

The Highland Council

Minutes of Meeting of the **Audit Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday, 5 February 2025 at 2.00 pm.

Present:

Mr M Baird	Mrs J McEwan (remote)
Mr C Ballance (remote)	Mr P Oldham
Mr B Boyd	Mrs T Robertson
Mr L Fraser	Mrs M Ross (remote)
Mr G MacKenzie	Mr R Stewart
Mr D McDonald	

Non-Members also present:

Ms E Knox (remote)	Mr T MacLennan (remote)
Mr P Logue	Mr C Munro
Mrs A MacLean (remote)	

Officials in Attendance:

Mr A Gunn, Assistant Chief Executive – Corporate
Mr M MacLeod, Assistant Chief Executive – Place
Mr S Fraser, Chief Officer – Legal and Corporate Governance
Ms S Armstrong, Chief Officer – Revenues and Commercialisation
Mr B Porter, Chief Officer – Corporate Finance
Ms F Duncan, Chief Social Work Officer & Chief Officer Health and Social Care
Miss D Sutherland, Strategic Lead (Corporate Audit)
Mr A Yates, Strategic Lead (Environmental Health and Bereavement Services)
Mr M Watters, Corporate Information Governance Manager
Mr J Thurlbeck, Corporate Audit Manager
Mr J Campbell, Senior Auditor, Internal Audit
Mr P Hankinson, Senior Auditor, Internal Audit
Ms E Barrie, Head of People
Ms J McGonagle, Strategic Lead – Finance (People)
Mr G Munro, Revenues Manager
Ms M Montaner, Principal Officer, Justice Services
Miss J MacLennan, Joint Democratic Services Manager, Corporate
Mrs G MacPherson, Committee Officer, Corporate

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

Business

**1. Apologies for Absence
Leisgeulan**

Apologies for absence were intimated on behalf of Mr A Jarvie, Mr R Jones and Mr A Sinclair.

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

There were no declarations of interest/transparency statements.

**3. Audit Scotland Report – 2024/25 Annual Audit Plan
Aithisg Sgrùdadh na h-Alba – Plana Sgrùdadh Bliadhnail 2024/25**

There had been circulated Report No. AC/01/25 by the Council's External Auditors, Audit Scotland providing an overview of the planned scope and timing of the 2024/25 audit of the Highland Council annual accounts. It outlined the audit work planned to meet the audit requirements set out in auditing standards and the Code of Audit Practice. Going forward, the Controller of Audit report was planned for June 2025 but there was a possibility to bring it forward to April 2025.

Disappointment was expressed that the target date set by the Accounts Commission would not be met again this year but it was hoped that timetabling would continue to improve.

The Committee **APPROVED** the 2024/25 Annual Audit Plan.

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

There had been circulated Report No. AC/02/25 by the Strategic Lead (Corporate Audit).

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

a) People – Supervision of Community Payback Orders (Reasonable Assurance)

During discussion, the following items were raised:-

- information was sought, and provided, regarding risk assessment reports and the importance of carrying out a risk assessment timeously was highlighted. Due to a nationwide computer software issue, risk assessments had been recorded on paper for over a year and this had led to limitations on software reports;
- information was sought, and provided, regarding overwriting risk assessments;
- it was asked if there were plans to recruit further social workers and an explanation of how this might be funded was provided; and
- in terms of Action Plan Ref M2 Management Response in the report, it was asked what measures had been taken and a response was provided.

b) Corporate – Review of Health and Safety Arrangements (Reasonable Assurance)

During discussion, the following items were raised:-

- a well established governance framework to support the implementation of health and safety policy was in place but it appeared this was not being adhered to and required actions were not being taken by managers. It was hoped these actions would be rectified timeously and that the low uptake of training would be improved;
- concerns had been raised at the Central Safety Committee regarding the number of sites without Responsible Premises Officers and the little progress that had been made. It was suggested that a review of the present arrangements should be considered. In addition, it was suggested that the Senior Officer in the premises be given the responsibility, along with due credence for doing so;
- the Council had a duty of care to its employees and there was concern that workplace inspections were not undertaken as often as they should. A request was made for the average time, by Service, that these inspections were taking place; and
- there was no Health and Safety Risk Profile or Register for Education and Learning and this was imperative.

c) Corporate – Efficiency of Debt Recovery Arrangements (Reasonable Assurance).

The Committee:-

- i. **NOTED** the Final Reports referred to in Section 5.1 of the report; and
- ii. **APPROVED** the current work of the Internal Audit Section outlined at sections 6 and 7, and the status of work in progress detailed at Appendix 1 of the report.

5. Action Tracking Update Cunntas às Ùr mu Thracadh Ghnìomhan

There had been circulated Report No. AC/03/25 by the Strategic Lead (Corporate Audit).

During discussion, the following items were raised:-

- the reduction in the number of revised action dates was commended and it was hoped this would continue. Services had to bear in mind these action dates were agreed and needed to be achieved on a more regular basis;
- imprest holders had been given a revised completion date from March 2024 to March 2025 and this was an example of where some revised dates appeared to be excessive. In this connection, it was queried if alternatives to imprest accounts had been identified. With only a 17% completion rate of the review of the use and control of imprests in Health and Social Care establishments, Members expected a significant improvement by the next Committee; and
- as the Council's in-house bus operation was now moving on from the pilot stage, there was an opportunity to deliver a high quality service and to expand the fleet. However, it was important to have an operating model in place. In providing reassurance, Members were assured that the development of a clear strategy would be provided by the revised target

date of 30 June 2025. Presently, the in-house service had been operating well with new services being added as opportunities arose and this was providing Best Value against private sector costs of delivery.

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

6. Update on the Global Internal Audit Standards Cunntas às Ùr mu Inbhean In-Sgrùdaidh Cruinneil

There had been circulated Report No. AC/04/25 by the Strategic Lead (Corporate Audit and Performance) providing an Internal Audit Charter and Strategy.

Reference was made to a recent Audit Scotland report of an Aberdeen City Council employee who had been able to embezzle more than £1m over a 17 year period and assurances were sought that a similar fraud could not take place in Highland Council. In response it was stated that the Audit Scotland report had made five recommendations and key action points for all Councils to consider. These would be examined as part of an audit review with the intent to report to the next Audit Committee meeting.

The Committee:-

- i. **APPROVED** the revised Internal Audit Charter, which included the Mandate and the new Internal Audit Strategy; and
- ii. **NOTED** that these would come into effect from 1 April 2025 in order to conform with the Global Internal Audit Standards in the UK Public Sector.

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

There had been circulated Report No. AC/05/25 by the Strategic Lead (Corporate Audit).

During discussion, the following items were raised:-

- information was sought, and provided, why the Risk Type for HCR9 (Net Zero Targets) had been described as Financial and not also as Legal and Reputational;
- the Responsible Officer for mitigating actions for HCR9 had been changed to the Climate Change Manager. However, as this post had no responsibility for budget setting, it was suggested that it should be a more senior officer;
- it was hoped the two mitigating actions relating to HCR9 that were RAG'd as Red would be included in the audit of the Climate Change Strategy. At this stage, however, this could not be guaranteed as, under the Global Internal Audit Standards, a full risk assessment process was required for each audit;
- whilst supporting the drive toward Net Zero, caution was expressed that this should not divert funds from other core services provided by the Council; and
- in relation to HRC3 (Sustainable and Adaptable Workforce) every effort needed to be made to make Highland Council the employer of choice. This

could be done by looking at best and worst practice elsewhere and reviewing how the Council recruited staff.

The Committee:-

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

8. Audit Committee Training Plan 2025/26
Plana Trèanaidh na Comataidh Sgrùdaidh 2025/26

There had been circulated Report No. AC/06/25 by the Strategic Lead (Corporate Audit).

The Committee considered and **AGREED** the training programme, and approach set out in section 5.3 of the report.

The meeting ended at 3.05 pm.