



COMHAIRLE NAN EILEAN SIAR

AUDIT AND SCRUTINY COMMITTEE

Minute of Meeting held in Council Chamber,
Council Offices, Stornoway on Thursday 19 June
2025 at 9.30am.

PRESENT

Mr Angus Morrison (Chair)	Mr John A Maciver
Mr Malcolm K Macdonald (Vice-Chair)	Mr Gordon Murray
Mr Iain A MacNeil	Mr Rae Mackenzie
Mr Mustapha Hocine	
Mr Ranald Fraser	

APOLOGIES

Mr John Norman Macleod	Mr Calum Maclean
Mr George Murray	Mr Finaly M Stewart

MEMBERS IN ATTENDANCE

Mr Iain M Macleod	Mr Paul Steele
Mr Uisdean Robertson	Mr Kenneth M Macleod
Mr Robert Mackenzie	Mr Duncan MacInnes
Mr Norman Macdonald	

OFFICERS IN ATTENDANCE

Mr Malcolm Burr	Mrs Charlene Macmillan
Ms Norma Skinner	Mr Sandy Gomez
Ms Erica Geddes	Ms Morag Richardson
Mr Malcolm Nicol	Ms Claire Gardiner
Mrs Carmen Macdonald	Mr Colm Fraser
Mrs Donella Brown	Mrs Katie Macaskill
Mr James Mackinnon	Mrs Kathlene Morrison
Mr Derek Mackay	Mrs Shona Hadwen
Mrs Yvonne Maciver	

Prayer

The Meeting was preceded in prayer by Cllr Duncan MacInnes.

MINUTES

Minute of Meeting of 1 May 2025	1	The Minute of Meeting of 1 May 2025 was approved.
Declaration of Interest	2	There were no declarations of interest.

PERFORMANCE MANAGEMENT

Scottish Service Ombudsman Annual Report 2024/25	Public – Report	3	The Chief Executive submitted a Report to advise Members of the terms of the Scottish Public Services Ombudsman's (SPSO) Annual statistics for 2024/25 and to highlight issues of relevance to the Comhairle. The Report stated that in 2024/25, the SPSO made determinations on four complaints about Comhairle services; this represented 0.2% of complaints against Scottish local authorities. No complaints were taken to full investigation.
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The Report highlighted that the Comhairle continued to demonstrate continuous improvement in its approach to complaints through improved communication with complainants and learning from complaints.

It was agreed to recommend that the Annual statistics provided by the Scottish Public Services Ombudsman, in respect of complaints to the SPSO about the Comhairle, be noted.

Internal Training
Annual Report
2024/25

4 The Chief Executive submitted a Report which provided an update on the work of the Internal Training Team in 2024/25. The Report highlighted that Internal training was a key area of the Comhairle's business that carried out mandatory training with staff and statutory training required under Health & Safety.

The Report provided an overview of the training undertaken, the participation levels and the satisfaction levels with the training. It was noted that in 2024/25 the Training Team delivered 260 training courses to 1,320 employees. Training was delivered across all the Islands with the training officers travelling to deliver face-to-face training on a regular basis. It was further noted that 6,340 training courses were completed by the 900 employees through LearnPro, the Comhairle's online training platform.

It was agreed to recommend that the Comhairle note the Internal Training Annual Report 2024/25.

GOVERNANCE

Complaints Annual
Report

5 With reference to item 5 of the Minute of Meeting of 18 June 2024, the Chief Executive submitted a Report to inform the Comhairle of the publication of the Complaints Annual Report for 2024/25. The Report noted that a total of 42 complaints were closed in 2024/25: 22 at Stage 1, 18 at Stage 2 and a further 2 following escalation from stage 1. The Report stated that the Comhairle's performance in 2024/25, for closing stage 1 complaints within five working days had reduced from last year's performance to 55%. Closure of stage 2 complaints within the allotted 20 working days had also decreased to 20%. In 2023/24 the percentages were 89% and 31.5% respectively.

The Report indicated that the Comhairle would reissue briefings regarding the need to meet the required working day response timescales when managing complaints, highlighting the importance of seeking and recording of formal authorisation to extend the timescales when necessary. The Complaints Annual Report 2024/25, which was detailed at Appendix 1 to the Report, would be made available on the Comhairle's webpage.

It was agreed to recommend that the Comhairle note the Complaints Annual Report 2024/25.

Local Code of
Corporate
Governance

6 With reference to item 6 of the Minute of Meeting of 18 June 2024, the Chief Executive submitted a Report which provided an update on implementation of the Local Code of Corporate Governance Action Plan and sought Comhairle approval of the Code of Corporate Governance and Action Plan 2024-25.

The Report stated that there was a legal requirement for the Comhairle to put in place proper arrangements (known as the Governance Framework) for the governance of the Comhairle's affairs and to facilitate the exercise of its functions. This included setting the strategic direction, vision, culture and values of the Comhairle; the effective operation of corporate systems, processes and internal controls; engaging with and leading the community; monitoring where strategic objectives have been achieved and services delivered cost effectively; and ensuring that appropriate arrangements are in place for

the management of risk and that the Comhairle complies with the statement on the role of the Chief Financial Officer in Local Government.

A progress narrative on the Action Plan 2024-25 was provided at Appendix 2 to the Report. The action plan for 2025-26, detailed at Appendix 3 to the Report, retained the themes of service redesign, communication and the CPP. All the actions developed related to the Best Value Assurance Review undertaken in 2022. The actions detailed were under Dimension 2 - Service Delivery Arrangements and Dimension 6 - engaging with local people and other stakeholders.

It was agreed to recommend that the Comhairle approve the draft Local Code of Corporate Governance 2024-25 and Action Plan 2025/26 at Appendices 1 and 3 to the Report.

Annual Governance
Statement

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With reference to item 7 of the Minute of Meeting of 18 June 2024, the Chief Executive submitted a Report which sought approval of the Comhairle's proposed Annual Governance Statement for 2024-25 for inclusion in the Comhairle's unaudited accounts.

The Report stated that the Comhairle was responsible for and fully committed to ensuring that its business was conducted in accordance with the law and proper standards, and that public money was safeguarded and properly accounted for. The Comhairle also had a duty of best value under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement in performance while maintaining an appropriate balance between quality and cost; and in making those arrangements and arranging to secure that balance to have regard to economy, efficiency, effectiveness, equal opportunities and future sustainability.

The Report indicated that in discharging this overall responsibility, Elected Members and Senior Officers were responsible for putting in place proper arrangements for the governance of the Comhairle's affairs and to facilitate the effective exercise of its functions. The draft Annual Governance Statement 2024-25 was appended to the Report.

It was agreed to recommend that the Comhairle approve the draft Annual Governance Statement appended to the Report for inclusion in the Comhairle's unaudited accounts for submission to Audit Scotland.

INTERNAL AUDIT MATTERS

Internal Audit
Progress Report
2025/26

8

With reference to item 6 of the Minute of Meeting of 1 May 2025, the Chief Internal Auditor submitted a Report summarising the internal audit activity within Comhairle nan Eilean Siar for the period covering 1 April 2025 to 28 May 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 two outstanding reviews relating to 2023/24 operational plan and it was hoped that these would be reinstated during 2025/26 where resources allowed. Any outstanding work in 2024/25 was deferred and was included in the operational plan appended to the Report.

The Report indicated that work included in the approved annual plan for 2024/25 and for 2025/26 and which were currently in progress included:

- Early Learning and Childcare
- Building Cleaning Trading Organisation

It was highlighted that there were currently no active investigations. The summary of progress against planned internal audit work 2025/26 was detailed at Appendix A to the Report.

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

Internal Audit Key
Annual Report &
Assurance

9 With reference to item 9 of the Minute of Meeting of 18 June 2024, the Chief Internal Auditor submitted a Report which noted that the Global Internal Audit Standards (GIAS) required that the Chief Internal Auditor prepare an annual report on the activities of Internal Audit and that the report should contain a view on the adequacy of the Council's governance, risk management and internal control frameworks.

The Internal Audit Annual Report, attached at Appendix 1 of the Report, provided information on the work carried out during the period of the 2024/25 audit plan. The plan covered a 12-month period from 1 April 2024 – 31 March 2025. The Report stated that based on the audit work carried out, the opinion of the Chief Internal Auditor was that reasonable assurance could continue to be placed on the adequacy and effectiveness of the Council's systems of governance, risk management and internal control. The Report noted that a caveat to the assurance assessment would be that the extent of the cyber incident of November 2023 remained a concern to the control environment, particularly with the absence of the financial ledger for a significant period of time.

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

INTERNAL AUDIT – FOLLOW-UP REVIEWS

Cyber Attack
Response

10 With reference to item 12 of the Minute of Meeting of 1 May 2025, 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 with an initial follow up Report undertaken in January 2025. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2024/25.

The main recommendations in the original Report were all detailed in sections 1.5 and section 2 of the Report. The Report noted that out of the 10 follow up recommendations made in the original report, 5 had now been fully implemented as far as was possible, and work was underway on the remainder. It was highlighted that progress would continue to be tracked and this would be Reported back to the Audit and Scrutiny Committee.

It was agreed to recommend that the Comhairle note the Report and that update reports be presented at every other series of meetings.

Waste Disposal and
Refuse Collection

11 The Chief Internal Auditor submitted a Report to update the Committee on recommendations made in the Waste Disposal and Refuse Collection Report which was issued on 24 May 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2024/25.

The Report noted that the main recommendations in the original Report were:

- The current Waste Management Strategy to be updated;
- Management to ensure a robust process is in place following cyber-attack to monitor invoicing until new systems are in place; and
- Annual documentation of Risk Assessments/ Safe Systems of Work (SSoW).

Section 1.5 of the Report provided the current status of progress against the original recommendations. The Report noted that out of the 8 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 between June and December 2025.

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

INTERNAL AUDIT – COMPLETED REVIEWS

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| Assisted Transport Provision | 12 | The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle's arrangements for the operation and management of Assisted Transport Provision – Policy and Implementation. 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. |
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The Report provided background information in relation to Assisted Transport Provision. The Report indicated that the purpose of having a policy was to provide a consistent approach to the provision of assisted transport support that fits with the Comhairle's strategic aims and outcomes for Adult Social Care. This policy would aim to describe how transport would be provided for service users with assessed social care needs as part of a Care and Support Plan. The Report highlighted that the Comhairle had an up-to-date Assisted Transport Provision Policy in place.

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.

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

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| Islands Growth Deal Governance | 13 | The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle's arrangements for the operation and management of Islands Growth Deal – Governance Review. 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. |
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The Report stated that the Islands Growth Deal was a 10-year, £100m, UK and Scottish Government investment into Orkney, Shetland and the Outer Hebrides. The Full Deal Agreement with UK and Scottish Government was signed by the three island Councils on 21st January 2023. The Report noted that there was a joint governance structure to manage the Deal, supported by a Programme Management Office.

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.

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| Islands Growth Deal – Programme Activities and Claims Process | 14 | The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle's arrangements for the operation and management of Islands Growth Deal – Programme Activities and Claims Processes. 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. |
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The Report stated that the first year of the Islands Growth Deal had concluded and the annual report provided information in relation to the activities and achievements of this period. The Report indicated that priorities had been set for the year 2024/25 with the focus being on supporting businesses cases to progress in the face of challenging financial factors.

The Report noted that there were sixteen projects in the Islands Growth Deal 2024/25 programme with six projects having claimed £1.494m in funding to date. The remaining participants were still actively completing business cases and securing match funding. None of the projects had reached completion at the time of the review.

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.

Payroll
Expenses

and

15

The Chief Internal Auditor submitted a Report which provided an overview of the Comhairle's arrangements for the operation and management of Payroll and Expenses. 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 Payroll and Expenses. The Report indicated that the payroll department managed salary processing, deduction calculations and uploads, ensuring compliance with all relevant statutory regulations. The Report highlighted that managing payroll was a complex task governed by various laws, policies, directives, and guidelines. Given that staff costs constitute a sizeable portion of the Comhairle's expenditure, it was crucial to have strong and effective controls in place.

The Report indicated that the most significant issues arising from the review which required management attention were:

- Issues with the transfer of key information between departments through the current FIN forms often resulting in overpayment and underpayments to employees;
- Current staffing levels, including current and future vacancies; and
- The updating of the Authorised Signatory List.

The Report noted that following on from the cyber-attack the payroll team had gone above and beyond, demonstrating exceptional dedication and hard work.

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

PERFORMANCE MONITORING

Reports
Outstanding

16

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.