

The Highland Council

Minutes of Meeting of the **Audit Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 26 September 2024 at 10.30am.

Present:

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| Mr M Baird | Mr P Oldham (remote) |
| Mr C Ballance (remote) | Mrs T Robertson |
| Mr B Boyd (remote) | Ms M Reid (substitute) |
| Mr L Fraser | Ms M Ross |
| Mr S Kennedy | Mr R Stewart |
| Ms J McEwan (remote) | |

Non-Members also present:

Mr R Gale (remote)

Officials in Attendance:

Mr A Gunn, Assistant Chief Executive – Corporate
Mr P Nevin, Interim Executive Chief Officer, Performance and Governance
Mr B Porter, Chief Officer – Corporate Finance
Mr S Fraser, Chief Officer – Legal and Corporate Governance
Mr J Shepherd, Chief Officer – Business Solutions
Mr M Watters, Corporate Performance and Information Governance Manager
Miss D Sutherland, Strategic Lead (Corporate Audit and Performance), Performance and Governance
Mr J Thurlbeck, Corporate Audit Manager, Performance and Governance
Mr P Hankinson, Senior Auditor, Internal Audit, Performance and Governance
Mr J Campbell, Senior Auditor, Internal Audit, Performance and Governance
Mr A Denovan, Emergency Planning and Business Continuity Manager, Corporate Communications
Ms M Mackenzie, Strategic Commercial Manager, Commercial and Procurement Shared Service
Ms E Barrie, Head of People, Resources and Finance
Ms T Urry, Head of Roads & Infrastructure
Miss J MacLennan, Joint Democratic Services Manager, Performance and Governance
Mrs G MacPherson, Committee Officer, Performance and Governance

Also in attendance:

Ms E Scoburgh, Audit Scotland
Ms C Gardiner, 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 A Jarvie, Mr R Jones, Mr G MacKenzie and Mr A Sinclair.

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

There were no declarations of interest or transparency statements.

**3. Recess Powers
Cumhachdan Fosaidh**

The Committee **NOTED** that the Recess Powers granted by the Council at its meeting on 27 June 2024 had not been exercised in relation to the business of the Audit Committee.

**4. External Audit Best Value Thematic Report 2023-24 – Workforce Innovation
Aithisg Chuspaireil Luach as Fheàrr on Sgrùdadh on Taobh A-muigh 2023-24 – Ùr-ghnàthachas Feachd-obrach**

There had been circulated Report No. AC/19/24 by the Council's External Auditors (Audit Scotland)

During discussion, the following points were raised:-

- it was appreciated that updates to some policies and strategies would be required, whilst also recognising that the Council's management structure was in a period of change;
- in terms of key message number 4 in the report, it was asked when the assessment of flexible and hybrid working would take place and it was confirmed that progress assessments would be reported to Strategic Committees as well as an audit date of 31 May 2025;
- in terms of Appendix 1, recommendation 2, the alignment of strategic workforce planning documents was commended;
- it was asked when statistics for casual and bank staff would be available to Members. This information required to be extracted from pay systems, however the turnover rate for last year was 13%; and
- information was sought, and provided, regarding digital champions and Members welcomed the upcoming digital support network.

The Committee scrutinised, considered and **NOTED** the report findings, in particular the key messages on pages 4-5 and the action plan at Appendix 1 of the report.

**5. Annual Report of Scottish Public Services Ombudsman Cases determined in 2023/2024
Aithisg Bhliadhnail Chùisean Ombudsman Seirbheisean Poblach na h-Alba air an dearbhadh ann an 2023/2024**

There had been circulated Report No. AC/20/2024 by the Assistant Chief Executive – Corporate.

Clarification was sought regarding the ranking in Appendix 1 of the report and it was confirmed that the ranking was in order of the number of complaints received.

It was asked if examples of the type of complaints received could be provided, specifically regarding housing and roads, and it was confirmed that the Corporate Performance and Information Governance Manager would provide a summary outside of the meeting.

The Committee:-

- i. scrutinised, considered and **NOTED** the information provided by Scottish Public Services Ombudsman with regard to the number and types of complaints received about the Council during 2023/24; and
- ii. **NOTED** the low number of complaints that were made against the Council and that only 2 were partially upheld during the year.

6. Review of Corporate Risks Ath-Sgrùdadh air Cunnartan Corporra

There had been circulated Report No. AC/21/24 by the Assistant Chief Executive – Corporate.

Concern was raised regarding the 5-14 days recovery period in terms of Risk HCR5, Civil Contingencies – National Power Outage, and it was asked if this was good enough. Further, it was felt that there was a risk in terms of staff being unable to carry out their employment duties without the use of a computer or laptop.

In response, the Emergency Planning and Business Continuity Manager stated that the 5-14 day period was part of a national assessment and something that the Council must be prepared for. It was stated that there was much work going on behind the scenes, both locally and nationally, some of which required significant government support.

Information was sought regarding emergency action plans, such as when they would be fully complete and signed off. Local arrangements were in place, however, national arrangements which included the provision of food, fuel, water and communications were yet to be resolved by the government.

Members took comfort from the fact that the Covid epidemic was handled well but it was recognised that by becoming more and more dependent on computers, a power outage would be a problem and it was good to hear that plans were being worked on.

In relation to Risk HCR6, Civil Contingencies – Flooding, it was asked what work was being carried out as, while the risk details referred to coastal, river and flash flooding, there were drains in the public infrastructure clogged with litter and vegetation. Further, an added complication was that some drains were not big enough to cope with the increased amount of rainfall. In response, it was said that the Council carried out inspections regularly, and following severe weather, which were based on priorities given to certain water courses.

The Committee:-

- i. scrutinised and **NOTED** the Corporate Risk Register provided at Appendix 1 of the report; and
- ii. considered and **NOTED** the risk profile at Appendix 2 of the report.

7. Internal Audit Reviews and Progress Report Ath-sgrùdaidhean In-sgrùdaidh agus Aithisg Adhartais

There had been circulated Report No. AC/22/24 by the Strategic Lead (Corporate Audit and Performance).

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

a) Corporate – Business Continuity Planning (Reasonable Assurance)

The importance of having Business Continuity Plans held as a hard copy and centrally was welcomed.

b) Corporate - Procurement Arrangements and Governance (Substantial Assurance)

Information was sought, and provided, as to the extenuating circumstance where contracts might be extended without uplift.

c) Place – Review of Roads Maintenance (Limited Assurance)

Disappointment was expressed that some Council Roads Maintenance depots appeared to work independently from others and not all to the same structure. Improvements had been made to address this, as was detailed to Members, and it was hoped that, where concerns had been raised, further audits would take place to ensure improvements were being made and that appropriate assurances could be provided. It was unfortunate that a significant percentage of delivery tickets had not been in place but this was down to processes at that time and which now had been reviewed. The hard work of employees was recognised and the issues raised during the audit related more to procedure.

Turning to the Ross and Cromarty depot, given that there was still a lot of road maintenance work to be carried out, Members were assured that, although there were a couple of staff absences, there were no vacancies being held.

The Committee:-

- i. considered and **NOTED** the final reports referred to in section 5.1 of the report; and
- ii. scrutinised and **NOTED** the current work of the Internal Audit Section outlined in sections 6 and 7 of the report, and the status of work in progress detailed at Appendix 1 of the report.

8. Internal Audit Action Tracking Tracadh Ghnìomhan In-sgrùdaidh

There had been circulated Report No. AC/23/24 by the Strategic Lead (Corporate Audit and Performance).

During discussion, the following issues were raised:-

- the number of revised dates was still too high. It was important action was taken timeously;
- concern was expressed at some extensions of revised dates, with one being 16 months on from the original target date. Action dates needed to be tightened

and it was questioned, where target dates were not met, if they should be reported to the relevant Strategic Committee; and

- with regard to the Council's climate change plans and implementation and the Highland Adapts report, given that it detailed economic impacts, it was suggested that it should be considered at Full Council or at a Strategic Committee as well as the Climate Change Committee.

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

9. The National Fraud Initiative (NFI) in Scotland 2022/23 An Iomairt Foill Nàiseanta ann an Alba 2022/23

There had been circulated Report No. AC/24/24 by the Strategic Lead (Corporate Audit and Performance)

The Committee considered and **NOTED** the Audit Scotland NFI report, the key messages and the associated commentary set out in section 6 of the report.

10. Regulation of Investigatory Powers (Scotland) Act Ahd Riaghladh Chumhachdan Sgrùdaidh (Alba)

There had been circulated Report No. AC/25/24 by the Chief Officer - Legal and Corporate Governance.

The Committee **NOTED** that the Council continued to make appropriate use of the powers and that a further report would be forthcoming to the March 2025 meeting.

11. Commissioner for Ethical Standards in Public Life/Standards Commission: Councillors' Code of Conduct – Investigation into Complaints Coimiseanair airson Inbhean Beusail ann am Beatha Phoblach/Coimiseanair nan Inbhean: Còd Giùlain nan Comhairlichean – Sgrùdadh mu Ghearanan

There had been circulated Report No. AC/26/24 by the Chief Officer - Legal and Corporate Governance.

The Committee **NOTED**:-

- i. the ESC had investigated one complaint and, following investigation, the Standards Commission decided to take no further action;
- ii. following investigation by the ESC the Standards Commission decided to hold a hearing in respect of :-
 - a) Councillor Maxine Smith in February 2024. On conclusion of the hearing the Commission found that Councillor Smith had breached the Code and imposed a sanction of suspension for one month and ;
 - b) Councillor Andrew Jarvie in April 2024. On conclusion of the hearing the Commission a formal finding of a breach of paragraphs 3.1, 3.8 and 3.10 of the Code could not be made.

The meeting ended at 11.40 am.