

Agenda Item	4
Report No	AC/2/26

The Highland Council

Committee: Audit Committee

Date: 4 February 2026

Report Title: Action Tracking Report

Report By: Strategic Lead (Audit and Risk)

1. Purpose/Executive Summary

- 1.1 The Global Internal Audit Standards (the GIAS) require the Chief Audit Executive to establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. Details of this process known as action tracking, is provided at section 5 of this report.
- 1.2 The outcome of this process is reported to each meeting of the Audit Committee. This report provides details of the action tracking completed for all actions that had passed their agreed target date at the end of December 2025. In addition to the summary information reported, section 6.1 includes additional information to assist understanding of the profile in days of open actions to completion dates, and trend information showing agreed action completion rates.

2. Recommendation

- 2.1 The Committee is invited to **scrutinise, comment upon and note** the action tracking information provided including the revised target dates for the completion of outstanding actions.

3. Implications

- 3.1 Resource: any resource implications arising from audit actions should be addressed by the relevant Services and where required, will be reported to Committee.
- 3.2 Risk: the implementation of the management agreed actions will improve the control environment and assist in reducing the risk exposure to the Council.
- 3.3 There are no Legal, Health and Safety or Gaelic implications arising from this report.

4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

5. Action Tracking Process

- 5.1 The action tracking process operates as follows:
 - (1) Audit reports contain an action plan which details the areas of concern; management agreed action; target date for implementation; and the title of the Officer responsible for implementation.
 - (2) On a monthly basis those actions which have passed their agreed target dates are action tracked. This involves contacting the appropriate Manager(s) to confirm that their actions have been implemented. If a timely response is not received the matter is escalated to the appropriate Assistant Chief Executive.
 - (3) Where the agreed management action has not been undertaken, an explanation is requested. However, if this response is considered unsatisfactory, it is subject to further audit enquiry and/ or investigation. Where delays have occurred and the explanation provided is considered reasonable, a revised implementation date is agreed, and this is action tracked once this date has expired.
- 5.2 In addition to the above, monthly reports are provided to each of the Assistant Chief Executives detailing all outstanding recommendations within their service cluster which enables them to monitor progress leading up to the target dates when these should be completed. The monthly reports also detail the number of times a revised action date has been applied. As agreed at the September 2024 Audit Committee, where a second revised action date is requested by the responsible officer, approval is now required from the appropriate Assistant Chief Executive before this is agreed.

6. Action Tracking Results

6.1 Summary report

There are currently 51 agreed actions in progress, of which 30 (59%) have revised action dates.

The report attached at **Appendix 1** provides a summary of actions which have been subject to the action tracking outlined above. This details the audits where management agreed actions had passed their agreed target date and were subject to action tracking at the end of December 2025. Overall, this shows that 9 (43%) of the 21 actions tracked had been completed, with revised target dates agreed for the remainder.

In response to a request from Committee, additional information, is now provided in tables 1 and 2 below.

Table 1 profiles all open agreed management actions (as at 16/01/26) by the number of days until they are due to be completed.

Table 1 – Open management actions

	0 - 30 Days	30-60 days	60-90 days	Over 90 days	Total
High	4	1	6	3	14
Medium	7	1	19	4	31
Low	0	1	4	1	6
Total	11	3	29	8	51

Table 2 shows the action tracking completion rates previously reported to the Audit Committee over the last year. This details the number of actions tracked at the end of the month showing: number tracked (Due), number completed (C) and percentage completed (% C).

Table 2 – Completion performance

	March 25			June 25			September 25			December 25		
	Due	C	% C	Due	C	% C	Due	C	% C	Due	C	% C
High	9	4	44%	7	5	71%	0	-	-	9	3	33%
Medium	29	18	62%	12	7	58%	8	6	75%	10	5	50%
Low	9	8	89%	1	1	100%	1	1	100%	2	1	50%
Total	47	30	64%	20	13	65%	9	7	78%	21	9	43%

6.2 Actions with revised target dates

Action tracking at the end of December 2025 resulted in revised target dates being agreed for 12 actions. These are in respect of eight audits, further details provided below. The original target date for implementation and the most recent revised date are shown in brackets. Further information has also been provided by way of management updates.

Business Continuity Planning (BCP) (2 High actions)

High Priority Action - Once finalised, all BCPs should be stored centrally on the Gold Group Emergencies HUB SharePoint site and also held in hard copy within Services. 2 BCPs are in draft and still to be finalised:

- Education, within the People Cluster (covering both Primary & Early Years and Secondary Education). A lot of work was done on this BCP in November/December 2025, now requires sign off from the Senior Leadership Team at the end of January 2026.
- Place Cluster BCP (covering Facilities & Fleet Management, Property & Assets, Housing & Communities, Operations & Maintenance, Planning & Economic Development). Again, much work was done towards the end of last year, however the draft sections now need to be brought together. This is expected to be complete by end of January 2026.

(Original target date 31/01/2025. Revised action date 31/01/2026).

High Priority Action - All BCPs should be exercised (tested) annually with a focus on key risks and documented evidence held of completion. In the original Audit Action Plan, there was a 4 month window to allow for exercising once plans had been written which will now be completed by March 2026. We have put on training sessions to aid those doing the BCPs, and will take 2 of the Occupational Health Safety and Wellbeing team into emergency planning to have the resources to test the plans starting in January/ February. (Original target date 31/05/2025. Revised action date 31/03/2026).

Children's Service transitions arrangements (1 High, 3 Medium actions)

High Priority - An effective method for early resolution of disputes including an escalation process should be agreed and implemented so any potential delays in transferring accommodation are communicated to senior managers as early as possible. In relation to operational disputes which result in increased risk to a service an escalation process should be co designed and implemented by the Highland Council and NHS Highland (NHSH) that links to the risk register allowing for early communication to senior management. Continued work with NHSH to deliver this, meeting with them every 2-3 weeks. (Original target date 31/12/2025. Revised action date 31/03/26).

Medium Priority - The Joint Transitions Team would benefit from setting out all key tasks in the transitions process in a formal document including a minimum expectation for meeting records, specifically having action points for each meeting to show tasks, assigned responsibility and timescales so that there is clear accountability. Joint meeting template to be agreed including actions and timescales, to be recorded on Client's file.

Medium Priority - The risk register should be updated to reflect good risk management practices by: Establishing the risk appetite, Clarifying risk scoring criteria, Including more detailed mitigation actions, Improving accountability with clear risk ownership, Explaining how mitigations reduce risk, Setting timescales for actions, Improving visibility of risks from all partner organisations that may affect transition arrangements. The risk register should be reviewed regularly to show how mitigations are influencing risk levels. This recommendation would allow for clear communication between agencies of the current service risks and the implications of NHSH risks to the Council both now and for forecasting measures and should include all children's Disability Services along with Joint Transitions team.

Medium Priority - The Partnership should agree a set of indicators to monitor the performance of the Joint Transitions Team and transitions process. These should be regularly reported to the Joint Monitoring Committee. This will allow for joint monitoring, review analysis and reporting of the Joint transition team only, this should also include all children's Disability services with a sub section of Joint Transition team, this should be a co-produced report by the Council and NHSH.

For the above 3 Medium priority actions work has started but complexities and Christmas being the busiest front-line time for Health and Social Care mean a revised action date of March is a more realistic timescale for delivery. The Highland Council and NHSH are meeting regularly to discuss this. (Original target dates 31/12/2025. Revised action dates 31/03/26).

In-house bus operation income systems (1 High action)

High Priority - A clear strategy (business and financial) for the in-house bus service should be developed to ensure it can benchmark the cost avoidance model and deliver the intended performance and outcomes. The current operating model for

the Highland Council Bus division is being worked on and there will be a report taken to Economy and Infrastructure Committee in February 2026, and a full report to Council in May 2026. This include a recommendation on the operating model to be implemented. (Original target 30/11/2024. Revised action date 31 May 2026).

Investigation into Harbour's operations - control weaknesses (1 High action)

High Priority - Management should ensure that COSH risk assessments are held at the Harbour for all hazardous substances and that harbour employees receive the appropriate health and safety training and guidance on their use.

Revised date to allow time for staff to undertake accredited COSH training in January. COSH Risk Assessments in place, awaiting accredited training that will take place in the new year. (Original target date 31/12/2025. Revised action date 01/02/2026).

Review of Financial Procedures in Schools (1 Medium action)

Medium Priority - The current guidance within the Council's financial regulations with regard to inventories does not align with requirements for schools.

Consideration is therefore being given to providing additional guidance to schools on what items should be included in an inventory on the basis that many items such as IT and some equipment are already recorded. The approach will need to be proportionate and achievable and agreed with the Chief Officer - Corporate Finance. (Original target date 30/06/2024. Revised action date 31/03/2026).

Review of Health & Safety Arrangements (1 Medium action)

Medium Priority - Gaps in the current Responsible Property Officer (RPO) provision should be identified and filled to ensure that there is an assigned RPO for each Council workplace. The RPO role will be reviewed and training provision for RPOs will be refreshed and rolled out. Occupational Health Safety and Wellbeing (OHSW) are working with Property to define RPOs for all sites and their responsibilities so that OHSW can provide appropriate training/guidance (Original target date 30/12/2025. Revised action date 30/06/2026).

Roads Maintenance (1 High action)

Management must prepare, approve and distribute a suite of policies, procedures and guidance that will allow all roads teams to manage and control their activities in a transparent and consistently controlled manner. The management of road and amenity operations is being re-structured to deliver efficiencies through greater collaborative working. The appointment of the Chief Officer for Operations and Maintenance should enable this to be progressed at pace. The action is not yet complete although the process for the restructure has commenced; liaison with the affected managers and the Trade Unions has included various meetings and discussions around the proposed structure arrangements. (Original target date 30/06/2025. Revised action date 31/03/2026).

Wider review of internal controls following the Aberdeen City Council Tax Fraud (1 Low action).

Low Priority - All payment processes should have up to date written procedures including setting out the controls in place specifically those outlined in this report: Segregation of duties specifying the officers and teams involved in the process. Reconciliations including checks undertaken on control totals. The monitoring undertaken to ensure transactions are legitimate and what is done to identify unusual or potentially erroneous transactions. Mostly complete but at least 1

procedure (Finance reconciliations) still to be written. (Original target date 31/12/2025. Revised action date 31/03/2026).

Designation: Strategic Lead (Audit and Risk)

Date: 19 January 2026

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Appendix 1 - Audits where actions have passed their agreed target date and were subject to action tracking

Audit Name	Service Cluster	High		Medium		Low		Action Tracking Results			
		Due	Complete	Due	Complete	Due	Complete	Due	Complete	Revised action date	% complete
Business Continuity Planning	Corporate	2	0					2	0	2	0%
Children's Service transitions arrangements	People	1	0	3	0			4	0	4	0%
Climate Change Plans and Implementation	Corporate	1	1					1	1	0	100%
Common Good Funds Asset registers	Corporate			1	1	1	1	2	2	0	100%
In-house bus operation income systems	Place	1	0					1	0	1	0%
Investigation into Harbour's operations - control weaknesses	Place	3	2					3	2	1	67%
Review of Financial Procedures in Schools	People			1	0			1	0	1	0%
Review of Health & Safety Arrangements	Corporate			3	2			3	2	1	67%
Review of purchase to pay arrangements	Corporate			1	1			1	1	0	100%
Roads Maintenance	Place	1	0					1	0	1	0%
Wider review of internal controls following the Aberdeen City Council Tax Fraud	Corporate			1	1	1	0	2	1	1	50%
Grand Total		9	3	10	5	2	1	21	9	12	43%
Percentage complete			33%		50%		50%				