

## **The Highland Council**

Minutes of Meeting of the **Audit Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday, 4 February 2026 at 2.00pm.

### **Present:**

Mr M Baird	Mr D McDonald
Mr C Ballance	Mr P Oldham (Substitute)
Mr B Boyd (Remote)	Mrs M Reid (Substitute)
Mr A Christie (Substitute)	Mrs T Robertson
Mr L Fraser (Remote)	Ms M Ross
Ms L Kraft	Mr R Stewart

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

Ms T Collier (Remote)	Mr M Green (Remote)
Mr R Gale (Remote)	Mr B Lobban
Ms C Gillies (Remote)	Mr P Logue
Mr K Gowans	

### **Officials in Attendance:**

Mr D Brown, Chief Executive  
Mr A Gunn, Assistant Chief Executive – Corporate  
Ms K Lackie, Assistant Chief Executive – People  
Mr S Fraser, Chief Officer – Legal and Corporate Governance  
Mr B Porter, Chief Officer – Corporate Finance  
Mr F MacDonald, Chief Officer – Property and Assets  
Mr P Reid, Chief Officer – Facilities and Fleet Management  
Ms R Fry, Chief Officer – HR and Communications  
Ms E Barrie, Head of HR  
Mr M Watters, Corporate Information Governance Manager  
Miss D Sutherland, Strategic Lead (Audit and Risk)  
Mr J Thurlbeck, Corporate Audit Manager  
Mr A Forsyth, Learning and Development Manager  
Mr J Mackay, Marine Superintendent  
Ms F Daschofsky, Programme Manager, Climate Change and Energy  
Miss J MacLennan, Joint Democratic Services Manager  
Mrs G MacPherson, Committee Officer

### **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 A Jarvie, Mr R Jones, Mr G MacKenzie, Mrs A MacLean and Mr A Sinclair.

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

There were no declarations of interest/transparency statements.

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

There had been circulated Report No. AC/1/26 by the Strategic Lead (Audit and Risk).

People – Human Resources, Learning and Development (Reasonable Assurance)

Prior to discussion, it was highlighted that in Reference M2B of the Action Plan within the Internal Audit Final Report, 'Medium-Term Improvement Programme' should read 'Mandatory Training Improvement Plan'.

During discussion, the following points were raised:-

- in response to a query regarding the conclusion of reasonable assurance, the Strategic Lead (Audit and Risk) provided an insight into the review process, which included significant scrutiny, and explained that the audit opinion was stated on the front cover of the Final Report;
- in response to a question, the Committee was informed that a report on the Investors in People Programme would be presented to the next Corporate Resources Committee;
- in response to a question, it was confirmed that automatic alerts for impending completion dates within the online learning system were in the process of being activated;
- assurance was sought, and provided, in terms of the importance of succession planning; and
- information was sought, and provided, in terms of the auditing of Common Good Funds.

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 of the report.

**4. Internal Audit Action Tracking  
Tracadh Ghniomhan In-sgrùdaidh**

There had been circulated Report No. AC/2/26 by the Strategic Lead (Audit and Risk).

It was emphasised that realistic target dates for actions would be preferred over significant dates in the financial year.

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

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

There had been circulated Report No. AC/3/26 by the Assistant Chief Executive - Corporate.

During discussion, the following points were raised:-

- information was sought and provided on what plans were in place to mitigate the potential loss of communication to homes and offices during a major power outage due to the telephony in many buildings having been converted to run via Broadband and not all mobile masts having generators, especially since the instances of power outage in Highland were quite high. It was highlighted that this problem had become more evident during the recent storms where some communities had been cut off completely without communication; and
- it was queried whether further mitigations were needed for Sustainable and Adaptable Workforce, Civil Contingencies – Pandemic Diseases and Net Zero Programme as none of these risks were close to meeting their target risk rating.

The Committee **NOTED**:-

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

**6. Audit Scotland Report - 2025/26 Annual Audit Plan**  
**Aithisg Sgrùdadh na h-Alba - Plana Sgrùdadh Bliadhnaile 2025/26**

There had been circulated Report No. AC/4/26 by the Chief Officer – Corporate Finance and the Council’s External Auditors (Audit Scotland).

During discussion the following points were raised;

- the Annual Audit Report would be presented to this Committee on 11 November 2026, however, steps were being taken, with support from the Finance Team, to present next year’s Annual Audit Report in September, which was preferred; and
- in response to a question, it was confirmed that all Common Good Funds were considered collectively as part of the audit. However, only certain Common Good Funds met the materiality level for being specifically listed. It was requested that this be clarified in the report. An updated report to this effect would be circulated to Audit Committee Members after the meeting.

The Committee **APPROVED** the 2025/26 Annual Audit Plan.

**7. Exclusion of the Public**  
**Às-dùnadh a'Phobail**

The Committee **RESOLVED** that, under Section 50A(4) of the Local Government (Scotland) Act 1973, the public be excluded from the meeting for the following item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 7A of the Act.

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

There had been circulated to Members only Confidential Report No. AC/5/26 (Investigation into harbour's operations – control weaknesses) by the Strategic Lead (Audit and Risk).

The Committee **NOTED** the report.

The meeting ended at 2.45pm.