

The Highland Council

Minutes of Meeting of the **Audit Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 30 November 2023 at 10.30am.

Present:

Mr M Baird	Ms J McEwan
Mr C Ballance (remote)	Mr P Oldham
Mr B Boyd (remote)	Mrs T Robertson
Mr D Fraser (remote)	Mr A Sinclair (remote)
Mr S Kennedy	Mr R Stewart
Mr G MacKenzie	Ms M Reid (substitute)

Non-Members also present:

Mr C Birt (remote)	Mr P Logue
Mrs M Cockburn (remote)	

Officials in Attendance:

Mr P Nevin, Interim Executive Chief Officer, Performance and Governance
Ms A Clark, Head of Community Support and Engagement, Communities and Place
Mr I Kyle, Head of Performance and Improvement, Health and Social Care
Mr B Porter, Head of Corporate Finance, Resources and Finance
Miss D Sutherland, Strategic Lead (Corporate Audit and Performance), Performance and Governance
Mr J Thurlbeck, Corporate Audit Manager, Corporate Audit and Performance
Mr J Campbell, Senior Auditor, Performance and Governance
Ms S Bailey, Business Manager, Health and Social Care
Ms A Morrison, Customer Resolution and Improvement Manager, Communities and Place
Mr M Watters, Corporate Performance and Information Governance Manager, Performance and Governance Service
Ms L Harrison, Accountant, Corporate Finance, Resources and Finance
Ms L Dunn, Joint Democratic Services Manager, Performance and Governance
Miss J MacLennan, Joint Democratic Services Manager, Performance and Governance
Ms G MacPherson, Committee Officer, Performance and Governance

Also in attendance:

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

**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 L Fraser, Mr R Jones and Mr K Rosie.

**2. Declarations of Interest/Transparency Statement
Foillseachaidhean Com-pàirt/Aithris Fhollaiseachd**

There were no declarations of interest or transparency statements.

**3. Internal Audit Reviews and Progress Report
Ath-bhreithneachaidhean In-sgrùdaidh agus Aithisg Adhartais**

There had been circulated Report No. AC/20/23 by the Strategic Lead, Corporate Audit and Performance.

In relation to the table detailing Internal Audits in Progress, it was requested that the terms used in the Current Status column, such as 'Being Planned' and 'Fieldwork in Progress' could include further information, such as target dates. It was explained that a number of audits were at the stage of being planned and so dates were unknown at present. However, additional information will be provided once available.

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

a) Education & Learning – Secondary School (Reasonable Assurance)

Information was sought, regarding the delay in the secondary school report coming to committee. It was explained that the final report had been issued in September but missed the cut-off date for publication of the papers for that Committee. Furthermore, the draft report had been issued in July so a timely report had been provided to management. In relation to action H1 of the report, it was requested that schools were reminded for the need for inventories to be maintained and kept up to date.

b) Health & Social Care – Review of the control and usage of imprests and other cash in Health & Social Care Establishments (Reasonable Assurance)

Concern was raised regarding the standard of record-keeping of imprests and the use of petty cash tins in general, and it was hoped that pre-payment cards would be feasible in the future.

The Committee:-

- i. **NOTED** the Final Reports referred to in Section 4.1 of the report;
- ii. **NOTED** 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; and
- iii. **AGREED** that schools be contacted requesting that their inventories be kept up-to-date.

4. **Review of Corporate Risks** **Ath-sgrùdadh de Chunnartan Corporra**

There had been circulated Report No. AC/21/23 by the Interim Executive Chief Officer, Performance and Governance.

During discussion, the following issues were raised:-

- information was sought, and provided, regarding the completion of Risks CR9.13 (Full Implementation of a Corporate Property Landlord Model) and CR22.1 (Building Access Policies), as both were past their target dates;
- it was asked, in relation to Risk CR22.4 (NETs Failure and Planned Interruptions to power supply), if amber was the appropriate rating;
- an update and assurances were urgently sought in relation to Risk CR2.18 (Backup Hardware and Email Service), in light of the recent cyber incident in Comhairle nan Eilean Siar's;
- concerns were raised in relation to Risk CR7 (Climate Change), as the target date had already been delayed for CR7.4, and the Council Natural Environment and Ecological Strategy referred to in CR7.6 was not included in the Climate Change Committee papers for 5 December 2023. It was asked if CR7.7 (Mitigate potential increases in both use and cost of energy by enhanced investment in renewable energy and transformational projects) could have some attention as this was now several months overdue;
- the description paragraph of Risk CR10 (Condition of our Roads) provided data from 2016 and it was asked if more up-to-date indicators could be provided before the next committee. In response it was confirmed that this would be done;
- it was asked if recruitment had been successful in relation to Risk CR32.4 (Providing Technical Resources) and it was confirmed that an update could be provided;
- it was confirmed, in relation to Risk CR29 (Lack of Occupational Health Provider), that a new provider was now in place and confirmation of this would be provided to Members; and
- it was felt that although Risk CR31 (Failure to deliver Statutory Services due to staffing levels within Social Work Services) remained a concern, early indications showed that progress was being made.

The Committee, having scrutinised and **AGREED** the Corporate Risk Register provided at Appendix 1 of the report, also **AGREED** the risk profile at Appendix 2 of the report.

5. **Complaints Performance Report** **Aithisg Choileanaidh Ghearanan**

There had been circulated Report No. AC/22/23 by the Executive Chief Officer Communities and Place.

During discussions, the following issues were raised:-

- confirmation was provided that the report outlining complaints considered by the Scottish Public Sector Ombudsman (SPSO), and referenced in this report, had been considered by the Audit Committee on 28 September 2023;
- when trying to contact the Council many individuals became frustrated and contacted Elected Members instead;
- there had been a significant increase on the previous year in the number of Freedom of Information and Data Rights requested and it was queried if there were particular workstreams generating these. It was confirmed that there were more Freedom of Information requests but this was a national trend. Members were assured that where themes were identified the Council proactively tried to publish information online, making it easier for those seeking the information in the first place and saving officers' time in responding;
- 903 complaints were validated in 2022/23 but an additional 1828 contacts to the team were not in fact complaints but more the reporting of matters such as potholes or first request for service etc. If there was a clearer path as to how such issues could be reported it would help reduce these numbers;
- through the My Council Programme, there were several strands of work focused on improving telephony and the Council's website to support improvements in access to information for the public; and
- clarification was sought as to the correlation between the number of complaints validated and the table detailing the ranking order by function of the Council.

The Committee having scrutinised the performance outlined in the Annual Complaints Report for 2022/23, **AGREED** to publish the report on the Council's website and submit the report to the SPSO.

6. External Audit – Annual Report 2022/23 and Independent Auditor's Report Sgrùdadh on Taobh a-muigh – Aithisg Bhliadhnail 2022/23 agus Aithisg Neach-sgrùdaidh Neo-eisimeileach

a) Audited Trust Accounts 2022/23

There had been circulated Report No. AC/23/23 by the Head of Corporate Finance in respect of the audited trust accounts 2022/23.

The administrative charges imposed by the Council had been set at £7,521. In arriving at this figure cognisance had to be taken of any costs incurred but also the relatively modest reserves of these Trusts and if they could bear the proposed costs.

The Committee:-

- APPROVED** the audited accounts for signature;
- AGREED** that the letters of representations be signed by the Treasurer on behalf of the Trustees; and
- NOTED** the auditor recommendations to consider for future years, joining the accounts of the charitable trusts under the connected charities provision.

b) Report to Those Charged with Governance on the 2022/23 Audits

There had been circulated Report No. AC/24/23 from Audit Scotland in respect of their 2022/23 audits of the Highland Charities Trust and Highland Council Charitable Trusts.

The Committee **NOTED** that Appendix C of the reports would be included within the 2022/23 Highland Council Annual Audit Report.

c) Update on the 2022/23 Highland Council annual audit

There had been circulated an update Report AC/25/23 from Audit Scotland on their annual audit work which included a revised timetable for the annual accounts.

The Committee **NOTED** the update provided and that the annual report would be presented to the special meeting of the Audit Committee on 24 January 2024.

**7. Progress Report on the Review of Commissioned Children's Services
Aithisg Adhartais mun Ath-sgrùdadh de Sheirbheisean Chloinne
Choimiseanaichte**

There had been circulated Report No. AC/26/23 by the Executive Chief Officer Health and Social Care.

During discussions, the following issues were raised:-

- while recognising there was still work to be done, the progress made to date was welcomed;
- handovers were now being recorded and this was part of the enhanced monitoring taking place;
- the two High Priority issues highlighted had a completion date of 31 December 2023. It was acknowledged that this was an ambitious target but it reflected the hard work taking place; and
- clarification was sought as to the skills and qualifications required to work in Children's Services in Highland. This was dependent on the specific role but qualifications were universal across Scotland.

The Committee **NOTED** the report.

The meeting ended at 11.20 am