



COMHAIRLE NAN EILEAN SIAR

AUDIT AND SCRUTINY COMMITTEE

Minute of Meeting held in Council Chamber,
Council Offices, Stornoway on Thursday 26
September 2024 at 10.30am.

PRESENT

Mr Angus Morrison (Chair)	
Mr Malcolm K Macdonald (Vice-Chair)	Mr Gordon Murray
Mr Iain A MacNeil	Mr Rae Mackenzie
Mr Ranald Fraser	Mr George Murray
Mr John N Macleod	Mr Finlay M Stewart
Mr John A Maciver	

APOLOGIES

MEMBERS IN ATTENDANCE

Mr Paul Steele	Mr Kenneth Macleod (Convener)
Mr Uisdean Robertson	Mr Duncan MacInnes MBE
Mr Kenny Macleod (Harris)	Mr Norman Macdonald
Mr Robert Mackenzie	

OFFICERS IN ATTENDANCE

Mr Malcolm Burr	Ms Norma Skinner
Mr Sandy Gomez	Mrs Chrissie Macaulay
Ms Erica Geddes	Ms Rebecca Macleod
Ms Rachel Browne	Mr Asif Haseeb
Mr Martin Devenny	Mr Tim Langley
Mr David Macleod	Mr Norman Macdonald
Ms Anna Hulme	Mrs Katie Macaskill
Mrs Shona Hadwen	Mrs Yvonne Maciver

Prayer

The Meeting was preceded in prayer by Cllr John A Maciver.

MINUTES

Minute of Meeting of 18 June 2024	1	The Minute of Meeting of 18 June 2024 was approved.
Declaration of Interest	2	There were no declarations of interest.

SERVICE IMPROVEMENT

Best Value Assurance Report – Action Plan	3	With reference to item 3 of the Minute of Meeting of 8 February 2024, the Chief Executive submitted a Report providing a progress update on the Best Value Action Plan presented to Audit and Scrutiny Committee in December 2022. The Report stated that the action plan, appended to the Report, set out a number of areas where action was required to address the nine recommendations set out by the BVAR in 2022. The Report highlighted that six of the actions were complete with progress reported in all areas.
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The Report indicated that in some areas action had been delayed by the cyber-attack, with resources diverted to service delivery priorities however, there had been good

progress overall on delivery of the action plan. The Report highlighted that the plan would continue to be monitored with further reporting scheduled for March 2025.

It was agreed to recommend that the Comhairle notes the progress against the BVAR Action Plan.

FINANCE

Annual Accounts
2022/23

4 The Chief Financial Officer submitted a Report seeking approval for signing the audited Annual Accounts for 2022/23. The Report stated that the Local Authority Accounts (Scotland) Regulations 2014 require the local authority, or a committee of the local authority, to meet to approve the audited accounts for signature. It was noted that the Comhairle had delegated that matter to the Audit and Scrutiny Committee.

The Report indicated that in considering the Accounts, the regulations required elected members, either as the local authority, or a committee whose remit included audit and governance functions, to have regard to any report made or advice provided on the Annual Accounts by the appointed auditor. The Report further indicated that the Annual Audit Report by Audit Scotland would also be presented to the committee under Agenda Item 5, and representatives would be in attendance to present the report.

The Annual Accounts and the Audit Report at item 5 were discussed in detail.

It was agreed to recommend that the Comhairle:

- (1) Approves the audited Annual Accounts 2022/23 for signing; and**
- (2) Notes the Annual Audit Report to the Comhairle and the Controller of Audit.**

Comhairle nan
Eilean Siar Annual
Audit Report
2022/23

5 With reference to item 2 of the Minute of Meeting of 28 June 2023, Audit Scotland submitted a Report summarising the findings from the 2022/23 annual audit of Comhairle nan Eilean Siar (the Comhairle) and its group. The scope of the audit was set out in an annual audit plan presented to the 26 April 2023 meeting of the Audit and Scrutiny Committee. The Annual Audit Report comprised:

- Significant matters arising from an audit of Comhairle nan Eilean Siar’s annual accounts
- Conclusions on the Comhairle’s performance in meeting its Best Value duties;
- Conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021 namely:
 - Financial Management
 - Financial Sustainability
 - Vision, Leadership and Governance; and
 - Use of Resources to Improve Outcomes.

In discussion it was noted that an Internal Audit Investigation on Cyber Attack Response and Recovery Arrangements was in progress.

Mr Gordon Murray, seconded by Mr Rae Mackenzie proposed the following motion:

“that once the Internal Auditor has completed his investigation that a special meeting be arranged dedicated to the findings of the investigation”

Mr Angus Morrison, seconded by Mr Iain A MacNeil proposed the following amendment in respect of the motion:

“that the committee wait until the investigation has been completed and then make a decision as to whether there needs to be a special meeting to discuss the findings or if it will just be part of the normal Audit & Scrutiny Committee meeting”.

No further debate took place.

The vote was taken by roll call as follows:

MOTION

Mr Gordon Murray
Mr Rae Mackenzie
Mr John A Maciver
Mr John N Macleod

AMENDMENT

Mr Angus Morrison
Mr Iain A MacNeil
Mr Malcolm K Macdonald
Mr Ranald Fraser
Mr George Murray
Mr Finlay Stewart

The amendment having received the majority of the votes became the finding of the meeting.

It was agreed to recommend that the Comhairle note the Report.

RISK MANAGEMENT

Strategic Risk

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With reference to item 8 of the Minute of Meeting of 15 June 2024, the Chief Executive submitted a Report seeking approval for the Strategic Risk Register. The Report stated that the Comhairle had identified 15 Strategic threats, and the profile of these risks could be viewed at Appendix 1 to the Report. The Report indicated that those were rated as 9 High and 6 Medium risks. After controls had been implemented the risk profile reduced to 4 High risks.

Appendix 1 to the Report provided a summary of the risk register, and an overview of changes to risk ratings over the previous reporting period. The detailed Strategic Risk Register could be found at Appendix 2. The Report detailed that Strategic Risks were aligned to the Corporate Strategy and Risk Events were pre-fixed with the most relevant Strategic Outcome.

It was agreed to recommend that Committee approve the Strategic Risk Register at Appendix 2.

INTERNAL AUDIT MATTERS

Internal Audit
Progress 2024/25

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With reference to item 10 of the Minute of Meeting of 18 June 2024, the Chief Internal Auditor submitted a Report which summarised the internal audit activity within Comhairle nan Eilean Siar for the period covering 1 April 2024 to 2 September 2024. The activity had been based on the approved Strategic Audit Plan for the three years to 31 March 2026 and the approved Operational Internal Audit Plan for 2024/25.

The Report noted that there were four outstanding reviews relating to 2023/24 operational plan and it was hoped that these would be reinstated during 2024/25 where resources allowed:

- Treasury Management
- Purchasing and Accounts Payable
- Lochmaddy Pier Development
- Social Work Information System – Eclipse

The Report indicated that work included in the approved annual plan for 2024/25 and which was currently in progress included:

- Medication Management
- Social Work Information System – Eclipse
- Street Lighting
- Cyber-Attack Response and Lessons Learnt

It was highlighted that there were currently no active investigations, however, ongoing work was being gathered of the effects and response to the cyber incident with a view to Report to the Committee in 2024/25. The summary of progress against planned internal audit work 2024/25 was detailed at Appendix A to the Report.

It was agreed to recommend that the Comhairle note the Report.

INTERNAL AUDIT – FOLLOW-UP REVIEWS

Accredited Training 8 The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Accredited Training Report which was issued on 13 June 2023. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. In accordance with the remit detailed in the operational annual internal audit plan for 2022/23, the internal audit work was designed to obtain assurance that the original recommendations had been implemented. Assurance was obtained through internal audit testing and undertaking discussions with key personnel.

The Report noted that out of the 4 follow up recommendations made in the original report, 3 appeared to have been fully implemented, and management had confirmed that the remaining recommendation would be implemented.

It was agreed to recommend that the Comhairle note the Report.

Sports Centres 9 The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Sports Centres (Slainte Mhath) Report which was issued on 21 September 2023. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. In accordance with the remit detailed in the operational annual internal audit plan for 2022/23, the internal audit work was designed to obtain assurance that the original recommendations had been implemented. Assurance was obtained through internal audit testing and undertaking discussions with key personnel.

Section 1.5 of the Report provided the current status of progress against the original recommendations.

The Report noted that out of the 19 follow up recommendations made in the original report, 7 appeared to have been fully implemented, and management had confirmed that the remaining recommendation would be implemented by December 2024.

It was agreed to recommend that the Comhairle note the Report.

Homelessness 10 The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Homelessness Report which was issued on 22 September 2023. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. In accordance with the remit detailed in the operational annual internal audit plan for 2022/23, the internal audit work was designed to obtain assurance that the original recommendations had been implemented. Assurance was obtained through internal audit testing and undertaking discussions with key personnel.

The Report stated that the main recommendations in the original report were all low-grade recommendations which were to be addressed to conform to best practice standards and process improvement opportunities.

The Report noted that out of the 6 follow up recommendations made in the original report, 4 appeared to have been fully implemented, and management had confirmed that the remaining recommendation would be implemented.

It was agreed to recommend that the Comhairle note the Report.

INTERNAL AUDIT – COMPLETED REVIEWS

Adult Social Work –
Commissioning and
Partnership
Services

- 11 The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle’s arrangements for the operation and management of Adult Social Work – Commissioning and Partnership services. The Report provided detailed information in relation to the scope of the audit. The findings, recommendations and action plan were detailed at Section 3 of the Report.

The Report provided background information in relation to Adult Social Work – Commissioning and Partnership Services. The Report stated that the commissioning care and support services was a complex and costly service and sometimes the Comhairle was faced with no other choice but to accept the care and costs as part of the statutory duty of the Comhairle. The Report further stated that the Comhairle provided external organisations with grants and spot purchase payments to provide care and support to the most vulnerable in the community under the direction of the Integrated Joint Board (IJB). The Report provided information in relation to out-of-area residential placements.

The Report indicated that based on the audit work carried out the overall opinion was that a substantial level of assurance could be placed upon the control environment of the service/area under review. A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

It was agreed to recommend that the Comhairle note the Report.

Climate Change –
Net Zero
Compliance

- 12 The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle’s arrangements for the operation and management of Climate Change – Net Zero Compliance. The Report provided detailed information in relation to the scope of the audit. The findings, recommendations and action plan were detailed at Section 3 of the Report.

The Report provided background information in relation to Climate Change – Net Zero Compliance. The Report stated that the The Climate Change Act (Scotland) 2019 commits Scotland to Net Zero by 2045. This means emissions of all greenhouse gases in Scotland in 2045 must be 100% lower than they were in the 1990 baseline year.

The Report indicated that based on the audit work carried out the overall opinion was that a substantial level of assurance could be placed upon the control environment of the service/area under review. A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

It was agreed to recommend that the Comhairle note the Report.

Education Provision for Children with Additional Support Needs (ASN – Compliance with Children (Scotland) Act 1995, Additional Support for Learning Act 2004 and GIRFEC

13 The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle’s arrangements for the operation and management of Education Provision for Children with Additional Support Needs (ASN – Compliance with Children (Scotland) Act 1995, Additional Support for Learning Act 2004 and GIRFEC. The Report provided detailed information in relation to the scope of the audit. The findings, recommendations and action plan were detailed at Section 3 of the Report.

The Report stated that the Education (ASL) (Scotland Act) 2004 placed a number of duties on local authorities to provide school education for children and young people with additional support needs. Education authorities must:

- Provide adequate and sufficient provision for any additional support needed for each child identified with additional support needs;
- Put procedures in place to identify the additional support needs;
- Follow through any additional support needs identified and the adequacy of support provided to meet the needs of the child or young person.

The Report indicated that based on the audit work carried out the overall opinion was that a substantial level of assurance could be placed upon the control environment of the service/area under review. A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

It was agreed to recommend that the Comhairle note the Report.

Waste Disposal and Refuse Collection

14 The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle’s arrangements for the operation and management of Waste Disposal and Refuse Collection. The Report provided detailed information in relation to the scope of the audit. The findings, recommendations and action plan were detailed at Section 3 of the Report.

The Report provided background information in relation to Waste Collection and disposal. The Report highlighted that Waste Collection and Disposal was one of the most routine activities of local government and one that generated a significant level of public interest. The collection and processing of waste had changed in the last decade with increased emphasis on recycling and a move away from landfill.

The Report indicated that based on the audit work carried out the overall opinion was that a reasonable level of assurance could be placed upon the control environment of the service/area under review. The Report indicated that it should be noted that the findings and conclusions were based on the information made available at the time of our review. It was noted that there were current limitations in place as a result of a cyber-attack on 7 November 2023.

It was agreed to recommend that the Comhairle note the Report.

PERFORMANCE MONITORING

Reports Outstanding

15 The Chief Executive submitted a Report detailing the Reports Outstanding arising from decisions of the Committee.

It was agreed to recommend that the Comhairle note the Report.