

# ARGYLL AND BUTE COUNCIL

COMHAIRLE EARRA-GHÀIDHEAL AGUS BHÒID



Isle of Kerrera



## INTERNAL AUDIT PLAN 2026-27

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## Contact Details

Chief Internal Auditor: **Paul Macaskill**

Telephone: **01546 604108**

e-mail: [paul.macaskill@argyll-bute.co.uk](mailto:paul.macaskill@argyll-bute.co.uk)

[www.argyll-bute.gov.uk](http://www.argyll-bute.gov.uk)

## Definition of Internal Audit

1. Internal auditing is an independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

*Source: Domain I - Glossary: Definition of Internal Auditing: Global Internal Audit Standards*

## Purpose Statement of Internal Audit

2. The purpose of the internal audit function is to strengthen Argyll and Bute Council's (the Council) ability to create, protect, and sustain value by providing the Council and management with independent, risk-based, and objective assurance, advice, insight, and foresight. In addition to this primary assurance role, internal audit will also:
  - support the S95 Officer and the Audit & Scrutiny Committee (the Committee) in the discharge of their duties
  - support the Council's Monitoring Officer
  - support the Council's anti-fraud and corruption arrangements
  - provide guidance on control implications for new or changed systems where appropriate
  - support the Council and the Strategic Management Team in the successful achievement of its objectives.

## Global Internal Audit Standards (GIAS) Requirements

3. GIAS, Code of Practice and Local Government Application note make provision for the following requirements :
  - Chief Internal Auditor (CIA) to prepare a risk-based audit plan which takes into account the Council's strategic objectives, associated risks and the views of senior management and the Committee
  - CIA to review and adjust the plan as necessary in response to changes in the Council's business, risks, operations and priorities
  - audit plan to incorporate or be linked to a strategic or high-level statement of how internal audit will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisational objectives and priorities.

## Topical Requirements

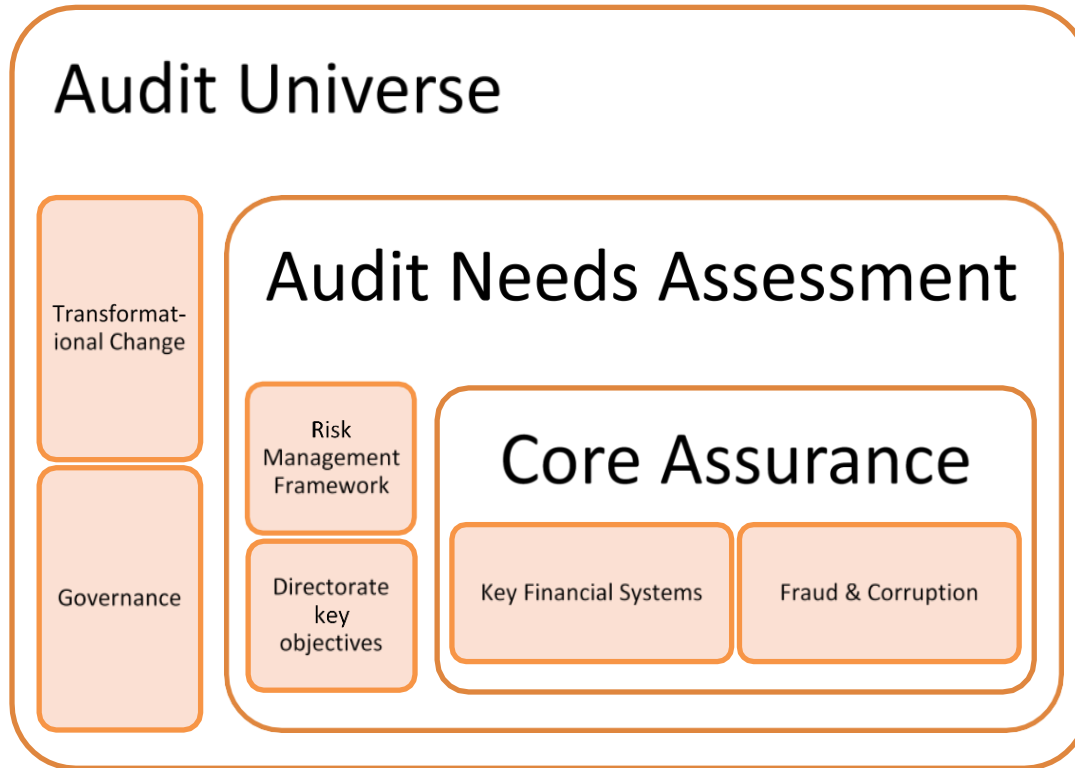
4. Topical Requirements are a new, mandatory component of the updated International Professional Practices Framework for internal auditing. They must be applied when a topic for which a topical requirement exists, and is subject to audit, following the internal audit risk assessment process that is undertaken when deciding what is to be included in the Annual Internal Audit Plan or is added at a later date at the request of management. They provide a consistent minimum baseline for coverage in specific risk areas and must be followed when auditing subjects for which a Topical Requirement exists or when aspects of the Topical Requirement are identified within other audits.

## Risk Assessment

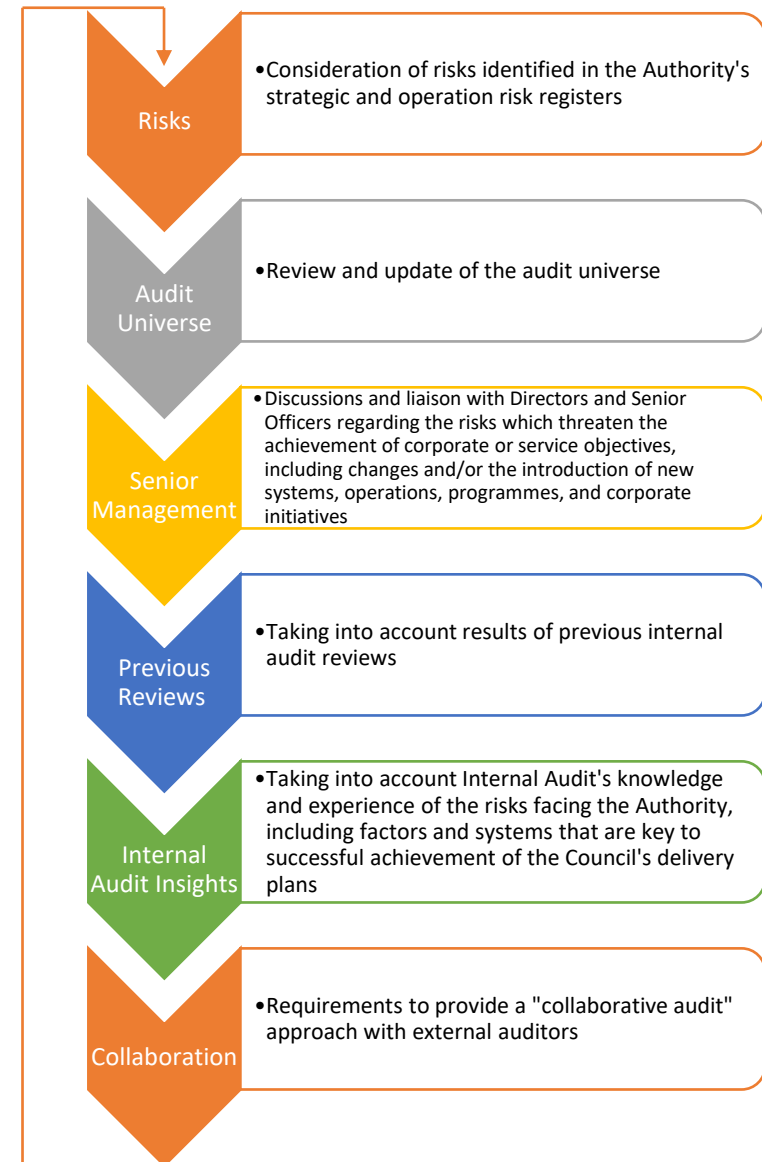
5. Internal audit's approach to annual audit planning is risk-based with all areas which may be subject to audit review contained within an audit universe which is subject to formal review, at least annually. This provides a layered approach to obtaining a sufficient profile of the organisation covering Core Assurance, Audit Needs Assessment and Audit Universe. The audit universe includes all significant activities and systems that contribute to the achievement of the Council's priorities and objectives. This is displayed in the diagrams on page 3 of this report.
6. The audit universe is risk assessed each year to help determine the annual audit plan and ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk. Note however, that the audit universe, whilst a key factor, is not the only consideration when determining the audit plan. Senior management have been consulted on priority areas for review, and cognisance is taken of the plans of external audit and other statutory agencies, in order to avoid duplication, and increase potential for cross reliance.
7. The audit universe risk assessment is based upon a matrix taking account of scores for each potential audit area in respect of:
  - materiality (based on expenditure)
  - sensitivity (Control Environment, Management Concerns, Political Sensitivity, Regulatory Compliance, System Complexity and Extent of Changes – these help to provide a wide understanding of the risks and implications to the organisation in all of its functions)
  - time elapsed since it was last subject to review
  - overall audit assessment when it was last subject to review.
8. We employ a risk-based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole Authority, known as the "Audit Universe" using a number of factors/criteria. The final score, or risk factor for each area, together with a priority ranking, then determines an initial schedule of priorities for audit attention. Furthermore, our reliance and successful operation is founded upon the need for strong Information Technology arrangements which support key systems across the

Council, therefore, it is appropriate that sufficient audit coverage is scheduled in this area based on risk and discussions with management. There has been increased risk across business of cyber-attacks and the substantial implications this could have for those who have been affected by such attacks.

9. The matrix gives an overall “score” for each area that is used to prioritise audit reviews.



The audit plan for the year has been created by:

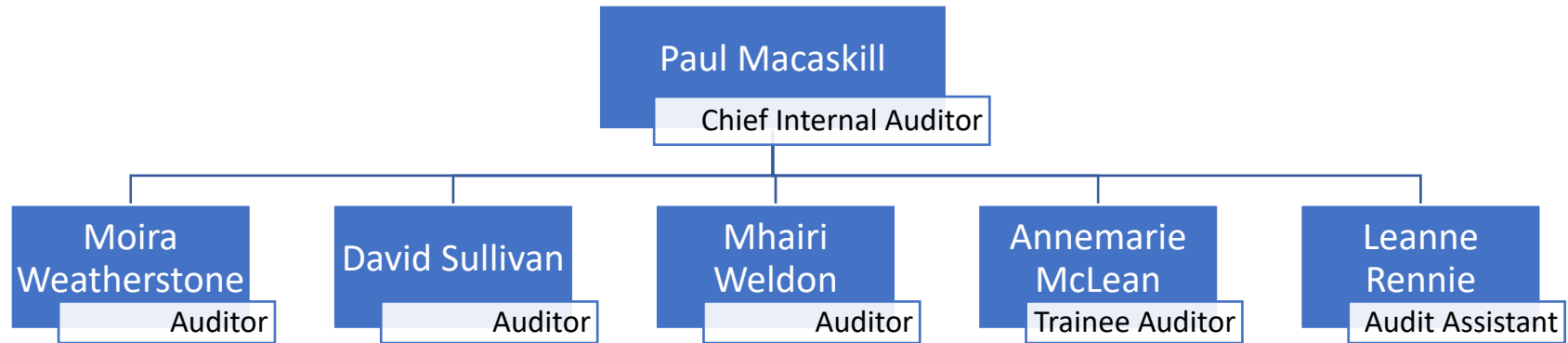


## Strategic Risks

10. The Strategic Risk Register records the Council's own assessment of the most potentially damaging risks including their likelihood and impact of occurrence. This document is used to inform the annual audit plan with identified reviews cross referenced to the strategic risk register. An abridged version of the strategic risk register is included in appendix 3 for reference. In addition, Operational Risk Registers are reviewed to identify high risk areas and which we take cognisance of in assessing and scoring the Audit Universe in terms of wider corporate risk which helps to provide a more comprehensive overview of the organisation.

## Resourcing the Plan

11. Internal audit has a core establishment of five members of staff, we are currently operating with four full time equivalent officers, one contracted and one casual member of staff, four of whom are professionally qualified. Available audit days have been calculated as 657 days (including management and administration time), following the deduction of annual leave, training, a small provision for sickness, 50 days to deliver scrutiny work and 50 days to deliver the HSCP internal audit function. These 657 days total includes the CIA's input to audit reviews, management of the internal audit team and a contingency in the event of unplanned work. We have taken on the internal audit work associated with the 'Rural Growth Deal' - this is new work and will require a reasonable level of input throughout the lifecycle of the fund which we understand to be ten years. We will closely monitor our input associated with our involvement in the provision of service and will escalate any concerns about resources should such an issue arise, together with advising the Committee in accordance with the GIAS.
12. Given the range and complexity of areas to be reviewed it is important that suitably qualified, experienced and trained individuals are appointed to internal audit positions. The CIA, in compliance with GIAS holds two appropriate professional qualifications (CIPFA and Institute of Internal Audit). Also, within the internal audit section we have one contracted CIPFA qualified team member, one casual member of staff who is CIMA qualified, one who is a Chartered Internal Auditor, and one training for CIPFA. One member of the Counter Fraud Team is also undertaking professional training – It is anticipated that such training programs will result in formal qualifications which will address the interim staffing position.
13. Internal audit officers identify training needs as part of their annual appraisal process and are encouraged to undertake appropriate training, including in-house courses and external seminars as relevant to support their development.
14. Through an assessment of the mix of knowledge, skills and experience of the audit team, it is considered that the available resources are the minimum to achieve the work outlined in the plan and should this change, this will be escalated to management and the Committee in accordance with the GIAS.



## Confirmation of Independence

15. GIAS requires internal audit to communicate, on a timely basis, all facts and matters that may have a bearing on our independence. We can confirm that the staff members identified to complete the reviews in the 2026/27 annual audit plan are independent and objectivity is not compromised.

## 2025/26 Internal Audit Plan

16. The engagements proposed for inclusion within the internal audit plan for 2026/27 and the associated risks are attached in the following appendices:

- Appendix 1 presents the internal audit plan for 2026/27.
- Appendix 2 presents the 2026/27 internal audit plan in a different format to provide assurance to the Committee that it provides appropriate coverage across all the Council's directorates and head of service's areas of service delivery.
- Appendix 3 demonstrates the strategic risks that were subject to audit focus in 2025/26 and those we are projecting to cover in the periods 2026/27 and 2027/28. As our internal audit approach is informed by risks, where appropriate, the plan is cross-referenced to the strategic risk register contained at appendix 3. This provides assurance to the Committee that key strategic risks are subject to audit coverage over a three year cycle. Note that the projected timescales in appendix 3 are provisional as these may change to reflect changes in the Council's risk environment.

## Monitoring the Plan

17. Internal audit reports on performance to the Committee on a quarterly basis including full copies of audit reports issued, progress implementing audit recommendations, performance against agreed performance indicators and a summary of all internal audit activity in the previous quarter.

## Quality Assurance and Improvement Programme

18. The GIAS require each internal audit service to maintain an ongoing quality assurance and improvement programme (QAIP) based on an annual self-assessment against the Standards, supplemented at least every five years by a full independent external assessment.
19. The Scottish Local Government Chief Internal Auditors' Group (SLACIAG) has developed a framework for external assessments to be undertaken by member authorities of SLACIAG on a broadly reciprocal arrangement utilising a peer review option. The Council's internal audit team has participated in this framework and an external validation of its own self-assessment took place during 2022/23 which concluded that we demonstrated full compliance with PSIAS in all 14 areas of the assessment. These requirements have been carried forward into the GIAS and as such, continuous compliance with the QAIP and any supplementary requirements will need to be met. The next scheduled external assessment is due to be undertaken in 2028. The internal audit service continues to identify ways of improvement in order that it contributes effectively to the governance of the Council and provides appropriate levels of assurance to those charged with governance, specifically, the Audit and Scrutiny Committee.
20. The internal audit team review their QAIP on a quarterly basis and report it to the Committee as part of the standard agenda item 'Internal Audit Summary of Activities.' The programme details all improvement activity being progressed by the team.

## Conclusions

21. The pressures, demands and expectations on Local Authorities in Scotland have increased year on year in the backdrop of challenging financial settlements in which to deliver key services to those across Scotland including Argyll and Bute. This Internal Audit Plan seeks to assist the Council's Executive Leadership Team (ELT) and senior managers, together with those charged with governance, specifically, the Council's Audit and Scrutiny Committee that assurance in our systems, approach and outcomes meet the needs of the communities we serve whilst achieving 'Best Value' in the use of our finite resources.
22. The resourcing of this plan is based on the existing staff levels and contractual input in order that a balance of qualified and experienced staff can be allocated to audit work which matches their skills base and experience. In addition, such resourcing is considered as the minimum essential in which to deliver this plan across the Council during 2026/27. We would also like to express our gratitude to the Council's senior managers who have assisted us in the production of this plan.

## Appendix 1 – 2026/27 Internal Audit Plan

Directorate Contact	Service	Audit Title	Days	High Level Scope	Strategic Risk
Cross Cutting	Continuous Monitoring Programme	Budgeting	15	Cyclical review of key controls over an 18-month programme of audit testing.	
		Council Tax and NDR	20		
		Creditors	20		
		Debtors	15		
		General Ledger	15		
		Payroll	25		
		Treasury management	15		
		VAT	15		
		Follow-up	45	Compliance	
Douglas Hendry	Education	Supply Teaching	25	To assess the arrangements for the applications to join the supply list and maintenance of that list in accordance with local policy/procedure.	
	Education	Home Education	15	To ensure that the Council is meeting legislative requirements.	
	Legal and Regulatory Support	Business Continuity Arrangements (CARPS)	15	Post implementation review of the new system and that it is operating as per the project initiation document and that it had been embedded across the Council.	SRR08
	Legal and Regulatory Support	Civil Contingencies and Emergency Planning	15	Assess compliance with the Civil Contingencies Act.	SRR08
	Commercial Services	Estate Planning and Rationalisation	25	Assess and determine whether the arrangements in place for estate management, planning and rationalisation are consistent with Council policy and best practice.	SRR02
	Commercial Services	Catering - System Implementation Review	20	Implementation progress review of Cashless Catering system.	

Directorate Contact	Service	Audit Title	Days	High Level Scope	Strategic Risk
Kirsty Flanagan	Roads and Infrastructure Services	Fleet management and vehicle replacement plans	20	To assess the need and arrangements and provision for life cycle replacement of fleet and vehicle replacement.	
	Roads and Infrastructure Services	Waste Disposal PPP	25	To assess the transitional arrangements from current operations to BMW compliant.	SRR09
	Development and Economic Growth	Strategic Transportation Airports	15	Annual review to provide assurance re compliance with the CAA operational manual and the Council's aerodrome operating manual.	
	Development and Economic Growth	Rural Growth Deal	15	To review, assess and determine if expenditure is in accordance with the funding agreement and that appropriate records are kept to support claims.	SRR01& SRR03
	Development and Economic Growth	Housing Emergency - Strategy and Management	15	A high level review of the arrangements and processes in place for progressing key actions and how these outcomes and/or actions are monitored and reported.	SRR13
	Customer Support Services	Work Force Planning	30	Assess arrangements for workforce planning.	SRR06
	Customer Support Services	IT Strategy and Governance	25	Review the implementation of the ICT and Digital Strategy to ensure it aligns with other corporate plans and has the governance arrangements in place to deliver desired outcomes.	SRR10
	Financial Services	Payroll – Staff and Members Expenses	25	Assess the arrangements and processes in place for the processing of expense claims and that claims are in accordance with limits and criteria set by the Council.	
	Financial Services	Risk Management	15	Assess the adequacy of, and compliance with, the Council's risk management arrangements.	

Directorate Contact	Service	Audit Title	Days	High Level Scope	Strategic Risk
Evan Beswick	H&SCP Systems	Adult External Care Packages	25	To assess the protocols followed for the procurement and assessment of need for external care packages and determine if the Council monitor and receive best value given the cost of such packages.	SRR07
	H&SCP External Placements	Respite Care	20	To assess the arrangements in place with strategic providers for the provision of respite care to ensure best value and that strategic objectives have been appropriately met.	SRR07
Kevin Anderson	LiveArgyll	Charging Policy – Compliance, Purchasing and Performance Monitoring	35	Charging Policy - Compliance, Purchasing specifically Library Book Stock, Active Schools - Performance Monitoring	
Verification Activity	LGBF	Accuracy	10	Accuracy of submission.	
	SPT Annual Claim	Accuracy	2	Accuracy of submission.	
	Education Maintenance Allowance	Accuracy	5	Accuracy of submission.	
	Stores	Stock count	5	Assess stock count procedures.	

### Summary & Reconciliation of Days

Directorate Contact	Number of Days 2026/2027
Cross Cutting – Continuous Monitoring	185
Douglas Hendry	115
Kirsty Flanagan	185
Evan Beswick	45
LiveArgyll	35
Verification Activity	22
Contingency	70
<b>Total Core Audit - Argyll and Bute Council</b>	<b>657</b>
Scrutiny Work and HSCP Audits	100
<b>Total Audit Resource</b>	<b>757</b>

## Appendix 2 – 2026/27 Internal Audit Plan by Council Directorate / Head of Service

Douglas Hendry			Kirsty Flanagan				Evan Beswick
Education	Legal & Regulatory Support	Commercial Services	Financial Services	Customer Support	Roads & Infrastructure	Development & Economic Growth	Health & Social Care Partnership
Supply Teaching	Business Continuity Arrangements	Estate Planning and Rationalisation	Staff and Member Expenses	IT Strategy and Governance	Fleet Management and Replacement	Rural Growth Deal	Adult External Care Packages
Home Education	Civil Contingencies and Emergency Planning	Catering	Risk Management	Workforce Planning	Waste Disposal	Housing Emergency Action Plan	Respite Care
Education Maintenance Allowance						Oban Airport	
<b>Continuous Monitoring Programme</b> Budgeting, General Ledger, Creditors, Debtors, Payroll, Treasury Management, Council Tax & Non-Domestic Rates, VAT							
<b>Live Argyll</b> Charging Policy – Compliance, Purchasing and Performance Monitoring				<b>Other Activity</b> NFI – Counter Fraud Team Follow Up Local Government Benchmarking Framework			

### Appendix 3 – Strategic Risk Register (Abridged)

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
1	<p><b>Population, External Infrastructure and Economic Decline</b></p> <p>Failure to identify relevant factors contributing to the decline and failure to develop strategies and actions targeting these factors.</p>	20	<ol style="list-style-type: none"> <li>1. Local outcome improvement plan targets population, infrastructure and economic recovery.</li> <li>2. Maximise external funding opportunities.</li> <li>3. Refreshed Economic Strategy (2024-2034) approved at the March 2024 EDI Committee.</li> <li>4. Rural Growth Deal reaching full deal status in March 2025.</li> <li>5. UK Shared Prosperity Funding Investment Plan agreed covering 2022/23 to 2024/25.</li> <li>6. Abplace2b/Promote and Market Argyll and Bute.</li> <li>7. Taking a place based approach to regeneration including maximising social-eco benefits/community wellbeing via effective procurement strategy, development of the circular economy and partnership working across sectors.</li> <li>8. Invest in Argyll and Bute website established.</li> </ol>	16	Treat	<ol style="list-style-type: none"> <li>1. Lobbying activity in pursuit of regional immigration policies and related strategies.</li> <li>2. Rural Growth Deal Full Deal signed on 10th March 2025. Pavilion on site with final phases.</li> <li>3. Refreshed Economic Strategy, 2024-2034 approved at the March 2024 EDI Committee and associated short-term Economic Strategy Action Plan, 2024-2027 (to be reviewed annually, 2025-2028 draft prepared) approved at the September 2024 EDI Committee. Delivery requires partnership working with organisations such as HIE.</li> <li>4. Community Regeneration Partnership projects up to the value of £20m agreed in principle with UK Government for delivery in 2026/27.</li> <li>5. UK Shared Prosperity Funding Investment Plan, 2022-2025 has been delivered and a revised one-year transition investment plan in place and being delivered for 2025/26.</li> </ol>	<p>2019/20 (Scrutiny)</p> <p>2023/24</p> <p>2024/25</p> <p>2025/26</p>

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
						<p>6. Preparation of a pipeline of projects across Argyll and Bute in order to be able to react to any other bid funding as and when it is announced.</p> <p>7. Multi-agency approach to refugee settlement underway linking with national processes and agendas.</p> <p>8. The council will continue as a partner of the Highlands and Islands Regional Economic Partnership and lobby for Government investment to realise economic opportunity and address barriers to future sustainable growth.</p> <p>9. Openreach are continuing to build their Full Fibre network across A&amp;B through the SG R100 programme, they are also currently undertaking a scoping exercise for the UKG Project Gigabit. Current resource intensive procedures cannot continue as OR need to be allowed to build at pace over the next 5 years, ensuring A&amp;B are not left behind. An initial meeting was undertaken with Openreach to discuss progress</p>	

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
						<p>with a follow up meeting planned for October.</p> <p>10. It has been identified that the mobile networks across A&amp;B do not have adequate resilience built in, resulting in a catastrophic network failure. With the imminent transition to fully digital Jan 2027 it is imperative that action is taken to mitigate against prolonged destructive weather events ensuring essential communications remain active.</p>	

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
2	<p><b>Condition and suitability of Infrastructure &amp; Asset Base</b></p> <p>Infrastructure and asset base does not meet current and future requirements and is not being used or managed efficiently and effectively.</p>	25	<ol style="list-style-type: none"> <li>1. Capital Investment Board oversight of implementation of Capital Investment Strategy.</li> <li>2. Robust capital planning and monitoring.</li> <li>3. Asset management work plan.</li> <li>4. Business case modelling including sustainability, development and strategic change.</li> <li>5. Intelligence and best practice sharing via Heads of Property Group.</li> <li>6. Community Empowerment and Community Asset Transfer – Arrangements in place to evaluate and determine requests.</li> <li>7. Roads Asset Management Plan and Status and Options Report.</li> <li>8. RIS Review Project Board.</li> <li>9. One Council Property Approach.</li> <li>10. Continuing with successful bids for external funding.</li> </ol>	12	Treat	<ol style="list-style-type: none"> <li>1. Review of capital arrangements undertaken during 2025/26.</li> <li>2. 'Modern Workspace Programme' will review, engage and rationalise property portfolio for future needs of the Council. Changes will take place on phased and town by town basis. Programme will be running for 3 years - April 2025</li> <li>3. Project Manager from PPMS appointed to take forward development and implementation of programme. Lochgilphead, Islay and Dunoon identified as priorities. Interim solution for Lochgilphead will be in place in Q4 FY23/24 to provide maintenance facility for larger vehicles).</li> <li>4. Delivery of the Roads Capital Programme which was approved at Committee.</li> </ol>	<p>2020/21</p> <p>2021/22</p> <p>2022/23</p> <p>2023/24</p> <p>2024/25</p> <p>2025/26</p>

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
3	<p><b>Financial Sustainability</b></p> <p>Insufficient resource to meet current and future service requirement. Budget not aligned / does not support business outcomes. Budget not aligned / does not support business outcomes</p>	16	<p>1. Longer term financial planning and financial strategy. 2. Income generation activity. 3. Robust budget preparation and budget monitoring protocols. 4. Maintaining adequate contingency with reserves. 5. Digital transformation. 6. Effective workforce planning model. 7. Financial Services resilience building project including knowledge sharing and development of guidance notes.</p>	12	Treat	<p>1. Rural Growth Deal Outline Business Cases and Final Business Cases being worked on. 2. Investment in professional training through Grow Our Own Activity continuing. 3. External reviews of major budget areas e.g. RIS, education. 4. Council to consider Visitor Levy consultation report at a Special Meeting in September 2025. 5. A new medium-longer term budget approach was agreed by Council on 26 June 2025 - the approach has 4 themes (1) Empowering Communities (2) Increasing Income (3) Right Sizing Council Asset Base and (4) Delivering Services Differently.</p>	<p>2019/20 (Scrutiny) 2020/21 2022/23 2023/24 2025/26 Ongoing via Continuous Monitoring</p>

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
4	<p><b>Governance and Leadership</b></p> <p>Governance and leadership arrangements are not conducive to effective working and lead to a lack of strategic direction.</p>	16	<ol style="list-style-type: none"> <li>1. New Council Administration in place with working majority.</li> <li>2. Development sessions for new Administration to cover areas such as being effective leaders, strategic thinking and working with officers.</li> <li>3. Working with Policy Leads to provide support and development opportunities.</li> <li>4. Continued programme of Member Seminars.</li> <li>5. Progressing with programme of Member Development including 1:1 conversations.</li> <li>6. Revised Corporate Plan sets out objectives and priorities.</li> <li>7. Performance Improvement Framework and Service Planning.</li> <li>8. Leadership development programme.</li> <li>9. Council constitution regularly reviewed and updated.</li> <li>10. Established partnership governance arrangements.</li> <li>11. Scrutiny arrangements in respect of Police, Fire and Health.</li> <li>12. Governance arrangements for scrutiny established.</li> </ol>	8	Treat	<ol style="list-style-type: none"> <li>1. An updated BV Report was completed and published in April 2025.</li> <li>2. New Corporate Improvement Plan agreed by Council June 2025</li> <li>3. Connect for Success priorities.</li> <li>4. Pilot self-assessments have been completed and proposals are being submitted to SMT in October 2025 for consideration regarding self assessment.</li> <li>5. The Performance Excellence Project Phase 1 is complete and phase 2 is underway, and is trialling scorecards and developing the Performance and Improvement Framework.</li> <li>6. Leadership Development Programme with the Chief Officers Group and new cultural statements have been developed for consultation with management teams.</li> </ol>	2020/21 (Scrutiny)

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
5	<p><b>Engagement and Understanding the needs of the Community</b></p> <p>The Council fails to understand service user needs and emerging demographic trends and does not align service delivery to meet these</p>	12	<ol style="list-style-type: none"> <li>1. Community Planning partnership has agreed new Argyll and Bute Outcome Improvement Plan based on demographically representative consultation exercise and governance arrangements are currently being refreshed to ensure a focus on action with suitable representation from partner organisations and Area Community Planning Groups.</li> <li>2. Community Engagement Strategy to be supported by clear framework and guidance as developed by the Community Engagement Group.</li> <li>3. Customer Service Board.</li> <li>4. Operation and development of panels and forums. Young people's plan, citizens panel.</li> <li>5. Budget Consultation.</li> <li>6. Comprehensive Complaints Protocols.</li> <li>7. Demographic and end user analysis.</li> </ol>	9	Treat	<ol style="list-style-type: none"> <li>1. A working group was established to review our approach to Community Engagement, the Framework has now been developed and was approved by Policy and Resources Committee in December 2024. A collaborative space for sharing engagement activity has been developed by the Communications Team and ICT in the form of an App. Learning content has been developed for the finalised framework and presented to a Members Seminar. The end of project report was presented to ELT in June 2025 along with recommendations for embedding as business as usual. A joint DMT on engagement and consultation will take place in August.</li> <li>2. Approach to area plans currently being reviewed to reflect the priorities of the new administration.</li> <li>3. Analysis of latest census data has been undertaken to inform future strategic activity.</li> </ol>	2022/23

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
						<p>Analysis has been presented to SLF, COG, ELT/Policy Leads and to a Members Seminar. A new page has been set up on the Hub with links to a portal of all the analysed data on population. This will continue to be refined and developed.</p> <p>4. Officers are actively involved in national data analytics work with the Improvement Service on Poverty in Remote, Rural and Island areas. This includes work with Loughborough University on updating HIE's historic report on island oncosts.</p> <p>5. Here to Hear You events - Programme of Here to Hear You community engagement events being undertaken by Leader and Chief Executive.</p>	

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
6	<p><b>Service Delivery</b></p> <p>Insufficient resources to ensure effective service delivery</p>	16	<ol style="list-style-type: none"> <li>1. Performance Improvement Framework.</li> <li>2. Service Improvement plans.</li> <li>3. Argyll and Bute Manager programme.</li> <li>4. Customer needs analysis Protocols.</li> <li>5. Demographic and end user analysis.</li> <li>6. Workforce Planning .</li> <li>7. Internal and External Scrutiny Arrangements.</li> <li>8. Complaints process.</li> </ol>	12	Treat	<ol style="list-style-type: none"> <li>1. Performance excellence project being reported regularly to Audit and Scrutiny Committee and SMT. Stage 1 completed in 2023/24 and on track for completion of next phase with corporate and operational scorecards.</li> <li>2. Completion of external review of Roads and Infrastructure Services should generate future year savings.</li> <li>3. A review of Education has commenced on a similar basis as the RIS review.</li> <li>4. Customer Service Strategy Action Plan 80% complete and digital self service reached a new high of 77% of all interactions in 2024/25.</li> </ol>	<p>2021/22</p> <p>2023/24</p> <p>2025/26</p>

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
7	<p><b>Health and Social Care Partnership</b></p> <p>Failure of the HSCP to deliver on its Strategic Priorities results in deteriorating health and wellbeing outcomes for the population and / or reduced access to appropriate health and social care services. This could also result in financial and reputational risk to the Council.</p>	20	<ol style="list-style-type: none"> <li>1. HSCP integration scheme approved by Scottish government.</li> <li>2. Strategic Plan in place.</li> <li>3. Performance and Financial reporting arrangements in place.</li> <li>4. Independent audit arrangements in place.</li> <li>5. Integrated Joint board with elected member representation including Council Leader.</li> <li>6. Chief Officer member of ABC Senior Management Team with co-location of officers.</li> <li>7. Tripartite leadership agreement.</li> <li>8. Monitoring and improvement of HSCP financial position.</li> <li>9. Medium term Financial Plan in place.</li> <li>10. Establishment of Strategic and Tactical Groups with links to HSCP, NHS and national/regional resilience groups.</li> </ol>	12	Treat	<ol style="list-style-type: none"> <li>1. Develop options to deliver sustainability of future years budgets (ongoing).</li> <li>2. Develop a longer term Financial plan and implement the value for money strategy.</li> <li>3. Assessment of the financial implications on the Council of services transferring to the NCS when plans are sufficiently developed to enable this.</li> <li>4. Progression of Service Transformation work, Estates Strategy and long term strategic service development with Hub North.</li> <li>5. Implementation of the workforce strategy.</li> <li>6. Remobilisation of services post Covid and improved performance management and reporting processes.</li> <li>7. Recovery plan for 25/26 reported to Council in June.</li> </ol>	<p>2019/20</p> <p>2020/21</p> <p>2022/23</p> <p>2023/24 Assurance also taken from IJB internal audit function</p> <p>2024/25</p> <p>2025/26</p>

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
8	<p><b>Civil Contingency &amp; Business continuity</b></p> <p>Arrangements are not effective.</p>	8	<ol style="list-style-type: none"> <li>1. Emergency Planning Test events.</li> <li>2. Critical Activity Recovery Plans.</li> <li>3. Roll out of Community resilience partnership programme.</li> <li>4. Peer review of major exercises undertaken to provide external validation of planning process.</li> <li>5. West of Scotland local resilience partnership.</li> <li>6. Cross sector expertise and partnership working.</li> <li>7. Emergency Management Support Team (EMST) meetings.</li> <li>8. Training.</li> </ol>	6	Treat	<ol style="list-style-type: none"> <li>1. The Council's critical activity recovery plans (Carps) are reviewed annually. The project for the review of Business Continuity processes within the Council is underway and will include a review of the Council's critical activities and the potential for a software solution which would automate processes and provide a more efficient an effective service and ensure greater resilience for the Council. When the project is completed in 23/24 it will include a programme of testing of the updated Carps. Date 31 March 2024.</li> <li>2. Review of BC processes has resulted in introduction of new BCM system which will allow more automation and oversight of plans and review of critical activities with an enhanced ability to test these. The new system is expected to be procured by 31 March 2024. The new BCM system has been procured and configured and a pilot project to test the system</li> </ol>	<p>2021/22</p> <p>2025/26</p>

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
						and the process is underway with 3 service areas, Procurement, Customer Engagement and Transformation Management and Residential (Care Home Services). Once the outputs from the pilot have been reviewed and the system goes live, all services will be required to complete a Business Impact Analysis, which will inform the basis for having a business continuity plan in place. This is expected to be completed by 31 March 2025.	

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
9	<p><b>Waste Management</b></p> <p>Unable to dispose of waste in landfill sites due to the implications of the biodegradable municipal waste (BMW) landfill ban in 2025</p>	20	<p>1. Helensburgh and Lomond waste solution available is in place via third party off-takers, higher rates have been accepted by the council and the contract is in place which is capable of extension.</p> <p>2. Following rejection by the Scottish Government to the Council's request for a derogation of the BMW ban, the Scottish Government confirmed financial support of £1.5m to support the Council in the costs associated with BMW ban compliance in the Council's unique circumstances (PPP contract featuring landfill sites).</p> <p>3. Development of an options appraisal to determine the preferred future delivery model for those services currently provided by the PPP contract has been completed which has concluded that in the timescale available to the Council the lowest risk option is to re-procure the required waste disposal and civic amenity site management services within the area currently provided through the PPP contract.</p> <p>4. Procurement of the services required to replace the PPP contract has commenced within initial market testing complete and development of detailed service specification underway. Specialist external consultants have been commissioned to support this activity.</p>	16	Treat	<p>1. Weekly contract management meetings are now taking place with the PPP provider chaired by the HoS. These meetings have resulted in agreement of terms in relation to the 2 significant historic contract matters (CLO and Indexation). These matters will be finalised via signing of agreements as soon as pricing in relation to the CLO disposal is confirmed by the PPP contractor - anticipated end July 2025.</p> <p>2. Determining and mobilising a plan for the closure and restoration of existing landfill sites (within the PPP contract) to ensure compliance with regulatory requirements prior to the implementation of the BMW ban. Next stage in this is to gain understanding from SEPA of the timescales they will require for restoration of these sites. Meeting being arranged with SEPA in July 2025.</p>	<p>2021/22 (Scrutiny)</p> <p>2023/24</p>

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
			<p>5. Procurement of energy from waste services for the final 8-months of the PPP contract has commenced (the PPP contract runs for 8 months after the bio-ban comes into force).</p> <p>6. A number of historic contractual matters between the Council and the PPP Project Co. are being progressed to commercial closure. External legal advisors are supporting this process.</p>				

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10	<p><b>Service Delivery - Cyber Security</b></p> <p>Unable to deliver services to customers because of failure of ICT systems following major cyber security breach</p>	20	<p>1. ICT Security &amp; compliance officer in post, producing weekly threat analyses, member of CiSP.</p> <p>2. PSN and Cyber Essentials Plus accreditations for corporate network.</p> <p>3. Regular patching regimes in place.</p> <p>4. ICT Disaster recovery plans tested regularly.</p> <p>5. All critical activities have recovery plans developed (CARP's).</p> <p>6. Monthly cyber security training videos for all staff.</p> <p>7. Enforce password changes when found to be weak.</p> <p>8. Technical cyber exercise completed and Business Continuity Planning exercise conducted with senior management and other staff.</p> <p>9. Internal Audit on Cyber Security completed with the Audit Opinion as substantial.</p>	15	Treat	<p>1. Review will be ongoing on all contingency plans with updated knowledge from SEPA, Western Isles Council and UHI Cyber Attacks.</p> <p>2. Continue to work with Scottish Government Cyber Resilience Team to test ICT response.</p> <p>3. Continued close review of disaster recovery plan and associated tests, finalise and test incident response procedure, and review of data centres (monthly at ITMT) and backup.</p> <p>4. Now progressing requirements for ongoing security of Education Network.</p> <p>5. Monthly training videos have now been made mandatory across the Council and DMTs/HoS are monitoring the uptake from staff.</p> <p>6. Corporate website migrated to cloud based resilient platform managed externally.</p>	<p>2019/20</p> <p>2022/23</p> <p>2023/24</p>

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
11	<p><b>Cost of Living Crisis</b></p> <p>The Council are unable to respond to the implications arising from the 'Cost of Living' crisis.</p> <p>Implementation of welfare reform is not managed well resulting in increased poverty and deprivation or short term crisis.</p>	16	<ol style="list-style-type: none"> <li>1. Financial stability and support to HSCP.</li> <li>2. Social Welfare and Poverty Funding assistance.</li> <li>3. Focused support and multi-agency approach where risk is highlighted.</li> <li>4. Monitoring of trends in service use to highlight any significant change as a result of financial hardship.</li> <li>5. Targeted measures - for example to those receiving Council Tax reductions - via Gift Cards and Flexible Food and Fuel Fund.</li> <li>6. Financial Inclusion and Advice Group established.</li> <li>7. Joint working with DWP, CPP and other agencies.</li> <li>8. Flexible Food Fund created. Supporting householders in our area with funds and advice to address food and fuel insecurities.</li> <li>9. Child Poverty Planning Group set up and active.</li> </ol>	12	Treat	<ol style="list-style-type: none"> <li>1. Review and monitor changes in demand for key services which correlate to personal effects arising from financial distress.</li> <li>2. Seek external funding to sustain the Flexible Food and Fuel Fund beyond March 2026 as part of a new project to included the legacy actions from the School Clothing Bank project and other poverty mitigations including data driven intervention and closer collaborative council tax collection.</li> <li>3. Provision of welfare rights advice services in GP Surgeries in MAKI area via funding from SG until March 2025.</li> <li>4. Supporting the Poverty Alliance in their Tackling Rural Poverty project, observing its progress and considering outcomes as they emerge.</li> <li>5. Joint initiative with Argyll and Bute Citizens Advice Bureau (ABCAB), and Bute Advice Centre to proactively identify and support vulnerable individuals experiencing mental health challenges due to the Cost of</li> </ol>	<p>2019/20</p> <p>2023/24</p> <p>2024/25</p>

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						<p>Living Crisis. Provide targeted assistance to enable these individuals to assess their financial circumstances and explore options for paying a sustainable and reasonable rate of Council Tax. Implement a temporary moratorium of up to 3 months on the standard Council Tax recovery timetable to mitigate the risk of exacerbating mental health crises, while ensuring ongoing engagement and tailored support plans for affected individuals.</p> <p>6. Maximise use of pilot authority status in new data-sharing project with HMRC to enhance engagement, reduce arrears, and improve income recovery in respect of Council Tax. The strategy aims to encourage non-engaged debtors to claim entitlements, make affordable payments, and reduce overall indebtedness by considering write-offs for older debts tied to compliance with current-year obligations. The pilot will also focus on income</p>	

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						<p>maximisation for those entitled to support from benefits.</p> <p>7. Deliver Islands Cost Crisis funding from the Scottish Government in 2025/2026 supporting island based foodbanks and further targeted support to mitigate fuel poverty on our islands.</p> <p>8. Provide £5,000 of LACER funding to community food organisations across Argyll and Bute in 2025/2026 which was approved as part of the budget process.</p>	

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12	<p><b>Impact of Climate Change</b></p> <p>The Council or communities are overwhelmed by severe or more frequent flooding, landslides, rainfall, storms, sea level changes or hot weather events due to changes in global temperature caused by climate change</p>	20	<ol style="list-style-type: none"> <li>1. Continued delivery of Council De-Carbonisation Plan.</li> <li>2. Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners in terms of storm event, hot weather events, cut off communities, landslides etc.</li> <li>3. Development and delivery of an integrated approach to decarbonisation and adaptation of Argyll and Bute as a Region via Community Planning Partnership.</li> <li>4. Roads &amp; Amenity Services continue to develop asset management plan and address strategic risks in terms of rising sea levels, bridge repairs, critical infrastructure vulnerability.</li> <li>5. A review of all critical transport routes in light of October 2023 severe weather event to identify any additional mitigations needed to maintain resilient routes.</li> </ol>	12	Treat	<ol style="list-style-type: none"> <li>1. Review of De-Carbonisation Plan December 2024.</li> <li>2. Consideration of all Council Papers with climate change as consideration / implications - ongoing.</li> <li>3. Review scoring of business cases and pipeline of strategic projects with enhanced climate change considerations.</li> </ol>	2021/22

No	Risk	Gross Risk	Current Mitigation	Residual Risk	Approach	Key Actions	Audit Coverage
13	<p><b>Lack of Housing availability</b></p> <p>The Council, partner agencies and communities are unable to attract and retain working age people due to lack of housing and pricing.</p>	20	<p>1. Council has declared a Housing Emergency.</p> <p>2. Housing Strategy and Investment Plan funded and implemented/new housing delivery group established.</p> <p>3. Islands Programme Award of Funding for infrastructure for worker accommodation on Mull - this is for phase 1 site infrastructure to enable delivery of accommodation for workers and will meet clearly evidenced community need.</p>	20		<p>1. Continue to implement the Housing Emergency actions identified in the approved Action Plan.</p> <p>2. Address key barriers to housing.</p> <p>3. Consider radical delivery models.</p> <p>4. Local Housing Strategy updated and approved reflecting the Council's Housing Action Plan approved by Council in November 2024.</p> <p>5. Deliver key worker housing pilots on Islay and Mull using RGD funding. Mull (Rockfield, Tobermory) ground works now completed utilising Island Infrastructure funding and Strategic Housing Fund.</p> <p>6. Local Housing Strategy annual update and Housing Emergency Plan update paper reported to Council in November 2024. Update presented to June EDI Committee.</p>	

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14	<p><b>Compliance with 'Prevent'</b></p> <p><b>Response to the Prevent duty is not properly embedded in the Council.</b></p>	20	<p>Council has nominated Prevent Spoc – Ch Exec has delegated authority to make arrangements to fulfil councils statutory duties on TACT. Prevent Multi Agency Partnership panel established and operating, and training provided. External Training sessions from Police Scotland given to Education and Social Work. Participate in Prevent multi agency meetings to coordinate approach across public sector partners</p>	9	Treat	<p>Complete development of training and awareness online module and continue to review and enhance training; develop situational risk assessment process with Home Office to address national and local risk and mitigations; review training of PMAP members and particular Chair and Vice Chair when these change from time to time.</p>	