

## **The Highland Council**

Minutes of Meeting of the **Audit Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday, 20 August 2025 at 2.00pm.

### **Present:**

Mr M Baird	Mrs L Kraft (Substitute)
Mr C Ballance (Remote)	Mr D McDonald
Mr B Boyd (Remote)	Ms J McEwan (Remote)
Mr L Fraser	Mrs T Robertson
Mr A Jarvie (Remote)	Ms M Ross
Mr R Jones (Remote)	Mr R Stewart
Mr G MacKenzie	

### **Non-Members also present:**

Mr J Finlayson (Remote)	Mrs M Reid (Remote)
Mr P Logue	

### **Officials in Attendance:**

Mr A Gunn, Assistant Chief Executive – Corporate  
Mr S Fraser, Chief Officer – Legal and Corporate Governance  
Mr B Porter, Chief Officer – Corporate Finance  
Mr M Watters, Corporate Information Governance Manager  
Miss D Sutherland, Strategic Lead (Corporate Audit)  
Mr J Thurlbeck, Corporate Audit Manager  
Mr J Campbell, Senior Auditor, Internal Audit  
Ms A Morrison, Complaints and Information Manager  
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 P Oldham and Mr A Sinclair.

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

The Committee **NOTED** the following Transparency Statement:-

Item 4 – Mr R Stewart

**3. Recess Powers  
Cumhachdan Fosaìdh**

The Committee **NOTED** that the Recess Powers granted by the Council at its meeting on 26 June 2025 had not been exercised in relation to the business of the Audit Committee.

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

**Transparency Statement: Mr R Stewart declared a connection to this item as a General Election candidate but, having applied the objective test, did not consider that he had an interest to declare.**

There had been circulated Report No. AC/16/25 by the Strategic Lead (Corporate Audit).

Prior to discussion, the Strategic Lead (Corporate Audit) provided a verbal update in terms of sections 7 and 8 of the report, which included the following points:-

- an annual internal audit review of the Inverness Green Freeport would be required. Similar to the arrangements with the City Region Deal, a copy of the resulting audit report would be provided to the Scottish Government; and
- interviews for the vacant auditor post were to be held at the end of this month. An update would be provided to the November Committee.

**a) Corporate – Financial Sustainability (Full Assurance)**

In response to a question regarding salary overpayments, Members were informed that an update would be provided to the November Committee.

**b) Corporate – Elections Management (Substantial Assurance)**

In response to a question regarding the cost of recent Election recounts, Members were informed that the Council had claimed the maximum recoverable amount from the Scottish Government, and it was understood to have covered the costs.

Assurance was sought, and provided, in terms of staffing an Election adequately. An update would be provided in due course.

The Committee **NOTED**:-

- i. the Final Reports referred to in Section 5.1 of the report; and
- ii. 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.

**5. Internal Audit Action Tracking  
Tracadh Ghnìomhan In-sgrùdaidh**

There had been circulated Report No. AC/17/25 by the Strategic Lead (Corporate Audit).

During discussion, the following items were raised:-

- further information was sought in terms of section 6.2 of the report, and it was asked if the target date for ICT Arrangements in Schools would be met. A response was provided; and
- information was sought regarding the use of imprests in health and social care establishments. The Chief Officer – Corporate Finance provided a response where it was explained that alternative methods of payments were being looked at.

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

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

There had been circulated Report No. AC/18/25 by the Assistant Chief Executive - Corporate.

In response to a question, Members were informed that the risk in terms of solar panels was currently a delivery plan project risk which would be reviewed as a result of changes to the Delivery Plan.

The Committee **NOTED**:-

- i. the Corporate Risk Register provided at Appendix 1; and
- ii. the risk profile at Appendix 2.

## **7. Annual Report of Scottish Public Services Ombudsman Cases determined in 2024/25 Aithisg Bhliadhnail Chùisean Ombudsman Seirbheisean Poblach na h-Alba air an dearbhadh ann an 2024/25**

There had been circulated Report No. AC/19/25 by the Assistant Chief Executive - Corporate.

The Committee **NOTED**:-

- i. the information provided by Scottish Public Services Ombudsman with regard to the number and types of complaints received about the Council during 2024/25; and
- ii. the low number of complaints that had been made against the Council and that no complaints were upheld or partially upheld during the year.

## **8. Annual Complaints Performance Report 2024/25 Aithisg Choileanaidh Bhliadhnail Ghearanan 2024/25**

There had been circulated Report No. AC/20/25 by the Assistant Chief Executive - Corporate

During discussion, the following items were raised:-

- the Council was in a strong position in terms of complaint handling;
- information was sought in terms of what equated a complaint. A response was provided; and
- in response to a question about Freedom of Information, the Complaints and Information Manager would liaise directly with the Member outside of the meeting.

The Committee:-

- i. **NOTED** the performance information outlined in the Annual Complaints Report for 2024/25 at Appendix 1;
- ii. **AGREED** that the appended report would be published on the Council's website and submitted to the Scottish Public Services Ombudsman; and
- iii. **NOTED** the successful implementation of the Child Friendly Complaints Procedure in 2024/25.

**9. Code of Corporate Governance 2025/26**  
**Còd Riaghlachais Chorporra 2025/26**

There had been circulated Report No. AC/21/25 by the Chief Officer - Legal and Corporate Governance.

The Committee:-

- i. **NOTED** the progress on delivering the 2024/25 Code of Corporate Governance; and
- ii. **APPROVED** the 2025/26 Code of Corporate Governance.

**10. Audit Scotland Report - Best Value Thematic 3 (BV3) Report on Transformation**  
**Aithisg Sgrùdadh Alba - Aithisg Chuspaireil 3 an Luaich as Fheàrr a thaobh Cruth-atharrachadh**

There had been circulated Report No. AC/22/25 by the Council's External Auditors (Audit Scotland).

During discussion, concern was expressed in terms of the £9.6m savings within the Adult Social Care Service, and it was asked if the saving was realistically achievable.

Audit Scotland confirmed this would be challenging and with significant risk and this was recognised, and being addressed, by the Council. However, this challenge was not unique to Highland. Audit Scotland continuously sought best practice and innovation, and would share any relevant findings from an upcoming national Audit Scotland report.

Highland Council and NHS Highland had a strong working relationship and close partnership working continued. Any further updates would be provided to the Health,

Social Care and Wellbeing Committee, as the appropriate committee to monitor the savings.

Advice was sought in terms of other services within the Council that might be candidates for coming in house, in addition to bus services. National case studies would be shared in an upcoming national Audit Scotland report.

In terms of recommendation 2 on page 13 of the Audit Scotland Report, further information was sought, and provided by the Assistant Chief Executive – Corporate and Strategic Lead (Corporate Audit).

Members congratulated the Strategic Lead (Corporate Audit) and her team for their efforts to secure the report and for the positivity that the report contained.

The Committee **NOTED** the report findings, in particular the key messages on pages 3 - 4 and the improvement action plan at Appendix 1 of the report.

The meeting ended at 2.55 pm.