



COMHAIRLE NAN EILEAN SIAR

AUDIT AND SCRUTINY COMMITTEE

Minute of Meeting held in Council Chamber,
Council Offices, Stornoway on Thursday 6
February 2025 at 9.30am.

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 Finlay Stewart
Mr Rae Mackenzie	

APOLOGIES

Mr Ranald Fraser	Mr John N Macleod
Mr John A Maciver	

MEMBERS IN ATTENDANCE

Mr Iain M Macleod	Mr Uisdean Robertson
Mr Paul Finnegan	Mr Kenny Macleod
Mr Robert Mackenzie	Mr Kenneth Macleod
Mr Donald Macsween	Mr Duncan MacInnes
Dr Frances Murray	

OFFICERS IN ATTENDANCE

Mr Malcolm Burr	Mr Tim Langley
Mr Sandy Gomez	Ms Erica Geddes
Mrs Chrissie Macaulay	Mrs Fiona Knape
Mrs Johanna Morrison	Ms Norma Skinner
Mr Malcolm Nicoll	Ms Emma Macsween
Ms Seonaid McDonald	Mrs Anne Murray
Mr Colm Fraser	Mr Colin G Morrison
Mr Norman Macdonald	Ms Claire Gardiner
Ms Jennifer Macleod	Mr David Macleay
Ms Katie Macaskill	Mr Martin Devenny
Ms Caitriona MacCuish	Mr Murdo Morrison
Mr James Mackinnon	Mr Derek Mackay
Mrs Shona Hadwen	Mrs Yvonne Maciver

Prayer

The Meeting was preceded in prayer by Mr Finlay Stewart.

MINUTES

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| Minute of Meeting of 27 November 2024 | 1 | The Minute of Meeting of 27 November 2024 was approved. |
| Minute of Meeting of 12 December 2024 | 2 | The Minute of Meeting of 12 December 2024 was approved. |
| Declaration of Interest | 3 | <p>Mr Iain A MacNeil declared a non-pecuniary interest in Item 9 and remained in the meeting during consideration of the item.</p> <p>Mr Uisdean Robertson declared a non-pecuniary interest in Item 11 and remained in the meeting during consideration of the item.</p> |

AUDIT SCOTLAND

Annual Audit Plan 2023-24	4	<p>Ms Claire Gardiner, Audit Scotland, submitted a Report which summarised the work plan for the 2023/24 audit. The main elements of the audit were noted as follows:</p> <ul style="list-style-type: none"> • an audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement. • an audit opinion on other statutory information published with the financial statements in the annual accounts, including the Management Commentary, the Annual Governance Statement, and the Remuneration Report. • consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes. • consideration of Best Value arrangements. • providing assurance on the Housing Benefit Subsidy Claim, NonDomestic Rates Return, the Whole of Government Accounts (WGA) return. • review of Comhairle nan Eilean Siar's arrangements for preparing and publishing statutory performance information. • provision of an Independent Auditor's Report expressing opinions on the different elements of the annual accounts and an Annual Audit Report setting out conclusions on the wide scope areas.
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It was agreed to recommend that the Comhairle note the Report.

SERVICE IMPROVEMENT

Public Performance Reporting 2025-2028 – Direction 2024	5	<p>The Chief Executive submitted a Report which provided an overview of the Comhairle's Public Performance Reporting obligations following the publication of the Accounts Commission's new Direction in December 2024. The Report stated that Direction 2024 was a three-year Direction. It related to performance information to be published in the financial years beginning 1 April 2025, 2026, and 2027 (01.04.25 – 31.03.28). In comparison to the previous Direction, the number of Statutory Performance Indicators (SPIs) have increased from two to four.</p>
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The report indicated that each local authority shall, in accordance with section 13 of the Local Government in Scotland Act 2003 and associated regulations and guidance from Scottish Ministers, publish a range of information to satisfy the four key areas summarised below, and detailed in the Direction in the Appendix to the Report, for all activities which were carried out by the council. In meeting these requirements, councils should take cognisance of the currently statutory guidance on Best Value and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003.

- SPI 1: Using resources effectively to address strategic priorities.
- SPI 2: Working with partners and communities to achieve shared outcomes.
- SPI 3: Financial sustainability and budget transparency.
- SPI 4: Use of data and assessments to support improvement and transformation.

It was agreed to recommend that the Audit and Scrutiny Committee note the requirements of Direction 2024 published by the Accounts Commission on the 19 December 2024.

Equality Outcomes and Mainstreaming Report 2025-2029	6	<p>With reference to item 5 of the Minute of Meeting of 7 November 2024, the Chief Executive submitted a Report which sought approval of the refreshed Equality Outcomes to be adopted by the Comhairle for the period 2025-2029. The report stated that a review of local data, existing corporate plans, improvement plans, and business plans had been undertaken. Corporate Management Team, Chief Officers and officers involved in the</p>
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current Report 2021-2025 had been consulted with and contributed to the process in respect of their service areas.

The Report indicated that an online public consultation exercise was held for four weeks, closing on 6th January 2025. No public feedback was received. Democratic Services also circulated the link to the consultation to the Community Planning Partnership and Community Councils. One organisation responded. Feedback received was considered in the development of the Report. The proposed Equality Outcomes for 2025-2029 were appended to the Report. The report highlighted that the approved outcomes were required to be published by 30 April 2025.

It was agreed to recommend that the Comhairle approve the Equality Outcomes and Mainstreaming Report 2025-2029 at the Appendix to the Report.

Transformation
Plan Proposals

7

The Chief Executive submitted a Report which sought approval to progress a plan for transformation projects across the Comhairle. Appendix 1 to the Report provided examples of projects undertaken to date, highlighting the significant work that had already taken place. The Report stated that to continue to support the Comhairle to transform its services it was proposed that a number of cross-cutting projects were undertaken running alongside continuous improvement within services. Each project would be led by a Chief Officer; a business case would be developed and be presented to the Budget Board for consideration.

The proposed projects were detailed in paragraph 7 to the Report and further work would be required to develop the full business case for these projects.

It was agreed to recommend that, in-so-far as this Committee's interests were concerned, that the Comhairle approve, subject to the development of full business cases, the three Transformation Projects detailed in paragraph 7 of the Report.

SCRUTINY

Reporting Concerns
at Work – Annual
Report 2024

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The chief Executive submitted a Report to inform the Comhairle of any concerns at work reported in the calendar year 2024. The Report stated that employees who reported genuine and valid concerns relating to malpractice within their employer's organisation were afforded statutory protection from any form of harassment, bullying or victimisation. Such reports were commonly referred to as whistleblowing. The Report highlighted that no whistleblowing complaints were received by the Monitoring Officer in the calendar year 2024.

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

INTERNAL AUDIT MATTERS

Internal Audit
Progress 2024/25

9

With reference to item 7 of the Minute of Meeting of 27 November 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 14 January 2025. 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:

- NDR
- Payroll and Expenses
- Strategic Procurement
- Social Work Transport Policy and Implementation

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 – FOLLOW-UP REVIEWS

Garage and Fleet	10	<p>The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Garage and Fleet Report which was issued on 3 October 2023. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. The Report highlighted the following main recommendations from the original Report:</p>
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| Garage and Fleet | 10 | <ul style="list-style-type: none"> • Assess how best to implement a Corporate Fleet Replacement policy in order to promote best value and ensure a consistent approach across all departments; • Implement improvements to stocktake processes to assist new system implementation; and • Address resilience issues across the section. |
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Garage and Fleet	10	<p>Section 1.5 of the Report provided the current status of progress against the original recommendations.</p>
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Garage and Fleet	10	<p>The Report noted that out of the 5 follow up recommendations made in the original report, 3 appeared to have been fully implemented, and management had confirmed that the remaining recommendations would be implemented by March 2025.</p>
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It was agreed to recommend that the Comhairle note the Report.

Care at Home	11	<p>The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Care at Home Report which was issued on 22 April 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. The Report highlighted the following main recommendations from the original Report:</p>
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| Care at Home | 11 | <ul style="list-style-type: none"> • Completion of formal training SVQ Level 2/SVQ Level 3 (Medication Unit) to be progressed and other mandatory training to be refreshed as necessary; and • Sickness levels and return to work procedures to be examined and training offered to Line Managers who are tasked to undertake these processes. |
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Care at Home	11	<p>Section 1.5 of the Report provided the current status of progress against the original recommendations.</p>
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Care at Home	11	<p>The Report noted that out of the 11 follow up recommendations made in the original report, 6 appeared to have been fully implemented, and management had confirmed that the remaining recommendations would be implemented as soon as feasible.</p>
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It was agreed to recommend that the Comhairle note the Report.

Catering	12	<p>The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Catering Report which was issued on 12 March 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. The Report stated that in accordance with the remit detailed in the operational annual internal audit plan for 2023/24, the internal audit work was designed to obtain assurance that the original recommendations had been implemented. We obtained this assurance through internal audit testing and undertaking discussions with key personnel.</p> <p>Section 1.5 of the Report provided the current status of progress against the original recommendations.</p> <p>The Report noted that out of the 3 follow up recommendations made in the original report, 2 appeared to have been fully implemented, and management had confirmed that the remaining recommendation would be implemented.</p> <p>It was agreed to recommend that the Comhairle note the Report.</p>
HR Core Activities	13	<p>The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the HR Core Activities Report which was issued on 11 January 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. The Report highlighted the following main recommendations from the original Report:</p> <ul style="list-style-type: none"> • The legal requirement that a contract of employment must be issued to new employees within 2 months of start date and where this was not possible a statement of particulars on the first day of employment; and • Heads of service to be reminded that FIN2 forms must be forwarded to both HR and Payroll once it is known an employee is leaving the Comhairle. This may reduce the errors that were occurring in HR and the departments if both sections were notified simultaneously. <p>Section 1.5 of the Report provided the current status of progress against the original recommendations.</p> <p>The Report noted that out of the 4 follow up recommendations made in the original report, 2 appeared to have been fully implemented, and management had confirmed that the remaining recommendations would be implemented as soon as possible.</p> <p>It was agreed to recommend that the Comhairle note the Report.</p>
Outer Hebrides – Community Led Local Development	14	<p>The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Outer Hebrides – Community Led Local Development Report which was issued on 30 April 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. The Report highlighted the following main recommendations from the original Report:</p> <ul style="list-style-type: none"> • The OH CLLD works in isolation with no segregation of duties in place for the processes from submission of applications to payment of grants. This poses a risk to the Comhairle in that any errors or discrepancies may go undetected and not be identified timeously; • Written statements must be provided by applicants prior to any payments being released confirming the requirements of the Minimal Financial Assistance (MFA) provisions of the Subsidy Control Act 2022; and • Where issues had been identified concerning VAT the OH CLLD seek clarity from the Scottish Government and issue information to grant claimants. In the event that no information was forthcoming claimants should seek independent financial advice.

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

The Report noted that out of the 3 follow up recommendations made in the original report, 2 appeared to have been fully implemented, and management had confirmed that the remaining recommendation would be implemented by January 2025.

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

Piers – Marine Fuel	15	<p>The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Piers – Marine Fuel Report which was issued on 24 May 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. The Report highlighted the following main recommendations from the original Report:</p>
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- Health and Safety guidance to be provided to all users of marine fuel pumps at Comhairle piers; and
- Risk Assessments to be undertaken on the risks surrounding marine fuel pumps for deliveries and supply.

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

The Report noted that out of the 5 follow up recommendations made in the original report, 2 appeared to have been fully implemented, and management had confirmed that the remaining recommendations would be implemented shortly.

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

INTERNAL AUDIT – COMPLETED REVIEWS

Community Planning and Engagement	16	<p>The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle’s arrangements for the operation and management of Community Planning and Engagement. 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.</p>
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The Report stated that community engagement was a way of developing a working relationship between public bodies and community organisations. Good community engagement would mean that both groups could understand and act on the needs or issues of community experiences.

The Report noted that the most significant issue arising from the review which required management attention was:

- A total overhaul of the LOIP to be undertaken by the OHCPP and brought up to date to reflect more current developments. Realistic and more achievable outcomes to be agreed and progressed.

The Report indicated that a review of the OHCPP undertaken in May 2023 by the Chief Executive and submitted to the OHCPP with recommendations for approval, reflecting similar findings of the review carried out by Internal Audit.

The Report highlighted the following as areas of good practice:

- Community Engagement Unit- Service Business Plan;
- Locality plans identified for areas with the most deprivation;
- Established groups and balanced representation on the boards;
- Established meetings held at community levels; and

- Ward visits undertaken by the Leader discussing the Corporate Strategy, Budgets etc.

The Report indicated that based on the audit work carried out the overall opinion was that a limited 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.

Financial
Assessments

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The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle's arrangements for the operation and management of Financial Assessments. 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 Comhairle undertakes financial assessments of clients who require residential care. Those clients who do not have sufficient assets, income or savings would receive funded care paid for by the local authority, although the client would contribute from state pension benefits. Those clients who do have sufficient assets, income or savings would have to pay for their care subject to allowable disregards of personal funds. The Report noted that the current maximum rate for Comhairle provided residential care is £1,912 per week.

The Report noted that the most significant issues arising from the review which required management attention was:

- The national settlement figures not being provided at the beginning of the 2024/25 year and further delays by the care homes in reaching a settlement figure resulting in the lateness of invoices being prepared and sent out to the independent care home service users. (High 1)

The Report highlighted the following as areas of good practice:

- Staff to be commended on how the assessment and billing processes had continued to reasonably ensure that invoices and payments were being managed; and
- Staff identifying where deprivation of assets had occurred, and steps taken to address and bring back into calculation for care charges.

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.

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

Museums
Archives

and

18

The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle's arrangements for the operation and management of Museums and Archives. 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 Museum and Archive facilities in Stornoway opened to the public in July 2016. The Report indicated that Museum nan Eilean comprised of two sites; Museum nan Eilean, based at Lews Castle, Lewis and Museum Nan Eilean, Lionacleit, Benbecula which opened in 1988. The Report noted that Tasglann nan Eilean was the archive service and was based in the Stornoway facility. The Museum Service and Archive Service along with the Archaeology Service made up the Heritage Service.

The Report noted that the most significant issues arising from the review which required management attention was:

- Environmental conditions and controls within the buildings of the service were not at adequate levels and

- Income streams to be looked at to maximise income.

The Report highlighted that the knowledge and hard work of the staff in this area should be noted. Their experience and knowledge had been key to keeping the area functioning at the level it was post cyber-attack. Their extensive knowledge of the area and dedication to the preservation and safety of the artefacts was imperative to the rebuilding of information should access to the museum and artefact information not be retrievable.

The Report indicated that based on the audit work carried out the overall opinion was that a limited 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.

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

19

The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Cyber Attack Response Report which was issued on 23 October 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24. The main recommendations from the original report were all detailed at Section 1.5 and Section 2 of the Report.

The Report noted that out of the 10 follow up recommendations made in the original report, 1 had been fully implemented. It was noted that Internal Audit would continue to track progress and Report back to the Audit and Scrutiny Committee.

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

PERFORMANCE MONITORING

Reports Outstanding

20

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.