



COMHAIRLE NAN EILEAN SIAR

AUDIT AND SCRUTINY COMMITTEE

Minute of Meeting held in Council Chamber,
Council Offices, Stornoway on Wednesday 27
November 2024 at 3.00pm.

PRESENT

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

APOLOGIES

Mr John A Maciver
Mr George Murray

MEMBERS IN ATTENDANCE

Mr Iain M Macleod Mr Norman Macdonald
Mr Paul Steele Mr Kenneth Macleod
Mr Uisdean Robertson Mr Donald F Crichton
Mr Paul Finnegan Mr Duncan Macinnes MBE
Mr Robert Mackenzie

OFFICERS IN ATTENDANCE

Mr Malcolm Burr Mr Martin Devenny
Mr Tim Langley Mrs Fiona Knape
Mr Calum Mackenzie Mrs Chrissie Macaulay
Mr Sandy Gomez Ms Erica Geddes
Mrs Emma Macsween Mrs Shona Hadwen
Mr Malcolm Nicol Mr Derek Mackay
Ms Norma Skinner Mr Murdo Morrison
Ms Rebecca Macleod Mrs Marina Macaulay
Ms Claire Gardiner

Prayer

The Meeting was preceded in prayer by Mr Duncan MacInnes MBE.

MINUTES

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| Minute of Meeting of 26 September 2024 | 1 | The Minute of Meeting of 26 September 2024 was approved . |
| Declaration of Interest | 2 | There were no declarations of interest. |

AUDIT SCOTLAND

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| Best Value Report on Workforce Innovation | 3 | Ms Clare Gardiner from Audit Scotland submitted a Report on Workforce Innovation – how councils are responding to workforce challenges. The Report stated that the 2023 Local Government Overview (LGO) noted that councils had never faced such a challenging situation. Service demands had increased after the Covid-19 pandemic and |
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funding was forecast to reduce in real terms. Workforce pressures including recruitment in a competitive labour market, employee retention and high sickness absence levels were putting councils under continued pressure.

The Report set out how the Comhairle was responding to current workforce challenges through building capacity, increasing productivity and innovation. Focus areas covered were:

- Workforce strategy and priorities
- Digital technology and the workforce
- Flexible working and other innovative staff deployment
- Developing future skills and capacity
- Joint workforce arrangements across services and partners
- Measuring the impact of workforce planning

An Improvement Action Plan was presented at Appendix 1 to the Report. It highlighted the issues/risks identified in relation to the focus areas, recommendations to resolve and agreed management action and timings to resolve.

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

SERVICE IMPROVEMENT

Best Value – 4
Continuous
Improvement
Action Plan

With reference to item 3 of the Minute of Meeting of 18 June 2024, the Chief Executive submitted a Report to inform the Committee of the progress with the Continuous Improvement Action Plan (CIAP) and present the key findings for effective challenge and scrutiny. The Report stated that the mid-year 2024/25 performance review of the CIAP found that seven of the ten CIAP actions presented to the Audit and Scrutiny Committee in the end-of-year 2023/24 performance review report were carried forward to the 2024/25 period and three new actions had been added. The Report indicated that the key improvement outcomes from two external audits, seven internal audit follow-up reviews and one self-assessment had still to be completed. It was highlighted that these were represented as CIAP actions in Service Business Plans (SBPs) and were included in the departmental business plan progress reports made available to the public on the Comhairle's website quarterly.

A summary of the CIAP was in the Appendix to the Report with a link to the audit and self-assessment reports, where available, and the name of the officer responsible for taking each action forward to completion. The Report highlighted that Elected Members had access to Interplan and could view the progress of SBPs and CIAP actions online throughout the year.

It was agreed to recommend that the Comhairle:

- (1) note the Continuous Improvement Action Plan performance review; and**
- (2) scrutinise the key findings summarised in the main body of the Report.**

Equality Outcomes
and Mainstreaming
Report 2025-2029

5 The Organisational Development Officer submitted a Report to present the draft Equality Outcomes 2025-2029 to the Audit and Scrutiny Committee for review and to seek approval for public consultation. The Report stated that to start the process of identifying and agreeing a fresh set of equality outcomes for 2025 through to 2029, an initial review of local data, existing corporate plans, improvement plans and business plans has been undertaken. Corporate Management Team, Chief Officers and officers involved in the current Report 2021-2025 have been consulted with and contributed to the process in respect of their service areas.

It was agreed to recommend that the Comhairle:

- (1) **note the requirement of The Equality Act (2010) which requires public bodies to publish equality outcomes every four years; and**
- (2) **approve the draft Equality Outcomes 2025-2029 appended to the Report for public consultation.**

RISK MANAGEMENT

Risk Management
Policy and Strategy 6

With reference to item 4 of the Minute of Meeting of 22 September 2022, the Chief Executive submitted a Report seeking approval of the Risk Management Policy and Strategy. The Report stated that achievements over the previous strategy period included: continued increased collaboration between the disciplines of Risk Management and Performance Management; and the suite of Business Continuity Plans that accompany Service business plans and risk registers in the Budget Working papers continued to progress. In relation to this point a good example of this was the Corporate Business Continuity Plan which was invoked and used throughout the cyberattack recovery.

The Report indicated that the areas of focus over the next period would be: improving risk identification during the Service Business Planning period; and continuing to build back the suite of risk guidance documents and templates that were lost during the cyber-attack.

The revised Risk Management Policy and Strategy were detailed at Appendix 1 to the Report.

It was agreed to recommend that the Comhairle approve the Risk Management Policy and Strategy at Appendix 1 to the Report.

INTERNAL AUDIT MATTERS

Internal Audit
Progress 2024/25 7

With reference to item 7 of the Minute of Meeting of 26 September 2024, the Chief Internal Auditor submitted a Report summarising the internal audit activity within Comhairle nan Eilean Siar for the period covering 1 April 2024 to 4 November 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 three 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

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

- Museums and Archives
- Social Work Transport Policy and Implementation
- Community Engagement Unit
- Financial Assessments
- Strategic Procurement

It was highlighted that there were currently no active investigations. 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 – External Quality Assurance Review 8 The Chief Internal Auditor submitted a Report to advise of the arrangements for the External Quality Assurance (EQA) review of Internal Audit. The Report stated that it was mandatory that every internal audit activity undergo an EQA conducted by an independent team or evaluator once every five years to comply with Standard 1312 of the International Standards for the Professional Practice of Internal Auditing. The Comhairle’s last review was undertaken in late 2020 and reported to Audit and Scrutiny Committee on 2 February 2021.

The Report stated that an EQA development team through Scottish Local Authority Chief Internal Auditors Group had recently initiated the third round of reviews known as EQA 3. The arrangements for EQA 3 for the Comhairle would commence late 2024 with the resulting report likely in early 2025 and would involve a review undertaken by Dundee City and Angus Council’s joint Chief Internal Auditor.

It was agreed to recommend that the Comhairle note the arrangements in place for the External Quality Assurance review of the Comhairle’s Internal Audit section.

Amended Internal Audit Operational Plan 2024-25 9 The Chief Internal Auditor submitted a Report seeking approval to amend the Internal Audit Operational Plan covering period 2024/25. The Report stated that Public Sector Internal Audit Standards (PSIAS) require that Internal Audit produce a risk based Internal Audit plan for each year and that this be approved by the Audit & Scrutiny Committee. The Report indicated that the Comhairle’s Audit and Scrutiny Committee approved Internal Audit Operation Plan on the 23rd of April 2024. Due to the effects of the cyber incident still being felt in the Comhairle as well as the Internal Audit section it was sought to amend the operational plan for 2024-25 to take cognisance of the challenges faced in services.

It was requested that three audits from the original operational plan be deferred until 2025/26, and undertaken, if possible, during that period instead, and a fourth audit be removed from the plan for operational reasons. It was anticipated to complete 80% of the original operational plan, which was the annual target set as the key performance indicator..

It was agreed to recommend that the Comhairle approve the amended Operational Plan for 2024-25.

INTERNAL AUDIT – COMPLETED REVIEWS

Eclipse – Social Care Management System 10 The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle’s arrangements for the operation and management of Eclipse – Social Care Management System. 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 the Eclipse Social Care Management System became operational in the Social Care Department in 2003 with Children’s Services being the first area rolled out. All areas of Social Care are now utilising the system, with the exception of Criminal Justice who hope to go live in January 2025. It was highlighted that having a solid social care management system was crucial for maintaining compliance, reducing risks, and achieving consistency in practices. The Report noted that the most significant issue arising from the review which required management

attention was housekeeping issues of a minor nature which required to be undertaken to ensure the system had up to date information at all times.

The Report indicated that based on the audit work carried out the overall opinion was that a full level of assurance could be placed upon the control environment of the service/area under review.

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

Medication Management

11 The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle's arrangements for the operation and management of Medication Management. 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 indicated that Medication Management and control, together with an appropriate system of recording were key requirements consistent with national guidance, in order to minimise risks to service users and staff. The Comhairle's Medicines Policy and Procedures had been developed to establish, document and maintain an effective system to manage medicines safely and securely to meet clinical needs. The Report noted that the most significant issues arising from the review which required management attention were:

- Full rewrite for Medication Management policy statement and procedure handbooks; and
- Training on the completion of Medical Administration Record (MAR) ensuring all drugs received and carried over to the following month were recorded and quantities were routinely checked.

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. There was a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

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

Street Lighting

12 The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle's arrangements for the operation and management of Street Lighting. 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 Roads (Scotland) Act 1984, Section 35 empowered a local Roads and/or Highways authority to provide lighting for roads which were maintainable by them and which in their opinion ought to be lit.

The Report detailed that there were approximately 6854 streetlights across the Western Isles. In order to reach targets for improved carbon emissions LED lights are being installed as budgets allow. Approximately 50% of the assets have been upgraded with work progressing to reach set targets. As part of the budget-cutting costs the Comhairle made the decision to reduce the time that streetlights were switched on by an hour in most areas, bringing forward switch-off time in the affected areas from 11pm to 10pm. There were also areas with exemptions, such as around marine facilities, where current timings would continue unchanged. The Report noted that the most significant issue arising from the review which required management attention was housekeeping issues.

The Report indicated that based on the audit work carried out the overall opinion was that a full level of assurance could be placed upon the control environment of the service/area under review.

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

Internal Audit
Report on the
Cyber-Attack of
November 2023
and Lessons Learnt

13 The Chief Internal Auditor submitted a Report which aimed to provide an evaluation of the Comhairle's response to the cyber-attack it was subjected to on the 7th of November 2023, detailed the lessons learnt in the recovery process as well as any recommendations to reduce the risk of further incidents. The Report focused on how well the Comhairle responded and how new processes were implemented, particularly in the initial days and weeks following the attack, but also throughout the recovery process up until the date of the report. The Report provided detailed information covering:

- Initial Recovery Phase
- Service Impacts
- Staff Impacts
- Business Continuity Plans
- Service Area Discussions
- Lessons Learnt
- External Investigation
- Recommendations for reducing the risk of further incidents
- Financial Impact

It was agreed to recommend that the Comhairle:

- (1) note the Report; and**
- (2) request that the Chief Internal Auditor reports back to each meeting of the Audit and Scrutiny Committee with an update on the follow-up actions being taken in connection with the implementation of the recommendations detailed in the Cyber-Attack Report.**

PERFORMANCE MONITORING

Reports
Outstanding

14 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.