

Ms K Lackie, Interim Chief Executive
Mr P Nevin, Interim Executive Chief Officer, Performance and Governance
Ms E Barrie, Head of Human Resources, Resources & Finance, Health & Social Care
Ms M McIntyre, Head of Service (Children Young People and Families)
Mr I Kyle, Service Lead, Strategy, Performance and Quality Assurance, Health & Social Care
Mr P Adlinton, Commissioning Officer, Health & Social Care
Mr B Cameron, Service Lead, Housing Policy & Performance, Property & Housing
Mrs D Mackenzie, Housing Policy & Investment Manager, Property & Housing
Mr B Porter, Head of Corporate Finance, Resources & Finance
Miss D Sutherland, Strategic Lead (Corporate Audit & Performance), Performance and Governance
Mr M Waters, Corporate Performance & Information Governance Manager, Performance and Governance Service
Mr J Campbell, Senior Auditor, Performance and Governance
Mr P Hankinson, Senior Auditor, Performance and Governance
Miss J Maclennan, Joint Democratic Services Manager, Performance and Governance
Mrs O Marsh, Committee Officer, Performance and Governance

**An asterisk in the margin denotes a recommendation to the Council.
All decisions with no marking in the margin are delegated to Committee.**

Mrs T Robertson in the Chair

1. Apologies for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mr B Boyd and Mr K Rosie.

2. Declarations of Interest Foillseachaidhean Com-pàirt

There were no declarations of interest.

3. External Audit Report – 2021/22 Aithisg Sgrùdaidh bhon Taobh A-muigh – 2021/22

There had been circulated a final external audit report prepared by the Council's External Auditors (Grant Thornton):-

- a) Annual Report 2021/22 to Elected Members and the Controller of Audit; and
- b) Letter of representation.

This was an updated report, with the September 2022 Committee having considered a final external audit report and approved the letter of representation, pending conclusion of the outstanding audit work. With the audit work now concluded, and the annual accounts for the year audited and signed, this report concluded reporting relating to the external audit for 2021/22.

An assurance was sought that the Climate Change Committee had been able to consider the Accounts Commission publication. Once this had been established Members would be informed accordingly.

The Committee **NOTED** the position.

4. Audited Accounts 2021/22 Cunntasan Sgrùdaichte 2021/22

The Committee **NOTED** that the Audited Annual Accounts for 2021/22 were signed and authorised for issue on 20 April 2023, and were available from the following Council website link: [Annual accounts | Audited Accounts April 2021 to March 2022 \(highland.gov.uk\)](#)

Members commended officers, recognising the work involved in preparing the Audited Accounts within the necessary timescale.

5. Internal Audit Reviews and Progress Report and Update on 2023/24 Audit Ath-sgrùdaidhean In-sgrùdaidh agus Aithisg Adhartais agus Cunntas às Ùr mu Phlana Sgrùdaidh 2023/24

There had been circulated Report No. AS/6/23 dated 5 June 2023 by the Strategic Lead (Corporate Audit & Performance).

This update included copies of the following final reports issued:-

- a) Housing & Property – Housing Rent Collection (Substantial Assurance)
- b) Resources & Finance – Review of Absence Management Arrangements (follow-up) (Reasonable Assurance)

Assurances were sought, and provided, that Managers were equipped to deal with absences to ensure staff were given the best possible chances of returning to work.

- c) Health & Social Care – Review of Commissioned Children’s Services (Limited Assurance).

During the discussion the following main points were raised:-

- the detail contained within the report demonstrated the value of having an effective and competent Internal Audit Team in place;
- concern was expressed that the commissioning cycle for Health and Social Care was not operating as intended and details were sought, and provided, as to the reasons for this. There was an expectation that necessary care would be provided and it was important this expectation was met;
- considerable work had taken place over the previous 18 months to overcome the deficiencies identified in the audit report and restoring confidence in the system;
- it was important to bear in mind that the commissioning process had been out with the Council until 2022;
- the Service needed to set target dates to ensure progress was achieved; and
- annual progress reports would be brought back to the Health and Social Care Committee; and
- Members sought an update to the Audit and Scrutiny Committee in 6 months time.

The Committee **NOTED**:-

- i. the Final Reports referred to in Section 4.1 of the report;
- ii. the current work of the Internal Audit Section outlined at sections 5 and 6, and the status of work in progress detailed at Appendix 1 of the report;
- iii. the update on the 2023/24 audit plan;

and **AGREED**:-

- iv. a progress report on the Review of Commissioned Children’s Services be considered by the Audit and Scrutiny Committee in 6 months time.

6. Internal Audit Annual Report 2022/2023 Aithisg Bhliadhnaidh In-Sgrùdaidh 2022/2023

There had been circulated Report No. AS/7/23 dated 1 June 2023 by the Strategic Lead (Corporate Audit & Performance).

The Committee **NOTED** the content of the report, the audit opinion provided and to raise any relevant points with the Strategic Lead (Corporate Audit & Performance).

7. Review of Corporate Risks Ath-Sgrùdaidh air Cunnartan Corporra

There had been circulated Report No. AS/8/23 dated 1 June 2023 by the Strategic Lead (Corporate Audit & Performance).

During the discussion the following main points were raised:-

- Risk CR29, Lack of Occupational Health Provider – as was to be reported to the Central Safety Committee the following day, an Occupational Health Provider had now been commissioned;
- Risk CR30, Ash Dieback – a progress report and timescale were sought;
- CR31, Vacancies in Children’s Services – information was sought, and provided, as to how this would be rectified;
- a number of Risks were RAG’d as red and this raised concern that there had been no significant progress since the Committee’s last meeting;
- in light of recent wildfires in Highland and that the Scottish Fire and Rescue Service would, from 1 July 2023, no longer be attending automatic fire alarm calls, it was suggested that fire emanating on Council owned land or affecting Council buildings should be added as a risk. However, it was explained as there were a number of actions being undertaken by officers to address the issue and it was therefore not considered a risk at present;
- Highland Council was now the Responsible Authority for the Inverness and Cromarty Firth Green Freeport and would have to account to the Westminster and Scottish Governments for the expenditure of considerable amounts of public and private money and this should be considered as a significant corporate risk. This point was acknowledged but there was still significant work ongoing on this matter and progress would be reported to Council on 29 June;
- CR7, Climate Change and the Ecological Emergency – the Interim Chief Executive had agreed that there was now a legal requirement for Net Zero and “legal” needed to be added to the risk type;
- there were workforce difficulties in finding enough home carers to keep individuals at home for as long as possible and it was important to look at innovative ways of recruitment and to make the role more attractive. This had been discussed at the last Health and Social Care Committee and a lot of work was taking place. However this was a national problem, not just a Highland one;
- CR28, UK Parliamentary Boundary Changes – it was questioned when Members would get an opportunity to see the Action Plan;
- CR9, Safe and Effective Property – a target date of December 2022 was included and this now needed to be revised and the remaining amber risks needed to have target dates set as opposed to “on-going”; and
- with “Country Bumpkins” closing information was sought from the Education Service as to the effect this would have on the provision of free childcare.

The Committee **NOTED** the Corporate Risk Register provided at Appendix 1 to the report and the risk profile at Appendix 2.

8. Public Service Improvement Framework (PSIF) Programme Reviews Ath-sgrùdaidhean Prògram Frèam Leasachaidh Seirbheis Poblach

There had been circulated Report No. AS/9/23 dated 12 May 2023 by the Strategic Lead (Corporate Audit & Performance).

Disappointment was expressed that the Programme for 2023/24 was not yet in place, although it was supposed to be following the Local Government elections in May 2022 and it was hoped Members would be able to consider this in the near future. However, it was reassuring reviews were taking place and more detailed reports would be forthcoming to give the Committee a better understanding.

The Committee **NOTED** the planned approach to self-assessment reviews and that the outcomes would be reported to the relevant Strategic Committees.

9. Action Tracking Report Aithisg Tracadh Ghnìomhan

There had been circulated Report No. AS/10/23 dated 30 May 2023 by the Strategic Lead (Corporate Audit & Performance).

During the discussion the following main points were raised:-

- regarding the review of award of ward fund schemes, information was sought if the target date of 31 May 2023 had been met. In this regard an update would be provided, however it was confirmed that in general some target dates may have been over ambitious, although high-grade actions would be completed more promptly due to their nature. In addition, it was also confirmed that a process had been put in place to review whether upcoming target dates would be met;
- it was suggested that on larger projects when one target date had passed it could be action tracked rather than waiting for all dates to pass before the audit actions were tracked;
- in relation to the governance of arms-length external organisations and partnerships (ALEO's) it was queried, and confirmed, that this referred to just Eden Court and High Life Highland; and
- it was queried whether the ALEO's audit report would be presented to the Committee by the end of the year. In this regard it was confirmed that Members would be updated on the audit actions including the planned actions for the new 2023/24 financial year.

The Committee **NOTED** the action tracking information provided including the revised target dates for the completion of outstanding actions.

10. Whistleblowing Annual Report Aithisg Bhliadhnail Innsireachd

There had been circulated Report No. AS/11/23 dated 1 June 2023 by the Strategic Lead (Corporate Audit & Performance).

The Committee **NOTED**:-

- i. and scrutinised the information at section 4.1 of the report including the low number of whistleblowing concerns received;
- ii. that where a whistleblowing investigation identified any control weakness, fraudulent activity or areas for improvement this would be addressed through an Internal Audit report which would be provided to Committee to scrutinise. There was 1 such report during the year; and
- iii. that this report together with the Whistleblowing policy would be provided to the next meeting of the HR Sub Group on 21 June 2023 to consider whether any changes were required to the policy.

The meeting ended at 11.35 am.