

## The Highland Council

Minutes of Special Meeting of the **Audit Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday, 24 January 2024 at 10.30am.

### Present:

Mr M Baird	Mr G Mackenzie
Mr B Boyd	Ms J McEwan (remote)
Mr D Fraser (remote)	Mr P Oldham (remote)
Mr L Fraser	Mrs T Robertson (remote)
Mr R Jones	Mr R Stewart
Mr S Kennedy	

### Non-Members also present:

Ms T Collier (remote)	Mrs A MacLean
Mr R Gale (remote)	Ms K MacLean (remote)
Mrs B Jarvie (remote)	Mr D Macpherson (remote)
Mr D Louden (remote)	Ms M Ross

### Officials in Attendance:

Mr P Nevin, Interim Executive Chief Officer, Performance and Governance  
Miss D Sutherland, Strategic Lead (Corporate Audit and Performance), Performance and Governance  
Ms E Barrie, Interim Head of People, Resources and Finance  
Mr B Porter, Head of Corporate Finance, Resources and Finance  
Mr J Thurlbeck, Corporate Audit Manager, Corporate Audit and Performance  
Mr M Watters, Corporate Performance and Information Governance Manager, Performance and Governance Service  
Ms R MacDonald, Principal Accountant, Corporate Finance, Resources and Finance  
Miss J MacLennan, Joint Democratic Services Manager, Performance and Governance  
Mrs G MacPherson, Committee Officer, Performance and Governance

### Also in attendance:

Ms E Scoburgh, Audit Scotland (remote)  
Ms C Gardiner, Audit Scotland (remote)  
Ms J McBride, Audit Scotland (remote)

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

**Mr R Stewart in the Chair**

### 1. Apologies for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mr C Ballance, Mr K Rosie and Mr A Sinclair.

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

There were no declarations of interest or transparency statements.

## **3. Best Value Thematic Report 2022/23 Aithisg Chuspaireil an Luaich as Fheàrr 2022/23**

There had been circulated Report No. AC/01/24 by the Strategic Lead (Corporate Audit and Performance).

Prior to discussion, it was flagged that some of the matters in the report had been superseded by recent events and any actions taken had been agreed at the meeting of Highland Council on 11 January 2024. Members were reminded that given the scale of the financial challenges facing the Council, the Council programme would be recalibrated following approval of the Budget on 29 February 2024.

During discussion, the following points were raised:-

- it was felt the report not only showed the overall effect of the Covid-19 pandemic and cost of living but also the room for improvement in terms of equality, climate change and Services executing what had been agreed;
- it was asked how Place Based Planning would be embedded in order for Members to support their communities moving forward, in terms of a balanced budget, delivering community priorities during the reduction of services;
- information was sought, and provided, regarding the recording and management of similar issues reported by other local authorities;
- in terms of community engagement and the Highland Outcome Improvement Plan (HOIP), it was felt that it wasn't as effective as it could be – that sometimes the onus was on a small group of officers to do much of the engagement – and it was asked how Members and auditors could scrutinise this;
- differing views were expressed in relation to liaison between officers and communities. While it was said that liaison could be improved, it was also stated that there were many instances of excellent working between officers and communities, as mentioned in the report;
- it was asked if Members could be provided with progress updates when an officer made a target or promise and it was confirmed that the Strategic Lead – Corporate Audit and Performance would take responsibility for tracking;
- it was felt that Members were not always made aware of the full cost when new ideas were being presented by officers and that public consultation questions could be quite leading rather than open ended, and a full breakdown of cost in the initial stages, including the source of funding, would be preferable;
- community participation and the pace of progress had been a theme throughout the report; and

- in terms of recommendation 3 in the Thematic report, information was sought regarding public engagement and abandoned asset transfer requests, and it was confirmed that engagement would continue. In addition, it was stated that an annual report detailing all community transfer activity was provided to the Communities and Place Committee.

The Committee:-

- i. scrutinised and **NOTED** the report findings and the improvement action plan set out in Appendix 1 of the report; and
- ii. **NOTED** that the next thematic review would examine 'workforce innovation' and would be included and reported as part of Audit Scotland's 2023/24 audit work.

#### **4. Highland Council External Audit 2022/23 Sgrùdadh on Taobh A-muigh aig Comhairle na Gàidhealtachd 2022/23**

##### **a) Audited Accounts 2022/23**

There had been circulated Report No. AC/02/24 by the Head of Corporate Finance.

Information was sought, and provided, regarding when an asset became a liability and it was confirmed that the Head of Corporate Finance would provide a brief report in relation to void properties to Members after this meeting.

The Committee **APPROVED** the audited accounts for signature.

##### **b) Report to Those Charged with Governance on the 2022/23 Accounts**

There had been circulated Report No. AC/03/24 from Audit Scotland.

The Committee having considered the report, **AGREED** that the letters of representation be signed by the Head of Corporate Finance (Section 95 Officer).

##### **c) Annual Report 2022/23**

There had been circulated Report No. AC/04/24 from Audit Scotland.

Members complimented Audit Scotland on their well presented and prepared reports, particularly that they were easy to read and understand.

The Committee scrutinised and **NOTED** the report findings, in particular the key messages on pages 3-4 and the action plan at Appendix 1 of the report.

#### **5. Risk Management – updated Risk Management Strategy and new Risk Appetite Statement Stiùireadh Cunnairt – Ro-innleachd Stiùireadh Cunnairt ùraichte agus Aithris Càil Cunnairt ùr**

There had been circulated Report No. AC/05/24 by the Interim Executive Chief Officer, Performance and Governance.

The Committee:-

- i. **APPROVED** the revised Corporate Risk Management Strategy at Appendix 1 of the report; and

\* **AGREED** to recommend to Council:-

- ii. the Risk Appetite statement on page 5 of Appendix 1 of the report; and
- iii. that it would be named the Corporate Risk Management Policy.

**6. Internal Audit Report 2022/23 (updated version)  
Aithisg In-Sgrùdaidh 2022/23 (cunntas às ùr)**

There had been circulated Report No. AC/06/24 by the Strategic Lead (Corporate Audit and Performance).

It was highlighted to Members that an internal audit review was currently in progress, examining circumstances that had led to 5 payroll overpayments and it was confirmed that Members would be provided with a report, upon completion, for scrutiny. It was asked what percentage of work had been completed in terms of the overpayment and Members were reassured that work was underway.

In terms of access to their pension, it was confirmed that it was the responsibility of the employee prior to termination of employment to ensure their email address was changed and in terms of payroll, the responsibility of the employee to notify their line manager they were leaving, providing appropriate notice. Line managers were then responsible for submitting relevant paperwork to notify payroll. In every case mentioned in the report, managers did not submit the relevant information to payroll in time.

The Committee **NOTED** the content of the updated report, the audit opinion provided and that any relevant points be raised with the Strategic Lead (Corporate Audit and Performance).

The meeting ended at 11:40 am.