

## **The Highland Council**

Minutes of Meeting of the **Audit and Scrutiny Committee** held REMOTELY on Thursday, 26 November 2020 at 10.30am.

### **Present:**

Mr G Adam	Mr G MacKenzie
Mr R Balfour	Mr S Mackie
Mrs J Barclay	Mrs A MacLean
Mr B Boyd	Mr D Macpherson
Mr R Bremner	Mrs M Paterson
Dr I Cockburn	Mr P Saggars
Mrs M Davidson	Mr B Thompson

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

Mr A Baxter	Mr A Jarvie
Mr J Finlayson	Mr D Mackay
Mr K Gowans	Mr H Morrison
Mr A Henderson	

### **Officials in Attendance:**

Ms L Denovan, Executive Chief Officer, Resources & Finance  
Ms K Lackie, Executive Chief Officer, Performance & Governance  
Ms E Johnston, Corporate Audit & Performance Manager  
Miss D Sutherland, Corporate Audit Manager  
Ms S McKandie, Head of Revenues and Customer Services  
Ms R Cleland, Corporate Communications Manager  
Mr F MacDonald, Head of Property & Facilities Management  
Ms A MacPherson, Workforce Planning and Staffing Manager  
Ms F Cameron, Programme Manager, Development and Infrastructure  
Mr J Campbell, Senior Auditor, Corporate Resources  
Miss J MacLennan, Principal Administrator  
Mrs L Dunn, Principal Administrator  
Mrs O Bayon, Committee Officer

### **Also in attendance:**

Ms J Brown, Engagement Lead, Grant Thornton  
Mr J Boyd, Audit Director, Grant Thornton

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

**Mr G MacKenzie in the Chair**

## **1. Apologies for Absence**

## **Leisgeulan**

There were no apologies for absence.

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

There were no declarations of interest.

### **3. External Audit Reports Aithisgean Sgrùdaidh bhon Taobh A-muigh**

There had been circulated the External Audit Reports prepared by the Council's External Auditors (Grant Thornton) and issued since the last Audit and Scrutiny Committee meeting.

During discussion, it was confirmed that the audit would be concluded before the end of 2020. Clarification was also sought and provided on the materiality of any potential changes and it was noted that the General Fund would not be impacted.

The Committee otherwise **NOTED** the terms of the report as circulated.

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

There had been circulated Report No AS/13/20 dated 16 November 2020 by the Corporate Audit Manager 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 discussion, the following main issues were considered:-

- Members thanked staff for the work that had been undertaken during the Covid-19 crisis when many had been diverted to other duties;
- it was possible that some of the information from the review of fleet management arrangements could be helpful to the Council's Redesign Board;
- in relation to procurement, information was sought on the terms of reference to be used for the audit;
- in response to a query on the timelines for the review of the recruitment of a Consultant as the Interim ECO for Education & Learning, it was confirmed that it was intended for this to be considered at a Special Meeting of the Audit & Scrutiny Committee in January 2021 on a date to be decided;
- the use of a Gantt Chart chart in future reports to illustrate the audit process should be considered;
- in response to a query about the review of the arrangements for the effective governance of ALEOs and partnerships, the detail of this was still to be scoped; and
- attention was drawn to the importance of taking climate change and carbon clever implications properly into consideration during any review.

During discussion of specific audit reports, the following issues were raised:-

- the LEADER team were commended for their work;
- the issues highlighted in the Collection of School Meals Income audit reflected the cumbersome nature of the variety of procedures and assurance was provided that processes were constantly under review;
- assurance was sought and provided that the issues highlighted by the Workforce Planning and Staffing Arrangements – Teaching review had been corrected and processes tightened, with the error in relation to salary increments having been the result of human error; and
- in relation to the investigation into the administration and use of Self Directed Support (SDS) packages, it was clarified in response to a query that the review had been requested by Health and Social Care management and a more detailed report, including on individual cases, had been provided to them. The review had been brought to the Committee as it was felt there were wider issues to be considered, as reflected in the report recommendations. The Children to Adult Services transition process was highlighted as an area of concern and in response to a request to include Adult Services in the SDS review, this would have to be discussed with NHS Highland, who delivered Adult Services on behalf of the Council. There were ongoing discussions with NHS Highland to work in a more coordinated and joint way, and joint sub-group with NHS Highland was planned to tackle the actions identified by the review. Reference was made to the Scottish Government’s paper on the implementation of SDS and to the additional challenges caused by the Covid-19 crisis.

The Committee:-

- NOTED** the Final Reports referred to in Section 4.1 of the report;
- NOTED** the current work of the Internal Audit Section outlined at Section 5 of the report and details of progress against the 2020/21 Audit Plan at Appendix 1 to the report;
- AGREED** the Corporate Audit Manager would consider the inclusion of a Gantt chart on the audit process in future reports; and
- AGREED** the Corporate Audit Manager would provide Councillor Bremner with the information on the terms of reference of the standard audit document that would be used in relation to procurement.

**5. Scottish Public Services Ombudsman (SPSO) Annual Report on the Scottish Welfare Fund Independent Review Service 2019/20  
Ombudsman Seirbheis Phoblach na h-Alba Ath-sgrùdadh Neo-eisimeileach  
Maoin Sochair na h-Alba 2019/20**

There had been circulated Report No AS/14/20 dated 16 November 2020 by the Executive Chief Officer, Resources and Finance.

During discussion, Members raised the following points:-

- the remarkable performance of the team was emphasised, particularly their compassion when working with vulnerable individuals and managing a geographical area that presented many challenges in terms of poverty and deprivation;
- the Service Delivery Team was leading the way in terms of understanding the policy and process of implementation around universal credit and welfare services; and

- it was highlighted that two modern apprenticeships would be provided to Looked After Children and it was emphasised that as Corporate Parents the Highland Council should be able to provide opportunities for work to all looked after children.

Thereafter, the Committee **NOTED**: -

- i. the Council's outstanding performance for processing 99% of SWF applications within the statutory timeframes (1 working day for Crisis Grants and 15 working days for Community Care Grants);
- ii. that from 5,965 SWF applications received by the Highland Council, the SPSO received 8 valid requests for 2nd tier reviews (0.13%) and changed the Council's decisions in 5 cases (0.08%); and
- iii. the pivotal role undertaken by Officers as per paragraph 11.2 of this report.

**6. Annual Report of Scottish Public Service Ombudsman Cases determined in 2019/20**  
**Bhliadhnaile de Chùisean Ombudsman Seirbheis Phoblach na h-Alba air an dearbhadh ann an 2019/20**

There had been circulated Report No AS/15/20 dated 13 November 2020 by the Executive Chief Officer Performance & Governance.

The Committee **NOTED**:-

- i. the outcomes of the SPSO cases; and
- ii. that actions had been taken in response to the Ombudsman's recommendations.

**7. Members Survey on the Effectiveness of Audit and Scrutiny Committee**  
**Suirbhuidh Bhall mu Èifeachdachd Comataidh an Sgrùdaidh**

There had been circulated Report No AS/16/20 dated 16 November 2020 by the Corporate Audit & Performance Manager.

During discussion, the following main points were raised: -

- the Chair of Audit & Scrutiny Committee was recognised for his good work;
- in welcoming the on-line learning modules and workshops, it was noted that it had been identified within the survey that there was a need for further guidance on how to fulfil roles and this directly related to improving training and development for Members;
- it was agreed to introduce practical examples into the training modules for internal audit, risk and performance management;
- it was noted that Members of the Committee were always encouraged to raise any issues related to the remit of Audit & Scrutiny Committee with either the Chair of the Committee or the Corporate Audit & Performance Manager; and
- it was noted that there was a training and development programme being finalised to address any weaknesses identified through the survey.

Thereafter, the Committee: -

- i. **NOTED** the key findings of the survey;

- ii. **AGREED** that the survey should continue to be conducted annually;
- iii. **NOTED** that training modules on internal audit, risk and performance management were available for online learning; and
- iv. **NOTED** that the overall requirements for training would be finalised through a Corporate Programme of Members Training being finalised in conjunction with Members for 2021/22.

**8. Audit Scotland – Local Government in Scotland Overview, Challenges & Performance 2020**  
**Sgrùdadh Alba – Riaghaltas Ionadail ann an Alba: Foir-shealladh, Dùbhlain & Coileanadh 2020**

There had been circulated Report No AS/17/20 dated 12 November 2020 by the Corporate Audit & Performance Manager.

During discussion, the following main points were raised:-

- the importance of examining the headlines of the report in preparation for future budget setting and how to work with CoSLA to get a fair deal;
- essential continued improvement of community empowerment and engagement through the Community Planning Partnership in terms of addressing local challenges and achieving improved outcomes for communities;
- it was noted that the Leader of the Council would investigate the possibility of the Leader of the Opposition attending CoSLA meetings;
- it was suggested that a local case study should be selected within the Council with a view to being self-analytical and self-critical in terms of the challenges that Audit Scotland were giving to Local Authorities;
- the need to direct and target budget spend in order to maximise output for longer-term solutions was highlighted;
- clarification was sought and received in relation to ‘pensioner’ status;
- it was suggested that the Council should consider means of increasing younger staff levels;
- there was concern in regard to demographic and social changes which were creating increased demand during a period when budgets were under considerable pressure;
- direct communication with Audit Scotland was essential in relation to any future changes;
- information was sought and provided regarding the statement which had been made on ‘a lack of investment in management and leadership capacity’ as it was felt that this was a very generic comment;
- in response to a query, it was noted that ‘relative poverty’ was defined as ‘those having a minimum amount to sustain participation in the local community’;
- it was agreed that guidance on how to access the Brexit Vulnerabilities Index should be circulated to Members; and
- it was noted that national external audit reports should be taken to the relevant Strategic Committee or full Council for consideration.

Thereafter, the Committee **NOTED** the national report in the local context as circulated.

It was also **AGREED** that guidance on how to access the Brexit Vulnerabilities Index should be circulated to all Members.

The meeting ended at 12:34pm.