



Comhairle nan Eilean Siar
Internal Audit Review
Community Learning & Development
Draft Report-2023/24-6

15 March 2024

COMHAIRLE NAN EILEAN SIAR
INTERNAL AUDIT DRAFT REPORT
COMMUNITY LEARNING & DEVELOPMENT

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Date of Visit	October 2023 & February 2024
Draft Report Issued	12 March 2024
Management Response Received	15 March 2024
Final Report Issued	15 March 2024

Issued to:	
Chief Executive	Malcolm Burr
Team Leader – Community Engagement Unit	David Macleay
Extended Learning Manager	Fiona Macinnes-Begg
Service Manager – Performance & Staffing	Neil Macleod
Adult Learning Manager	Morag Fletcher
Audit Scotland	Martin Devenny

SECTION 1: EXECUTIVE SUMMARY

Introduction

1.1 The Report has been prepared following an internal audit review of Community Learning & Development as part of the operational annual internal audit plan for 2023/24. The purpose of the Report is to provide an overview of the Comhairle's arrangements for the operation and management of Community Learning & Development. The scope of the audit included a review of the following objectives:

- Confirm the reliability and adequacy of management information is prompt and up to date;
- Confirm that there is adherence to management policies, directions and statutory requirements, where applicable, and that these are being implemented;
- Confirm there is a strategy in place that outlines the objectives of Community Education and Development;
- Confirm that there are risk assessments in place and that staff have PVG assessments undertaken before employment starts;
- Confirm how participants for community education are identified and how is this promoted;
- Confirm that there are appropriate financial arrangements in place for the delivery of the Community Education and Development learning programmes;
- Confirm that contracts exist between the partners who deliver the Education programmes and the Comhairle, performance indicators are in place and open and transparent communications take place;
- Confirm that there are quality control procedures in place over classes offered/ standards of tuition/ training for tutors/sustainability of classes; and
- Confirm all out of office hours are recorded and authorised in an open and transparent way.
- Confirm if COVID-19 currently impacts any activities.

Background Information

1.2 Community Learning and Development (CLD) practice covers a broad range of practice including youth work, community-based adult learning, family learning and community development. CLD empowers people of all ages to work individually or collectively to make positive changes in their lives, and in their communities, through learning, personal development and active citizenship.

CLD work in Scotland is guided by the Strategic Guidance for Community Planning partnerships: Community Learning and Development (2012) document and underpinned in legislation through The Requirements for Community Learning and Development (Scotland) Regulations 2013. Regulation 4 requires each local authority to consult on and publish plans

every three years containing specified information on the provision of CLD by both the local authority and its partners.

The Community Learning & Development section has recently moved from the Education Skills & Childrens Services department to the Community Engagement Unit within the Chief Executives department, with the benefits of this move still to be determined. Whilst the Community Development part of the CLD plan rightly sits within the new section, a large amount of the overarching CLD plan relates to educational services, some of which remain in the former department, such as Adult Learning and Youth Work. Providing and executing the CLD strategy may prove increasingly challenging with the new setup, particularly when it comes to setting the new CLD Partnership plan for 2025-28, as well as the sharing of resources relating to administration support. Reporting arrangements remain that CLD provides its reports to the Education Sport and Childrens Services Committee.

Areas of Good Practice

1.3 Our review identified the following areas of good practice:

- Updated risk assessments in place;
- HMIE Progress report of July 2022 shows good progress being made;
- Knowledgeable and dedicated staff.

Concluding Remarks

1.4 Our detailed findings are included in the body of the Report. We would point out that the most significant issues arising from our review which require management attention are:

- Given the effects of the cyber-incident of November 2023 revenue monitoring has not been undertaken, this should be undertaken urgently to ensure oversight by management, with any issues addressed promptly. (Para 3.7);
- The Pointers Youth Centre is currently at risk of displacement due to the development of the Bairns Hoose Pathfinder Programme, it is therefore essential that an alternative site be identified which can provide a similar drop-in centre and youth support. It is recommended that discussions take place between Childrens Services and CLD in order to understand the implications, short and longer term, about the feasibility of using the St Lennans site jointly, or to identify an alternative solution. (Para 3.1); and
- Previously, when CLD was part of the ESCS department, admin provision was allocated from departmental resources, no such support has been available in the CEU except for assistance with financial transactions. Consideration should be given to the allocation of dedicated admin support to support this service to ensure the CLD Manager has the full ability to undertake their duties. (Para 3.5).

SECTION 2: RECOMMENDATIONS AND AUDIT OPINION

- 2.1 We have graded our detailed findings and recommendations, based on the likelihood of the identified weakness occurring and the impact on the Comhairle if it should occur.

The following table contains the definitions applied by Internal Audit in rating audit findings/actions and the number of recommendations in each rating.

Definition of recommendation	Grade	No.
Major weaknesses that could have a significant impact on the Comhairle if not addressed and contained urgently.	High	
Important issues relating to controls being absent, not operating as expected or could be improved.	Medium	5
The weakness is unlikely to have a material impact on the Comhairle. These are not critical but management should address.	Low	2

Where we have identified isolated exceptions in our sample testing, and we consider that they are unlikely to recur; and would have no significant impact if they should occur;

We have classified them as minor or trivial, discussed them with relevant officers and detailed them in Appendix C to the Report.

- 2.2 Based on the audit work carried out our overall opinion is that a **substantial** level of assurance can be placed upon the control environment of the service/area under review.

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

It should be noted that our findings and conclusions are based on the information made available to us at the time of our review.

Internal Audit
Comhairle Nan Eilean Siar
Sandwick Road
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15 March 2024

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SECTION 3 – FINDINGS, RECOMMENDATIONS AND ACTION PLAN

3.1

GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
Med-1	At the Education Skills & Childrens Services Committee of February 2024 the Bairns Hoose Pathfinder Programme report was submitted for noting and discussed at length by elected members. Concerns were raised that the development of this facility, whilst very positive, will severely impact the ability of the CLD section to have a dedicated facility for young people, namely the Pointers facility. The Bairns Hoose project has identified the St Lennans building as being the ideal location, however, in order to upgrade this space to the requirements of the BH, pointers will have to relocate either temporarily or permanently from its location as this ground floor area is the location being used for BH. Removing Pointers, whether temporary or permanent, may have a detrimental effect on young people in the community, as well as the CLDs ability to engage and support young people.	It is essential that an alternative site be identified which can provide a similar drop-in centre and youth support. It is recommended that discussions take place with Childrens Services and CLD in order to understand the implications, short and longer term, about the feasibility of using the St Lennans site jointly, or to identify an alternative solution.	Engagement with the Bridge Centre in Stornoway is currently taking place to consider special planning in this potential venue. It is hoped that this will prove a suitable alternative for relocating Pointers service provision.	Team Leader – CEU/Extended Learning Manager	June 2024

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3.2

GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
Med-2	<p>AL budgets are monitored on a quarterly basis throughout the year, however the AL manager has confirmed that she is in regular contact with her service accountant for advice and guidance as required. She confirms she feels very well supported in this area.</p> <p>CLD budgets are monitored monthly in the CEX dept, with discussions and advice provided as required. Example reports shown below relating to Q2 in each section.</p> <p>Since the original review fieldwork, the Comhairle has been subject to a cyber-attack. This has resulted in the loss of a large amount of data, in particular the financial ledger. For this reason, no revenue monitoring has been undertaken since Q2 of 2023/24. It is therefore unknown what the full status of the budget position of CLD. This would be a concern as overspends and underspends cannot be determined.</p>	Revenue monitoring to be undertaken urgently, when possible, to ensure oversight by management, with any issues addressed promptly.	Revenue monitoring to resume when post cyber-attack processes resume.	Extended Learning Manager	June 2024

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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
Med-3	An ESOL (English for Speakers of Other Languages) Service Level Agreement used to be in place between the Comhairle and UHI NWH, but is no longer due to policy change within UHI, this has left the provision lacking. There are currently 24 literacies learners, 35 ESOL learners and 7 Gaelic Family Learners learning. This reduction in ESOL provision is not ideal but is as a result of reduced input from UHI.	The reduction in ESOL provision is not ideal but is as a result of reduced input from UHI. A way forward is required to address the service and increase to pre-pandemic levels.	Funding continues to be an issue, and consideration is being given to other options.	Adult Learning Manager	March 2025

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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
Med-4	Cothrom Ltd deliver an Adult Literacy and Numeracy programme for adults in the Uists and Barra. The contract in place for the development and delivery of this service is dated November 2022 and covers the period from April 2022 to March 2023. This needs to be refreshed and brought up to date.	The contract in place for the development and delivery of the Cothrom service is dated November 2022 and covers the period from April 2022 to March 2023. This needs to be refreshed and brought up to date.	As we didn't have an answer re ESOL funding until July 2023, along with Line Manager (Neil MacLeod) we agreed to use application forms for Adult Literacies and ESOL grants to Cothrom. Information supplied to Legal asking for an SLA to be drawn up for this year. Due to the cyber-attack I am unable to locate an SLA and have contacted Legal and Cothrom to ask for a copy.	Adult Learning Manager	May 2024

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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
Med-5	Previously, when CLD was part of the ESCS department, admin provision was allocated from departmental resources, no such support has been available in the CEU. This support remains for Adult Learning, however, under the new structure, the remainder of the CLD section has no dedicated admin support under the Community Engagement unit, although some is provided for financial transactions i.e. creditors, debtors etc. This has resulted in the CLD manager having to provide admin support, for example minute taking at meetings, instead of being able to focus on their primary duties. Whilst we understand the pressure for efficiency savings, it would be beneficial to have some dedicated admin support to help improve the service.	Consideration should be given to the allocation of dedicated admin support to support this service to ensure the CLD Manager has the full ability to undertake their duties.	<p>This has been considered and raised throughout the last year as an issue. Currently, budget provision does not cover this cost. Potential restructuring may be an appropriate time to readdress this.</p> <p>Management will raise this issue with Workforce planning.</p>	Team Leader - CEU	Summer 2024

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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
Low-1	Prior to the cyber incident the CLD webpages were detailed with the relevant policies and strategies for the CLD section, however a number of these were out of date and required updating. Since the incident, the CLD webpage has not yet been restored, however this will form part of the new website once work has been undertaken by the IT section.	Once the new Comhairle website is operational, the web pages relating to CLD should be updated with all current plans and guidance.	CLD has now updated the temporary Comhairle website with Grants and Young Scot. When Year 5 Crown Estate Revenues are released this will also be uploaded.	Extended Learning Manager	Completed

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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
Low-2	Since the original fieldwork was undertaken in October 2023 the Comhairle has been the subject of a cyber-attack which has resulted in the possible permanent loss of files and historic data. This has impacted most services in the Comhairle, and in particular in relation to data retention. CLD records are expected to be held for 8 years, and this is now no longer available. Going forward, data must be recovered where possible through a variety of means, and care must be taken to ensure that data and documents bound by data retention requirements are held by a means of least risk of it being lost again, for example cloud-based storage.	Data and documents bound by data retention requirements are held by a means of least risk of it being lost again, for example cloud-based storage.	Staff are uploading their current documents to cloud based systems as recommended by IT.	Extended Learning Manager	Ongoing

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT

Responsibility in Relation to Internal Controls

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

It is the responsibility of the Comhairle's management to consider the detailed findings of this Report, where such findings have a specific impact on risk registers. This may include a risk that has not yet been identified, or current risk controls which may be required to be updated to reflect any changes as a result of the findings contained in this report.

Responsibilities in Relation to Fraud and Corruption

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.

DEFINITION OF AUDIT OPINIONS AND RATINGS

The standard definitions for internal audit assurance over an engagement are as follows:

Level of Assurance	Definition
Full Assurance	Internal control, governance and risk management are of a high standard. A sound system of control to achieve the system objectives exists and the controls are being consistently applied.
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is 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.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

ISOLATED EXCEPTIONS TO EXPECTED PROCEDURES AND CONTROLS

ITEM	ISOLATED EXCEPTION	RESPONSIBLE OFFICER	AGREED Y/N	DATE OF DISCUSSION