The Highland Council

Agenda Item	**4**
Report No	**AC/20/26**

Committee: **Audit Committee**

Date: **11 November 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 September 2026. 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** 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. Where a second revised action date is requested by the responsible officer, approval is required from the appropriate Assistant Chief Executive before this is agreed.

6. Action Tracking Results

6.1 <u>Summary report</u>

There are currently 71 agreed actions in progress, of which 31 (44%) have revised action dates.

The report attached at **Appendix 1** provides a summary of actions which have been subject to the action tracking procedure 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 September 2026. Overall, this shows that 11 (58%) of the 19 actions tracked had been completed, with revised target dates agreed for the remainder.

Table 1 profiles all open agreed management actions (as at 19/10/26) 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	5	6	2	**17**
Medium	22	3	17	10	**52**
Low	0	1	1	0	**2**
Total	**26**	**9**	**24**	**12**	**71**

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

	December 25			March 26			May 26			September 26		
	Due	C	% C	Due	C	% C	Due	C	% C	Due	C	% C
High	9	3	33%	8	3	38%	2	2	100%	3	3	100%
Medium	10	5	50%	23	10	43%	5	1	20%	14	7	50%
Low	2	1	50%	4	4	100%	0	-	-	2	1	50%
Total	**21**	**9**	**43%**	**35**	**17**	**49%**	**7**	**3**	**43%**	**19**	**11**	**58%**

6.2 Actions with revised target dates

Action tracking at the end of September 2026 resulted in revised target dates being agreed for 8 actions. These are in respect of 6 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.

Children's Service transitions arrangements (1 Medium action).

The Joint Protocol should be reviewed and brought up to date particularly to include a robust quality assurance mechanism for assessing the Transitions Service's performance. Updated Joint Transition procedures to be agreed between the Council and NHS Highland in line with National Transitions to Adulthood Strategy for Young Disabled People 2025-2030. To include pathway of support, funding and timescale. Introduction of a checklist identifying tasks for each organisation and timescales within the transition journey. A New Joint Transition Board has been established and will take forward this action therefore a revised date has been requested. (Original target date 31/03/26, revised action date 31/03/27).

CiA General Ledger (2 Medium actions, 1 low).

Medium Action - A Finance Organisation Chart should be developed to map finance related responsibilities. Engagement with T1 regarding access reporting began prior to the audit and is ongoing. In addition, the development of an access control policy commenced prior to the audit. This policy is now in its final stages and will be published once finalised. (Original target date 30/09/26, revised action date 31/12/26).

Medium Action - All staff processing Journals should be reminded of the need to describe or file adequate evidence such that budget holders can understand

recharges. Reminders outlining the required supporting documentation for journals have been issued to budget holders and finance staff. However, Financial Regulations require update to reflect this. (Original target date 30/09/26, revised action date 31/12/26).

Low Action - The Financial Regulations Instruction Note should be updated, including links to the new SharePoint procedures on Authorisation and Access Controls. Prior to the audit, a review was underway covering all budget holders, structural changes, and the appropriateness of coding arrangements. The Financial Regulations document will be updated in due course to reflect the outcomes of this review. (Original target date 30/09/26, revised action date 31/12/26).

Early Years (1 Medium action)

The Early Years service should conduct a risk assessment and create a service risk register in accordance with the Council's risk management policy and guidance. The Education and Learning Service will incorporate Early Learning and Childcare risks into the overall service risk register. Early Years risks will be used as a pilot before extending the approach to the wider Education Service risk register. This aligns with the audit recommendation and will help establish a methodology that can be applied more broadly across the service. The risk register will continue to be developed through refinement of risk descriptions, ownership, ratings and mitigating controls, alongside consideration of any additional strategic or operational risks that should be included. Once completed, the draft register will be submitted for review and approval, after which the agreed risks will be transferred to PRMS and recorded within the corporate system. Given the work required to finalise the register, consider additional risks, complete the approval process and accommodate the two-week school holiday period, a revised target date was agreed. (Original target date 30/09/26, revised action date 6/11/26).

Elections Management (1 Medium action)

Draft elections budgets should be uploaded to CiA to assist budget monitoring and utilise CiA functionality to enable live reporting. The budget development process is now underway to get the next (May) Local Government election budget into CiA and then other by-elections thereafter. Responsibility for election-related budgeting has largely transitioned from Finance to Elections due to a number of staffing changes within the service. A process is now in place which is duly resourced and will address the outstanding audit action. The budget will be drafted during the month of October with the first meeting regarding this on 07/10/26. (Original target date 30/11/25, revised action date 31/12/26).

Emergency Social Work Service (1 Medium action)

Management should develop and implement a small set of proportionate performance indicators for the Emergency Social Work Service. These could focus on activity, responsiveness, decision-making and outcomes, and should be monitored regularly to support oversight, service planning and resourcing and continuous improvement. To discuss with PRMS business partner and agree indicators. A meeting has been arranged regarding this, with more time needed to establish performance indicators so a revised date has been requested. (Original target date 30/09/26, revised action date 31/10/26).

Human Resources - Learning and Development (1 Medium action)

The Mandatory Training Improvement Programme (MTIP) should be implemented with the following additional actions:

1. Expand mandatory training reporting to cover every employee cohort, including those without corporate ICT accounts and teaching staff.
2. Work collaboratively with Education to align mandatory training requirements under a single governance and reporting framework, ensuring consistent compliance for all Highland Council employees:
   a) Develop and implement practical solutions (e.g. location-based devices, scheduled access points) so staff without corporate ICT access can complete mandatory. training.
   b) Reporting arrangements to governance bodies should be formalised, for example by incorporating mandatory training performance into service performance reports to Strategic Committees, to ensure greater transparency and oversight.

Progress is being made in this area; however, this will not provide a complete solution. Pilot work is currently being undertaken, and the Service will need to review the findings before presenting options to the Corporate Management Team regarding any potential investment. This is likely to be a challenging proposition given the current budget pressures and the imminent 2027/28 budget-setting process. Extending the target date would allow sufficient time for the pilot evaluation, decision-making process, and consideration within the 2027/28 budget cycle. (Original target date 30/09/26, revised action date 31/03/27).

Designation: Strategic Lead (Audit and Risk)

Date: 20 October 2026

Author Jason Thurlbeck, Corporate Audit Manager

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	2					2	2	0	100%
Children's Service transitions arrangements	People			3	2	1	1	4	3	1	75%
CiA General Ledger	Corporate			2	0	1	0	3	0	3	0%
Corporate Landlord Model	Place			1	1			1	1	0	100%
Early Years	People			2	1			2	1	1	50%
Elections Management	Corporate			1	0			1	0	1	0%
Emergency Social Work Service	People			1	0			1	0	1	0%
Human Resources - Learning and Development	People			3	2			3	2	1	67%
Preventative Maintenance	Place			1	1			1	1	0	100%
Supplier Bank Mandate Fraud	Corporate	1	1					1	1	0	100%
Grand Total		3	3	14	7	2	1	19	11	8	58%
Percentage complete			100%		50%		50%				