

## **The Highland Council**

Minutes of Meeting of the **Audit and Scrutiny Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 19 June 2014 at 10.30am.

### **Present:**

Mrs M Davidson	Mr K Gowans
Mr B Fernie	Ms L MacDonald
Dr D Alston	Mr D Mackay
Mr A Christie	Mr G MacKenzie
Mr B Clark	Mr A MacKinnon
Dr I Cockburn	Mr B Murphy
Mr A Duffy	Mr G Rimell
Mr J Ford	Mr J Rosie
Mr H Fraser (substitute)	Mr J Stone

### **Non-Member also present:**

Mr N MacDonald

### **Officials in Attendance:**

Ms M Morris, Depute Chief Executive/Director of Corporate Development  
Mr N Rose, Head of Internal Audit and Risk Management  
Miss D Sutherland, Audit and Risk Manager  
Mr R MacKenzie, Head of Support Services  
Mr R Evans, Head of Roads and Transport  
Mr J Batchelor, Head of People and Performance  
Mr R Pope, Roads and Community Works Manager  
Ms S Brogan, Resource Manager Early Years  
Ms T Page, Customer Service Manager  
Mr A Lumsden, Programme Manager  
Ms L Johnstone, ICT Delivery Manager  
Mr S Duncan, Property Risk Management Officer  
Ms M Ross, Principal Resources Officer  
Miss J MacLennan, Democratic Services Manager  
Miss C Maragh, Administrative Assistant

**An asterisk in the margin denotes a recommendation to the Council.  
All decisions with no marking in the margin are delegated to Committee.**

**Mrs M Davidson in the Chair**

## **1. Apologies for Absence Leisgeulan**

Apologies for absence were intimated on behalf of Mrs C Caddick, Mrs H Carmichael, Mr A Henderson, Mr R Balfour, Mr D Bremner, Mr D Hendry and Mr A Rhind.

## **2. Declarations of Interest Foillseachaidhean Com-pàirt**

The Committee **NOTED** the following declarations of interest:-

Item 3, 4, 6 and 7 – Mr K Gowans (Non-financial)

Item 9 – Mr A Christie (Non-financial)

Items 9 and 11 – Mr A Duffy (Non-financial)

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

Declaration of Interest – Mr K Gowans declared a non-financial interest in relation to this item on the grounds of being a Director of High Life Highland and on the basis of his wife being an employee of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in the discussion.

There had been circulated Report No. AS/7/14 dated 10 June 2014 by the Head of Internal Audit and Risk Management which summarised the final reports issued since the date of the last meeting, together with details of work in progress and other information relevant to the operation of the Internal Audit Section.

During a summary of the report, and in relation to the period covered by the report, it was confirmed that the Internal Audit Section had been involved in a variety of work which included irregularity/fraud investigations, whistleblowing, grant claims, work for other organisations, Boards or Committees, advice and assurance work. Information was also provided on staffing resources, vacancies, training and progress against the Annual Plan. With reference to the Scrutiny Working Group, the Head of Internal Audit and Risk Management referred to a proposal from the Chair and Vice Chair that the next review should examine the Council's arrangements for the management of sickness absence.

In regard to progress against the 2014/15 Plan, it was confirmed that, in order to improve the monitoring of progress, this would in future be reported on a quarterly basis. During discussion, it was also suggested that an additional column should be added to the table at Appendix 1 to include the date that each draft Internal Audit report was issued.

Final reports were then presented as follows:-

(i) Corporate Development: Verification of Performance Indicators 2012/13  
(Substantial Assurance)

The objectives of the review had been to ensure that there were appropriate systems in place to ensure that the Council's performance data published was complete and accurate, including Statutory Performance Indicators, Local Performance Indicators and SOLACE data, that systems for the collection, recording and publication of performance data were in accordance with the Council's Internal Guide to Statutory Performance Indicators which also incorporated the Local Performance Indicator requirements and that all management agreed actions from the audit report on the verification of the 2011/12 SPIs and LPIs had been satisfactorily addressed. In this regard, and when the audit had commenced, it had been established that the SOLACE data was to come into effect as part of the 2013/14 SPI reporting and so had been excluded from the review. In addition, the new SOLACE dataset had been developed and approved by the Weekly Business Meeting and this would be examined further as part of the following year's audit review.

In terms of the main findings, two out of three audit objectives had been substantially achieved, with the main issue identified relating to the need for Service Officers to be aware of the requirements of and to comply with the Council's Internal Guide.

In all, two recommendations had been made – one of which had been classified as medium priority and one at low priority – all of which had been implemented.

(ii) Care and Learning: Payments to Nursery Providers (follow up)  
(Substantial Assurance)

The objectives of the review had been to ensure that the management agreed actions had been satisfactorily implemented to ensure that the registration forms completed for each child for whom pre-school funding was claimed provided all necessary information, that there were appropriate controls in place to ensure that the payments claimed by nurseries were correct, that there were appropriate systems in place to ensure that payments were not made for more than the 5 pre-school sessions per week per child and that prompt action was taken to address any concerns regarding the operation of a particular Nursery provider, particularly where these related to payments made.

In terms of the main findings, the previous audit agreed actions had been satisfactorily implemented in that the updated documentation was in use and checks were taking place to confirm the attendance and funding levels of nurseries. Some scope for further improvement had been identified which would improve the controls, particularly given the planned increase of pre-school hours and corresponding funding.

In all, two recommendations had been made – one of which had been classified as medium priority and one as low priority – with the medium grade recommendation due to be implemented by 30 June 2014. The low grade recommendation had been implemented.

(iii) Community Services: School Transport  
(Substantial Assurance)

The objectives of the review had been to ensure that pupils allocated to school transport routes had been allocated correctly and in compliance with the School Transport Policy, that rejected transport applications had been processed correctly and in compliance with the School Transport Policy and the School Transport Policy had been adhered to for the granting and withdrawal of concessionary places.

In terms of the main findings, the combining of procurement for school transport routes and public transport bus routes, and the subsequent introduction of charges for concessionary places, had resulted in a number of changes. The lack of time available to communicate these changes to parents and guardians had been as a result of complications in the procurement process. Whilst contract tendering would inevitably result in changes to bus transport route place availability, it would be important to communicate these changes effectively and in a reasonable amount of time before they took effect. However, it was considered that the recommendations in the audit would ensure that the results of future procurement exercises were communicated more effectively and that the School Transport Policy would provide clearer information to parents and guardians regarding school transport eligibility.

In all, two recommendations had been made – both of which had been graded as medium priority and were due to be implemented by 28 August 2014.

The Head of Internal Audit explained the reason behind the audit opinion of substantial assurance in that the main focus of the audit had been to ensure that staff adhered to the School Transport Policy rather than to consider the terms of the Policy itself.

During discussion, Members stressed that the provision of school transport across the Highland area had to be as fair and equitable as possible. In this regard, it was confirmed that there would be the opportunity for further discussion on this issue when the report was submitted to the relevant Committee meeting in due course.

(iv) Corporate Development/Care and Learning: Storage of Council Records at  
Highland Archive Centre  
(Substantial Assurance)

The objectives of the review had been to ensure that storage of Council records was managed to ensure integrity and availability as appropriate to the type of records held, that access to Council records was in accordance with the business requirements of the Council and that records management complied with legislation, including the Public Records (Scotland) Act.

In terms of the main findings, the review had found overall assurance for the security of Council records at the Highland Archive Record Centre, that there had been good progress in the development of records management processes between the Council and High Life Highland and in terms of compliance with the new Public Records Scotland Act requirements.

In all, five recommendations had been made – all which had been classified as medium priority – one recommendation had been completed with the remaining four recommendations due to be resolved by April 2015.

During discussion, and with specific reference to the recall of records out on loan, the Head of Internal Audit and Risk Management agreed to establish whether the eleven loaned records which had yet to be returned were being pursued.

(v) Care and Learning: School Meals Income Collection and Monitoring Systems  
(follow up)  
(Limited Assurance)

The objectives of the review had been to ensure that the recommendations made in the previous “School Meals Income Collection and Monitoring Systems” internal audit report had been implemented, namely that controls were in place which ensured that all income was collected and recorded accurately, that there were processes in place for banking of income to ensure that all income was banked securely without delay and that the monitoring of income was completed on a regular basis and action taken where any income was outstanding on a timely basis.

In terms of the main findings, and although there had been some progress towards implementing the agreed actions, the follow-up audit had shown that five actions were still to be fully implemented and this included one high grade recommendation relating to the ability to reconcile individual lodgements to the general ledger. Other outstanding actions which had been previously agreed related to the completion of the comprehensive procedure manual, including guidance on the collection and recording of income, and associated refresher training following the distribution of the manual. A further high priority action had also been identified with regard to the need to reinforce the requirement for separation of duties in respect of financial transactions.

In all, six recommendations had been made – two of which had been classified as high priority, three as medium priority and one as low priority – all of which were due to be resolved by 8 August 2014.

During discussion, assurances were sought that the issues which had been identified within the report would be dealt with urgently, not least in order to provide support for the frontline staff involved. In this respect, the Head of Support Services confirmed that the procedures manual would be completed by the end of June 2014 and that good progress was being made with regard to an electronic interface to enable reconciliations of individual lodgements.

It was also suggested that liaison should be undertaken with parents in relation to minimising cash payments wherever possible and making the system more efficient and accessible for them. Discussions with Head Teachers would also help to clarify responsibilities. In this regard, it was agreed that a report from the Service should be submitted to the next meeting to confirm the actions being taken.

(vi) Care and Learning/Development and Infrastructure: Inspection of Equipment in Schools  
(Limited Assurance)

The objectives of the review had been to ensure that there were appropriate contract arrangements in place for the inspection and testing of equipment and that this was managed properly, that the Development and Infrastructure Service maintained up-to-date, accurate and complete records of all inspections and subsequent reports (with particular emphasis on the process for the inspection of equipment in Schools), that the appropriate action had been undertaken and the relevant Officers informed following receipt of the inspection reports and that there were appropriate monitoring arrangements in place to ensure that all remedial actions had been addressed within the relevant timescale and that emerging themes or issues had been promptly identified and escalated in order that any costs could be identified and notified to Care and Learning Management.

In terms of the main findings, it had been found that the contract had historically not been appropriately administered and scrutinised or appropriate steps taken to resolve issues and Council sites had therefore potentially been put at risk of delayed inspection. The contractor had not aligned systems to match Council listings as requested or supplied requested documentation in relation to the contract and there had been weaknesses in the payment procedures. In moving forward, it had been proposed that there should be improvements in the level of contract documentation held to provide sufficient guidance to Officers, to support contract changes, to reconcile work undertaken and to demonstrate adherence to the contract requirements.

In addition, it had been proposed that Council polices which covered inspection and testing arrangements should be subject to regular review, the contract should be regularly monitored and necessary action taken if the contractor deviated from the contract specification and work undertaken to produce an accurate position of site inspection frequencies to ensure compliance to regulation and to fully uncover the impact of any under-inspection by the previous contractor.

In all, thirteen recommendations had been made – two of which had been classified as high priority, ten as medium priority and one as low priority – with three of the medium grade actions and the one low grade action having been completed. The majority of the remaining actions were due to be completed by the end of September 2014. There was one longer term action which related to ensuring that all Council buildings had a valid Fixed Electrical Inspection and Test report available by the end of July 2016.

During discussion, it was suggested that a further report was required for the next meeting of the Committee to confirm that the new contract was operating effectively and efficiently and that all health and safety issues had now been addressed and were being regularly monitored.

(vii) Community Services: Grass Cutting – Monitoring and Payment Arrangements  
(Limited Assurance)

The objectives of the review had been to ensure that there were appropriate arrangements in place for the monitoring of the performance of the outsourced

grass cutting contract, appropriate controls were in place for the payment to contractors for the grass cutting contract and re-charges to Council Services were processed promptly and were in accordance with the service provided.

In terms of the main findings, it had been found that, despite going through a tendering process and subsequently awarding contracts internally and externally, Transport, Environmental and Community Services had not been adequately prepared to manage and monitor the contracts. Consequently, the audit review had concluded that it had not been possible to establish whether the external contractor had provided a satisfactory level of service delivery as no individual monitoring and performance records had been maintained. In addition to the effectiveness of contract monitoring, the report had raised questions regarding the efficiency of the process as the resources applied had not been commensurate with the contractor's performance. In this regard, efficiency of the system of maintaining the Work Programme had been questioned and it had been recommended that it should be reviewed. Also, although performance reports had been presented to the respective Area Committee, the information provided had not been consistent and had not enabled appropriate and effective scrutiny.

In all, three recommendations had been made – one of which had been classified as high priority and two as medium priority – and all were due to be resolved by 31 July 2015.

During discussion, a number of concerns were expressed in relation to the decline in the standard of grass cutting across the Highland area and the complaints which had been received in this regard, particularly in terms of Burial Grounds. As such, it was considered that appropriate monitoring of performance in future was imperative, both internally and externally, through the implementation of a monitoring system at an early date if possible.

In this respect, and as part of the budget consultation process, it was confirmed that a number of ideas had been put forward by communities across the Highlands in terms of how the grass cutting service could perhaps be delivered differently in future and it was suggested that these ideas should be considered as part of future proposals for the service.

It was also stressed that any new contracts should be more specific in terms of when work would actually be required and include clear guidelines in regard to the implementation of penalties if and when necessary.

Thereafter, the Committee otherwise **NOTED** the current work of the Internal Audit Section as detailed in the report and the final reports issued since the date of the last meeting.

#### **4. Statement on Internal Control and Annual Report 2013/14 Aithris mu In-Smachd agus Aithisg Bhliadhna 2013/14**

Declaration of Interest – Mr K Gowans declared a non-financial interest in relation to this item on the grounds of being a Director of High Life Highland and on the basis of his wife being an employee of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in the discussion.

There had been circulated Report No. AS/8/14 dated 10 June 2014 by the Head of Internal Audit and Risk Management which included an assessment of the adequacy, reliability and effectiveness of the Council's system of internal financial control and provided information for the Council's Corporate Governance Assurance Statement which was contained within the Statement on Internal Control which had been attached to the report.

During a summary of the report, and with reference to the Statement on Internal Control, specific and detailed information was provided in relation to Internal Audit work, areas of concern, action tracking, assurance from Service Directors, information management and security, governance arrangements and risk management. In this regard, it was confirmed that, on the basis of the work undertaken during the year, it had been considered that the key systems operated in a sound manner and there had been no fundamental breakdown in control resulting in material discrepancy. However, as no system of control could provide absolute assurance, it was the audit opinion that reasonable assurance could be placed upon the adequacy and effectiveness of the Council's internal control systems for the year to 31 March 2014.

In presenting the report, the Head of Internal Audit and Risk Management expressed concern at the position whereby six high priority actions identified in the Statement on Internal Control remained partially outstanding. In view of this, revised procedures had been put in place which had been communicated to all Directors and Service Administrators of the Performance and Risk Management System which was used to track actions and these procedures had been reinforced within the revision of Financial Regulations (as identified at Item 8 on the agenda).

In this regard, the Depute Chief Executive/Director of Corporate Development provided assurances for Members that all issues were now being addressed and as such the audit actions which had been identified were being taken very seriously by the Senior Management within the Council.

In relation to the annual report which provided an overview of the Internal Audit Section's activities and performance data for 2013/14, reference was made to completion of the Audit Plan and it was confirmed that in future the Committee would receive a quarterly progress report at each meeting.

Also, in regard to Follow Ups, delays in undertaking prompt follow-ups had resulted in the change in approach to obtaining the necessary information from the Council's Performance and Risk Management System.

During discussion, Members raised the following issues:-

- the areas of concern which had been highlighted within the report were disappointing but confirmation that immediate action was now being taken in order to address these issues at a high level was welcomed;
- thanks should be conveyed to the Head of Internal Audit & Risk Management and his staff for the constant re-prioritisation of work which had been undertaken during the period covered by the report;
- in terms of governance of arms-length organisations, and specifically the need for Members appointed to such organisations to have the necessary



skills to perform their roles effectively, it was helpful that further training was to be provided as part of the Member Development Programme (which represented an example of good practice being followed by the Council) and that a further report in this regard was to be submitted to a future meeting of the Resources Committee; and

- in relation to the Performance Data, and specifically the Performance Indicators on Training & Development and Sickness Absence, the Head of Internal Audit & Risk Management should be commended for the statistics which had been presented in this regard.

Thereafter, the Committee **NOTED** the content of the report and the audit opinion which had been provided.

## **5. Action Tracking Report Aithisg a' Leantainn Gnìomhachd**

There had been circulated Report No. AS/9/14 dated 10 June 2014 by the Head of Internal Audit and Risk Management which provided information regarding the most recent action tracking undertaken since the last update provided to the Committee on 20 June 2013 and covered the period from 1 June 2013 to 31 May 2014.

In this regard, and with reference to Appendix 1 to the report, a summary had been provided of all audit reports which had been issued and which had been the subject of action tracking/follow up. In terms of the eleven actions which had not been implemented and had revised target dates, it was advised that there had been two audits which had had a number of revised dates and these had been highlighted at Appendices 2, 3 and 4 to the report in relation to BACS Payments, Corran Ferry Income Collection and Schools Financial Procedures.

The Committee **NOTED** the action tracking information which had been provided, including the revised target dates for the completion of outstanding actions and the assurance provided at Section 3.1 of the report.

## **6. Compliance with Public Sector Internal Audit Standards Gèilleadh ri Inbhean In-sgrùdaidh na Seirbheis Poblach**

Declaration of Interest – Mr K Gowans declared a non-financial interest in relation to this item on the grounds of being a Director of High Life Highland and on the basis of his wife being an employee of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in the discussion.

There had been circulated Report No. AS/10/14 dated 9 June 2014 by the Head of Internal Audit and Risk Management which referred to a review of the extent to which the Council's Internal Audit Section complied with the new Public Sector Internal Audit Standards and the steps being taken to ensure compliance.

During a summary of the report, it was confirmed that CIPFA had prepared a Local Government Application Note and Checklist for Assessing Conformance with the Standards in order to evaluate the effectiveness of Internal Audit's performance. The Checklist, which contained 334 best practice questions, had now been

completed in order to provide an annual assessment for 2013/14 and had been attached as Appendix 1 to the report.

Overall, the Internal Audit Section was predominantly compliant with the new Standards in that of the 334 best practice lines, there was compliance with 253 (76%), partial compliance with 48 (14%) and non-compliance with 33 (10%). The main areas of non-compliance or partial compliance were in respect of Purpose, Authority and Responsibility, Independence and Objectivity, Quality Assurance and Improvement Programme, Managing the Internal Audit Activity, Engagement Planning and Communicating Results. In this regard, an action plan would be drafted to respond to these areas and would be submitted to the next meeting in September.

The Committee **NOTED**:-

- (i) the assessment in terms of areas of compliance, partial compliance and non-compliance;
- (ii) that the current areas of partial compliance or non-compliance did not impact significantly on the ability to demonstrate overall compliance with the Standards; and
- (iii) that an action plan would be presented to the next meeting to ensure fuller compliance with the Standards in due course.

## **7. Risk Management Update and Review of Corporate Risks Fios às Ùr mu Rianachd Cunnairt agus Ath-sgrùdadh a thaobh Cunnartan Corporra**

Declaration of Interest – Mr K Gowans declared a non-financial interest in relation to this item on the grounds of being a Director of High Life Highland and on the basis of his wife being an employee of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in the discussion.

There had been circulated Report No. AS/11/14 dated 11 June 2014 by the Head of Internal Audit and Risk Management which provided details of the changes made to the process for the identification, management and reporting of corporate risks. In addition, details were provided of the updated corporate risk register as at May 2014 for scrutiny by Members and it was confirmed that a new report template had been produced and agreed with the Chair and had been attached as Appendix 1 to the report.

During a summary of the report, and in relation to the review of corporate risks, it was confirmed that a number of risks both above and below the line had been deleted which had resulted in an overall reduction of risks which now stood at 10 in comparison to the 16 which had been reported to a previous meeting. In addition, risks had been categorised by type (details of which had been attached as Appendix 2 to the report), target ratings had been identified for all above the line risks, there had been a significant increase in the number of actions in place to manage risks and Responsible Officers had been allocated to manage each action through target dates which had been set. It was also advised that, as this was the first new style of report, it was not possible to provide a detailed comparison with the previous

position but this would be provided for future meetings and in this respect all risks on the Risk Profile had been attached as Appendix 3 to the report.

Planned risk management tasks for the following year included establishing a Corporate Risk Management Group (which would encompass all risks including ICT and major projects by 30 September 2014), revision of the Council's Risk Management Strategy by 31 December 2014 and improving the robustness of the process for recording and monitoring Service risks (including ICT and project risks by 31 March 2015).

During discussion, Members raised the following issues:-

- it would be helpful if risk management/corporate risk reports could be submitted to Area Committees in future as this would allow discussion of issues as necessary at a local level and further enhance the level of scrutiny;
- further reassurances should be provided for the Committee in due course in terms of work undertaken to improve the robustness of the process for recording and monitoring Service risks;
- in relation to the changes to risk ratings, it should be highlighted that new ways of working and changing service delivery had been increased from C2 to B2 in order to recognise greater budget constraints within the Council; and
- in terms of new risks added to the register, it was important to recognise that this now included a new risk for Business Continuity Planning.

Thereafter, the Committee **NOTED**:-

- i. the new reporting format of the Corporate Risk Register and the information provided at Appendix 1 to the report which would ensure greater scope for Member scrutiny of the Corporate Risks; and
- ii. the future tasks to be undertaken to continue to improve the Council's Risk Management process.

## **8. Review of Financial Regulations** **Ath-sgrùdadh air Riaghailtean Ionmhasail**

There had been circulated Report No. AS/12/14 dated 9 June 2014 by the Head of Internal Audit and Risk Management which referred to a review of the Council's Financial Regulations and outlined the key amendments which had been made as follows –

- (i) Various – reflected the recent restructuring of Services;
- (ii) Section 2: Responsibilities – accommodated the requirements of the Cipfa Statement on the Role of the Chief Financial Officer in Public Sector Organisations;
- (iii) Section 14: Income, Grant Applications and Grant Claims – appropriate reference made to anti-money laundering procedure and the Council's single grants and discretionary funding scheme and guidance provided regarding the logging of applications;
- (iv) Section 16: Internal and External Audit – reference made to the requirements of the Public Sector Internal Audit Standards and enforced the requirement for

Services to monitor agreed actions arising from Internal Audit and External Audit reports through the Performance and Risk Management system and referred to the process for requesting extensions to action dates;

- (v) Section 23: Performance Indicators – reference made to new SOLACE indicators; and
- (vi) Section 25: Project Governance, External Funding, ALEOs and Partnerships - included the governance requirements referred to in an Internal Audit report of Arm's Length External Organisations dated November 2013.

It was also confirmed that the on-line training package which had been made available to all relevant staff would be amended to reflect the latest changes.

\* The Committee **AGREED TO RECOMMEND** the key amendments made to the Council's Financial Regulations as detailed.

## **9. Standards Commission: Councillors' Code of Conduct Investigation into Complaints** **Coimisean nan Inbhean: Sgrùdadh Ghearainean**

Declarations of Interest – Mr A Christie and Mr A Duffy declared non-financial interests in this item on the grounds of having been named in the report but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interests did not preclude their involvement in the discussion.

There had been circulated Report No. AS/13/14 dated 3 June 2014 by the Depute Chief Executive/Director of Corporate Development which provided information in relation to complaints dealt with by the Standards Commission during the period 2013/14 in relation to alleged breaches of the Councillors' Code of Conduct by Members of Highland Council and the outcome of the Standards Commission's investigations into these complaints.

In this regard, and during 2013/14, the Public Standards Commissioner had concluded five complaints against Members of the Highland Council which included four instances where none of the complaints had been upheld and where no Member had been found to have breached the Code of Conduct. There had been one instance where the Member concerned had resigned and subsequently the complaint had not been progressed.

The Committee **NOTED** that, in respect of the complaints against Highland Council Members during 2013/14, the Standards Commission had not upheld any complaint and no Members had been found to have breached the Code of Conduct.

## **10. Corporate Complaints Process Report** **Aithisg Ghearanan Corpóra**

There had been circulated Report No. AS/14/14 dated 6 June 2014 by the Head of Digital Transformation which provided an update on the annual position in regard to the Corporate Complaints Process.

During a summary of the report, and with specific reference to performance, it was advised that the Council had set a target of 80% of complaints to be closed in full at both Stage 1 and Stage 2 as a performance measure. In this regard, it was confirmed that, from 1 April 2013 to 31 March 2014, and within service level agreements, there had been 982 Stage 1 complaints (59.37% closed) and 363 Stage 2 complaints (66.39% closed). Also, work had been ongoing to refine the Council's performance reporting in relation to complaints and for Quarter 4 it was advised that there had been 216 Stage 1 complaints, with 109 (50.46%) closed in full within the set timescales. Of the 104 Stage 2 complaints, 64 (61.54%) had been closed.

Further information had also been provided in regard to the work which was to be undertaken to ensure that all staff complied with both the process and the timescales for handling complaints, including the introduction of an action plan, and in relation to complaints overview and business improvement.

During discussion, Members raised the following issues:-

- a complaints profile should be produced for each Service in future in order to provide more detailed and specific information in each case;
- it was important lessons were learned from complaints and improvements made within Services as a result wherever possible; and
- it would be helpful if information on complaints, currently reported at Ward level, could also be submitted to Area Committees in future.

Thereafter, the Committee **NOTED**:-

- i. the Council's Quarter 4 performance results and the improving direction of travel as indicated for April 2014; and
- ii. the actions underway to ensure the complaints handling procedure was fully embedded and that complaints were dealt with within the agreed timescales.

**11. External Scrutiny: Assurance and Improvement Plan Update 2014-17  
Sgrùdadh bhon Taobh A-muigh: Fios as Ùr mu Bharantas agus Plana Leasachaidh 2014-17**

Declaration of Interest – Mr A Duffy declared a non-financial interest in relation to this item on the grounds of being a Board Member of Inverness Leisure but, in terms of the dispensation granted by the Standards Commission, remained to participate in the discussion.

There had been circulated Report No. AS/15/14 dated 10 June 2014 by the Chief Executive which confirmed that the annual up-date of the Assurance and Improvement Plan (AIP) 2014-17 for Highland Council had been produced by Audit Scotland drawing on the assessment by four external scrutiny bodies and had shown that no additional scrutiny was required of the Council.

During a summary of the report, it was confirmed that, whilst there had been no areas identified where additional scrutiny was required, there were some areas which had been identified as requiring on-going monitoring by the relevant scrutiny body, including homelessness, criminal justice social work, self-evaluation in primary and secondary schools and community learning and development.

In terms of planned external scrutiny, the AIP had indicated the following scrutiny over the next year – inspection of Adult Social Work Services, targeted follow-up of two reports on ‘Arms-Length External Organisations: Are you getting it right?’ and ‘Major capital investment in councils’, Homelessness (possible follow-up) and supported self-assessment of Criminal Justice Social Work.

In regard to housing and homelessness, an update was provided at the meeting to confirm that the Scottish Housing Regulator had now completed an inquiry into the Council’s approach to homelessness and confirmed that no further scrutiny was anticipated during 2014/15. However, it had been recommended that robust processes should be put in place to assess the approach to homelessness and housing options in order to identify any strengths and weaknesses in the way in which statutory responsibilities were implemented and a report was due to be submitted to the Community Services Committee in August in this regard.

The Committee **NOTED** the Assurance and Improvement Plan which had been attached at Appendix 1 to the report and which highlighted that no additional scrutiny of the Council was required for 2014-17.

The meeting ended at 12.30pm.