



## **MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE**

**TUESDAY 17 JUNE 2025  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON  
& HYBRID MEETING SYSTEM**

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### **Committee Members Present:**

Councillor Bruce  
Councillor McGuire  
Councillor McLeod  
Councillor McFarlane  
Councillor Menzies (Convener)  
Councillor Ritchie  
Councillor Trotter

### **Other Councillors Present:**

N/A

### **Council Officials Present:**

Mr L Rockey, Chief Executive  
Ms S Fortune, Executive Director for Council Resources  
Ms E Dunnet, Head of Finance  
Ms H Barnett, Head of Corporate Support  
Ms A Glancy, Service Manager – Corporate Accounting  
Mr D Stainbank, Service Manager – Internal Audit  
Mr S Kennedy, Team Manager – Emergency Planning & Resilience  
Ms Z Rathe, Team Manager – Information Governance  
Ms M Cockburn, Transformation & Digital Portfolio Manager  
Mr T Reid, Head of Infrastructure  
Mr P Ritchie, Service Manager – People & Council Support  
Mr S Allan, Senior Auditor – Internal Audit  
Mr C Grilli, Service Manager – Governance  
Ms W McGuire, Head of Housing  
Ms C Rodgers, Head of Communities & Partnerships  
Ms N McDowell, Head of Education  
Ms A Cruickshank, Service Manager - IT  
Mr S Cooper, Service Manager – Communications  
Ms B Skirrow, Service Manager – Strategy & Operations  
Ms J Boyle, Quality Improvement Manager for Equity & Education  
Mr M Porteous,

### **External Audit:**

Mr M Ferris, Senior Audit Manager – Audit Scotland

### **Clerk:**

Ms M Scott

**Apologies:**

Councillor Jardine

**Declarations of Interest:**

N/A

**1. MINUTES OF AUDIT & GOVERNANCE COMMITTEE  
25 March 2025**

The minutes from the Audit and Governance Committee from 25 March 2025 were approved as an accurate record.

**2. CORPORATE RISK REGISTERS**

A report was submitted by the Chief Executive to present the Audit and Governance Committee the Corporate Risk Register for discussion, comment and noting. The Corporate Risk Register has been developed in keeping with the Council's Risk Management Strategy and is a live document which is reviewed and refreshed on a regular basis, led by the Corporate Risk Working Group (RWG).

Scott Kennedy, Team Manager – Emergency Planning and Resilience, presented the report. He explained that very high risks were unacceptable, and measures should be taken to reduce, transfer or treat the risk to a more tolerable position; high risks may be tolerable providing the Council was assured that adequate and effective control measures were in place; medium risks were tolerable with cost-effective control measures; and low risks were broadly acceptable without any further action to prevent or mitigate risk.

Mr Kennedy reported the Corporate Risk Register included 5 very high, 7 high, 7 medium and 1 low risks. In accordance with the Risk Management Strategy, only very high and high risks identified would be subject to closer scrutiny by the Council's Management Team, the Cabinet, and the Audit and Governance Committee.

Councillor Ritchie asked if the rapid rehousing policy would put additional pressure on in the short term but alleviate pressure long term and how long did officers think it would take to see a positive impact of that strategy. Ms Wendy McGuire, Head of Housing stated the RRTP was being updated and would be submitted to the Members Library and agreed there would be added pressure from the policy. She explained positive impact was now being seen through some of the measures the team were taking through policy changes made internally to alleviate risk, but it was still too early to see the longer term impact. Ms McGuire said the team would continue to work closely with the Scottish Housing Regulator through the engagement plan and although East Lothian Council was sitting at high risk of systemic failure the regular was confident things were moving in the right direction with improves being evident withing six months to a year.

Responding to a question from Councillor McFarland, Ms Ellie Dunnet, Head of Finance stated officers continued to engage regularly through COSLA, the Scottish Government and professional networks to raise awareness of issues we face as a sector and in terms of the pressure that is driven by population growth. She added

response had been limited in terms of our ask for specific funding streams to support population growth but raising awareness of this would be continued.

Officers continued to answer questions from Members providing information on the changes to the local connection policy, continued work on housing supply and voids, material availability and emergency action plans to deal with the affordable housing emergency.

Councillor Trotter asked what plans were in place to deal with agent workforce and the impact on succession planning. Ms Sarah Fortune, Executive Director for Council Resources confirmed officers were currently updating the workforce plan to address areas such as East Lothian Council having an aged workforce. She highlighted the wider national conversations relating to this and the specific areas managers had identified workforce challenges. Ms Michelle Cockburn, Transformation and Digital Portfolio Manager reported officers from HR and OD had attended training, have established a working group and received approval to include a table within service plans on workforce planning which will provide data on age, the make up of the workforce and also consider external influences such as the impact of technology on certain roles.

Responding to a question from Councillor Menzies, Ms McGuire explained there were no discussions taking place at national level regarding the local connection legislation and this was instead raised through a number of forums. She added the legislation was here to stay but there was currently no clear guidance, particularly in relation to prevention which is the main concern for East Lothian, but this is something that will be picked up with the Scottish Government during their visit with the Council in July.

Councillor Ritchie stated the risks in front of Committee were concerning but the single biggest factor contributing towards most of the elevated risks was the ongoing financial pressures and funding situation facing the Council. She added those external factors put a significant strain on our ability to deliver services, with the population growth taking place within the country increasing the cost of delivery for many services. Councillor Ritchie made it clear officers and wider staff work very hard behind the scenes to advocate these points and continue to transform services to meet the needs of the people of East Lothian.

Councillor McLeod highlighted the fact the risk register was a live document which was constantly being updated and looked forward to seeing risks changing to a more positive colour in the future.

Councillor Menzies thanked Mr Kennedy and his team for pulling together the risk register, noting it was a sobering reading and about managing what we have available at the moment.

## **Decision**

The Committee agreed to note the Risk Registers and in doing so, the Committee noted that:

- i) The relevant risks had been identified and that the significance of each risk was appropriate to the current nature of the risk.
- ii) The total profile of the risks can be borne by the Council at this time in relation to the Council's appetite for risk.
- iii) Although the risks presented are those requiring close monitoring and scrutiny over the next year, many are in fact longer-term risks and are likely to be a feature of the risk register over a number of years.

- iv) Note that the Council Management Team will review all risks in the Corporate Risk Register on a regular basis.

### **3. INTERNAL AUDIT REPORT: JUNE 2025**

A report was submitted by the Service Manager for Internal Audit to inform the Audit and Governance Committee of Internal Audit reports issued since the last meeting of the Committee and provide an update on progress made against the 2024/25 annual audit plan.

Duncan Stainbank, Service Manager for Internal Audit, reported since the last meeting of the Committee final reports had been issued in respect of the following audits; Sickness Absence Monitoring, Area Partnerships and Attainment Scotland Funding, all of which provided reasonable assurance. He provided an update of the key findings and recommendations for the completed audits, noting the completion dates for each. Mr Stainbank noted in addition, work had been completed in relation to Cyber Security which would be discussed in private later on the agenda.

Councillor Trotter asked what financial strain staff absence put on the Council. Mr Stainbank stated he did not have a figure for that as it was not a straightforward calculation, but it was something he would be happy to look into offline.

Responding to a question from Councillor McLeod, Mr Paul Ritchie, Service Manager stated the attendance policy was last reviewed in 2016 but was looked at regularly to ensure it was fit for purpose. He added the policy was currently within HR and if required a consultation would be done in the autumn with any changes.

Councillor Ritchie asked if there was a reason the attainment funding was hard to track and was there a clear process of reporting how PEF money was used to the Scottish Government. Ms Bev Skirrow, Service Manager reported a change in personnel had impacted the ability to clear provide audit evidence that was required but the team was able to demonstrate that all funds had been used appropriately by use of the ledger. She added a more robust structure had been put in place which will be common for all grant funding across education so that it is easier to audit, and staff are clear what evidence they need to provide.

Responding to a question from Councillor Menzies, Mr Stainbank stated given the financial situation of the Council accounting for every penny was really important because resources are tight, we need to ensure we are using them as much as possible. He highlighted a change of resourcing and appropriate elements the team had brought in to rectify issues and noted the need for control processes to know where funds were being spent and to identify outcomes. Ms Skirrow stated the important of audit trails being robust to account for the appropriate use of funding and made Members aware the process of the audit was not onerous so the evidence should have been able to be provided at first ask therefore processes had been improved. Ms Jennifer Boyle, Quality Improvement Manager provided Committee within information on the raising attainment strategy which encompasses the three funding streams and gives clear measurable outcomes to track their progress from primary school until they leave school therefore measuring outcomes was not an onerous process as the data was robust and understood by central teams.

Councillor Menzies also asked if there was support for staff coming back to work or into a different role after being off and was there a training facility to retrain staff to allow this. Ms Hayley Barnett, Head of Corporate Support noted the strategic HR

forum which could look at any holistic issues as sickness absence does not happen in isolation. Mr Ritchie stated there were robust processes and procedures in place to support and maintain people in the workplace including counselling and return to work meetings with staff. He confirmed there was no specific training facility, but staff could be redeployed into alternative posts if they were unable to complete tasks due to injury and referrals could be made to physiotherapy.

Councillor McLeod was delighted to see area partnership meetings were well recorded and transparent and he looked forward to seeing further improvements.

Mr Stainbank continued with his presentation. He highlighted the follow up work completed by Internal Audit during the reporting period in relation to Agency Work and Contract Management, Adult Social Care and Commissions Services Forecasting, Bowles Report – Primary School Capacity and Financial Sustainability – CIPFA FM Code. Good progress was being made on all recommendations and improvements to the internal control risk management and governance environment of the Council were being made in an appropriate manner by managers.

Councillor Ritchie asked why only some of the partially implemented recommendations were graded. Mr Stainbank explained some were not graded as they had been assurance review and not a full formal internal audit reports.

Councillor Ritchie found the report style a really clear way of keeping track of actions and appreciated the work that had gone into it.

Councillor Menzies echoed her colleagues comment and was pleased to hear the support for Council staff.

## **Decision**

The Audit and Governance Committee noted:

- i. the main findings and recommendations from the Internal Audit reports issued during the period from March 2025 to June 2025 as contained in Appendix 1;
- ii. the findings from Internal Audit's follow-up work, per Appendix 2;
- iii. Internal Audit's progress against the annual audit plan for 2024/25 as set out in Appendix 3.

## **4. ANNUAL INTERNAL AUDIT REPORT 2024/25**

A report was submitted by the Service Manager – Internal Audit as the Public Sector Internal Audit Standards (PSIAS) require that Internal Audit prepares an annual internal audit opinion and report to support the Council's Annual Governance Statement. The report provides a summary of the work undertaken by East Lothian Council's Internal Audit team and an annual opinion on the effectiveness of the Council's Governance, Risk Management and Internal Control environment for the 2024/25 financial year which supports the Council's Annual Governance Statement.

Duncan Stainbank, Service Manager – Internal Audit provided his audit opinion providing reasonable assurance on the overall adequacy and effectiveness of East Lothian Council's framework of governance, risk management and internal control for the year ended 31<sup>st</sup> March 2025. He also declared there had been no conflicts of interest which had impacted on the teams independence and highlighted the internal audit KPIs.

Responding to questions from Councillor Menzies, Mr Stainbank explained the Scottish Housing Regulator Annual Assurance Statement and Cyber Security were not graded as they were not a complete audit review of the area.

Councillor Menzies thanked Mr Stainbank.

## **Decision**

The Audit and Governance Committee agreed to:

- Note the contents of the Annual Internal Audit Report 2024/25 and the formal confirmation of Internal Audits opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control for the year ended 31 March 2025.

## **5. ANNUAL GOVERNANCE STATEMENT 2024/25**

A report had been submitted by the Service Manager – Internal Audit to provide the Audit and Governance Committee members with the opportunity to scrutinise the 2024/25 draft East Lothian Council Annual Governance Statement prior to it being included in the draft Annual Accounts 2024/25.

Duncan Stainbank, Service Manager – Internal Audit reported the Council adopted the principles of the corporate governance based on the CIPFA/SOLACE guidance in 2010 and had been assessing itself against the new CIPFA/SOLACE delivering good governance framework since 2016. He noted the Council Management Team completed an annual self-assessment exercise against the seven principles of the framework in May 2025 and each individual member also provided an assurance statement including a declaration of compliance with the framework and other internal controls, good governance and risk management for the 24/25 financial year. Mr Stainbank highlighted the seven identified areas for improvement along with progress of the four areas of governance in the 23/24 Annual Governance Statement. He concluded by making Members aware that reasonable assurance could be placed on the adequacy and effectiveness of East Lothian Council systems for governance, risk management and internal control.

There were no questions or comments on the report.

## **Decision**

The Audit and Governance Committee:

- i) Consider the details of the draft Annual Governance Statement 2024/25 at Appendix 1 to ensure it reflects the governance, risk and control environment in place to achieve the Council objectives, and acknowledge the actions identified by management to improve the internal controls, risk management and governance arrangements of the Council; and
- ii) Approve that it be published in the Council's Statement of Accounts 2024/25, noting the requirement for the final Annual Governance Statement to be signed by the Chief Executive, Executive Director for Council Resources, and Leader of the Council at the conclusion of the external audit process.

A roll call vote was carried out and Members unanimously agreed to approve the recommendations.

## **6. COUNTER FRAUD ANNUAL REPORT**

A report had been submitted by the Service Manager – Internal Audit to inform the Audit and Governance Committee of the Counter Fraud and Whistleblowing, prevention detection and investigation work undertaken during 2024/25.

Duncan Stainbank, Service Manager – Internal Audit reported the work undertaken by the Corporate Fraud Officer covered four areas of focus with the National Fraud Initiative Investigation (NFI) work for the current period being a mix of completion of matched data and investigation from the 22/23 data matching exercise, the National Fraud Initiative and early completion work for 24/5 data matching exercises. He noted the value of savings for work on the blue badge, parking permits and housing waiting lists which was avoidance of cost and potential income increases across the public sector but where not funds that would necessarily be received by the Council. Mr Stainbank noted that savings in single persons discount would be applied to council tax bills and thereafter collected through the normal process and highlighted the work undertaken to retrieve properties from those who did not have a genuine need for them and return them to social housing stock. He made Members aware there had been seven whistleblowing investigations during the year, three of which remained open.

Councillor McLeod asked if there had been anymore recruitment into the counter fraud team. Mr Stainbank confirmed there had been a trial period for the corporate fraud officer over a two year period and this post had now been made permanent. He added over the next year, or two East Lothian Council would potentially look at shared services within internal audit and counter fraud with Midlothian. Any developments within those areas would be brought to Committee in the future.

Responding to a question from Councillor Menzies, Mr Stainbank stated his team were currently supporting housing officers to identify individuals who have a tenancy within East Lothian who may be living elsewhere. He added investigations were also carried out on properties that are believed to be inappropriately sublet but also making sure they were not creating more homeless households at the same time. Mr Stainbank explained individuals would be encouraged to through an abandonment process for the property so it could be recovered.

Councillor Menzies asked in a follow up question that as a national policy would possibly infringe on East Lothian Council's ability to get houses back, would that be part of discussions with the Scottish Government. Ms McGuire confirmed she was happy to take that discussion to them in July.

Councillor McGuire found it refreshing to see the recoveries of savings in pounds as opposed to percentages as it made it much clearer for people to see the work that goes on to save those amounts of money.

### **Decision**

The Audit & Governance Committee agreed to note the contents of the report.

## **7. EAST LOTHIAN COUNCIL ANNUAL AUDIT PLAN 2024/25 DRAFT**

Mark Ferris, Senior Audit Manager - Audit Scotland spoke to his report noting the plan covered a number of sections; Audit Scope and Responsibilities, Audit of Annual Accounts, Wider Scope and Best Value and the reporting arrangements, timetable and audit fee. He provided a detailed overview of each which included four areas where

there was risk of material misstatement; fraud caused by management override control, risk around the valuation of property, plant and equipment, risk around the estimation of the pension liability and the risk of fraud over expenditure. Mr Ferris also outlined the work Audit Scotland would undertake as part of the group audit and highlighted the one wider scope risk in respect to financial sustainability.

Councillor McLeod asked why there were extra costs put onto fees at this stage. Mr Ferris provided guidance on how the fee arrangements were set and was happy to provide a summary paper that provided more detail on fees set and policy for audit scoring outside of the meeting. Ms Fortune provided assurance to Members that the cost of external audit was a live issue through national conversations to ensure challenge as part of the fiscal environment.

Responding to a question from Councillor Ritchie, Mr Ferris explained Audit Scotland was continuing to bring all statutory deadlines back to pre-pandemic levels but there were also resource pressures and the phasing of audits to contend with as well as ensuring the scrutiny levels for external audit. He noted over a five year period Audit Scotland would continue to work with officers to bring the delivery date back to the statutory date and hoped this year to achieve this by November.

Councillor Menzies asked why Audit Scotland made the decision not to use internal audits work as part of their audit. Mr Ferris stated Audit Scotland did not formally rely on the work of internal audit but instead liaised with Mr Stainbank and reviewed all reports. He added Audit Scotland, under audit standards, were not allowed to direct any internal audit work therefore it was more around the efficiency of the audit process rather than not paying attention to the work of internal audit.

Councillor Menzies thanked Mr Ferris for the draft report and welcomed the final report whenever it was ready.

### **Decision**

The Audit and Governance Committee agreed to note the report.

## **8. DR BRUCE FUND ANNUAL AUDIT PLAN 2024/25 DRAFT**

Mark Ferris, Senior Audit Manager - Audit Scotland stated the content of the plan covered many of the same areas as the Council plan such as Audit Scope and Responsibilities, Audit of the Annual Accounts, Wider Scope and Best Value and Reporting Arrangements, Timetable and Audit Fee. He added due to the nature of the Dr Bruce Fund and its limited financial activity it was considered a less complex body for the wider scope audit therefore it did not consider all four wider scope areas.

Councillor Menzies asked what information Audit Scotland would be looking for to see if there was material misstatement and would part of the audit be to check whether payments were not meeting the original aim of the fund. Mr Ferris stated the risk of material misstatement was a standard risk which would be included in every audit and confirmed the audit would ensure the Dr Bruce Fund was in line with the expectations. Ms Fortune added the Dr Bruce Fund was a trust fund and it was the job of officers to work within the confines of the original intent that the trust was set up. She hoped this provided assurance to Members that the funds were being used in an appropriate manner.

Councillor Menzies thanked Mr Ferris for the report.



## **Decision**

The Audit and Governance Committee agreed to note the report.

## **9. BEST VALUE THEMATIC WORK EAST LoTHIAN COUNCIL**

Mark Ferris, Senior Audit Manager - Audit Scotland presented the report which detailed the responsibility of Audit Scotland to report on transformation and how Councils were redesigning and delivering more efficient services to achieve planned outcomes. He outlined the key messages from the report which concluded the Council has a clear vision to support transformation, aimed to deliver change over the next five years as well as continue to support financial sustainability and highlighted the recommendation that the Council ensure each transformation project meets the objective set out within the strategy. Mr Ferris noted that transformation was only one part of the Council's solution to close the funding gap, and the collective change activity needed to be sufficiently ambitious to respond to the scale of its financial challenge. He made Members aware of the improvement action plan which included recommendations, management responses and planned actions.

Councillor McLeod asked if Audit Scotland would be overseeing the transformation the whole way through until completion. Ms Michelle Cockburn, Transformation & Digital Portfolio Manager reported the transformation projects report into the transformation portfolio board on a six to eight week basis, who are the body responsible for governing the project. She added the first annual progress report on the transformation strategy would be presented at full Council in August.

Responding to questions from Councillor Menzies, Ms Cockburn stated officers have tried to streamline the process as much as possible but given the nature of detail required it was quite an onerous task. She added project managers were used to providing this type of information and were being supported with portfolio management office, toolkits and templates. Ms Cockburn didn't think there was anything Members could do to assist with this but welcomed any comments after the first report had been presented in August. She stated there was no legislation regarding reporting, but the intention was for reports to be presented to Members annually supplemented by quarterly financial reports.

Councillor Menzies asked if it was Audit Scotland's opinion that we were not being bold or ambitious enough. Mr Ferris stated the Council was clear that transformation is only one of the many levers to support financial sustainability and clarity around how much of the gap would continue to be met by transformation was required. He noted Audit Scotland would be looking for the Council to give itself and Members the assurance that the transformation programme and financial strategy processes over the coming years would give clarity around how the budget gap could be met. Mr Stainbank believed when thematic reviews had been completed by all Councils an overview report would be completed by Audit Scotland which would answer questions regarding good practice.

Councillor Ritchie said she was reassured by elements within the report relating to transformation of services and service delivery and thought it was clear the Council had ambition and a plan with clear actions. She looked forward to hearing about the progress made when the annual report was presented to Council later in the year.

Councillor Menzies thanked Mr Ferris for his report and stated we should always be challenging ourselves and each other to get the best outcomes and felt reassured by

the plan going forward while keeping in mind East Lothian has some of the poorest areas in the country.

Mr Ferris also thanked officers for their support throughout the audit with their level of response and evidence they provided.

### **Decision**

The Audit and Governance Committee agreed to note the report.

## **10. ANNUAL TREASURY MANAGEMENT REVIEW 2024-25**

A report was submitted by the Executive Director for Council Resources to update the Committee on Treasury Management activity during financial year 2024-25.

Ms Ann-Marie Glancy, Service Manager – Corporate Accounting presented her report which set out the treasury management activity for the year ending 31<sup>st</sup> March 2025. She provided Members with information on the Council's Capital Expenditure and Financing, Overall Borrowing Need, Treasury Position, Investment and Borrowing Strategy and Investment Activity for 2024/25. Ms Glancy also provided a summary of the main treasury and prudential indicators for the Council which had both met the authorised limit and operational boundary as set.

Councillor Ritchie asked why we were under borrowing. Ms Glancy explained under borrowing meant we have working capital so instead of borrowing, we use working capital within our funds we can utilise which could be money coming in through creditors or money we know we will be getting through capital income from sales. She added if we have a lot of working capital, we can call on some of that to deal with invoices coming through for capital expenditure and highlighted under borrowing was not a bad thing, just another mechanism we can utilise. Ms Glancy also offered to provide further information to Members on under borrowing outside of the meeting.

Responding to a follow up question from Councillor Ritchie, Ms Glancy explained under borrowing, or working capital that we can utilise would reduce the additional pressure of paying back interest on money that was borrowed as well as the cost of carrying the money while we wait on it being spent.

Councillor McLeod asked why both net and gross figures were used within the report. Ms Glancy explained gross figures would be used when talking about capital expenditure but after things had been taken off such as developers contributions the figure would then be the capital expenditure net of anything removed and deemed, we do not have to borrow for.

Responding to questions from Councillor Menzies, Ms Glancy provided information on how the Council make their decisions on investments using government agencies and the finance team to make investments as risk averse as possible. She also stated the Council do not do investment for the Common Good or Trusts in house and that was instead done through Investec. Ms Glancy was happy to share information that came through from them with more explanation after the meeting.

Councillor Menzies thanked Ms Glancy and her team for the report and made special note of the investment that had brought in a million pounds for the Council.

### **Decision**

The Audit and Governance Committee agreed to note the report.

## **11. INFORMATION GOVERNANCE ANNUAL REPORT**

A report was submitted by the Executive Director for Council Resources to report on the delivery and continuous improvement of East Lothian Council's compliance with regulatory regimes relating to Data Protection, Information and Records Management, and the Regulation of Investigatory Powers during 2024.

Ms Zarya Rathe, Team Manager – Information Governance presented the report highlighting similar trends in data incidents to previous years with the most prevalent factor being misdirected emails and noted the increase in cyber attacks reported by Council suppliers. She reported there were four breaches that were considered to meet the threshold for reporting to the information Commissioners officer, but all cases found the Council had appropriate technical and financial support. Ms Rathe provided figures on recorded breaches and near misses for 2024 which had increased since the previous year and made Members aware of ongoing work within the data breach team to identify measures to reduce the frequency and severity of breaches for the coming year, to improve records management and introduce the use of Microsoft SharePoint inline with the Microsoft 265 implementation project. She noted the Council's digital preservation programme would return in the coming months and highlighted the Council made no use of its regulation of investigatory powers in 2024 however the team aimed to increase training and awareness on the Council's RIPSA policy in 2025.

Responding to a question from Councillor Ritchie, Ms Rathe confirmed there had been no direct negative impact to the Council from cyberattacks on suppliers but two of the incidents were reported to the ICO as meeting the risk threshold. She added appropriate measures were in place for both of those cases however the Council does remain vigilant at all times as there has been an increase in cyber-attacks on suppliers throughout the sector.

Councillor Menzies asked for further details on what the data breaches within the Council had been. Ms Rathe stated breaches, near misses and information security incidents were all reported together with the most prevalent factor being the use of the wrong email address. She highlighted a key improvement on a top breach last which was the use of the CC field instead of the BCC field after a push for awareness therefore it was evident training and awareness does work.

Councillor Menzies liked the clear recommendations within the report and actions that had been taken.

### **Decision**

The Audit and Governance Committee agreed to note the contents of the report and, where appropriate, highlight areas for further action or consideration.

## **SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION**

The Committee agreed to exclude the public from the following business containing exempt information by virtue of Paragraph 14 (any action taken or to be taken in connection with the prevention, investigation or prosecution of crime) of schedule 7A of the Local Government (Scotland) Act 1973.

***[Sederunt: All officers left the meeting with the exception of Mr D Stainbank, Ms H Barnett, Ms S Fortune, Mr L Rockey, Mr A Cruickshank & Mr S Allan. All Members remained]***

**12. INTERNAL AUDIT ASSURANCE REVIEW OF CYBER SECURITY**

This item was heard in private.

Signed .....

Councillor L Menzies  
Convener of the Audit and Governance Committee

DRAFT

**Audit & Governance  
Action Record 2025/26**

**2**

Action Ref.	Meeting Date	Item Number and Title	Action(s) Agreed	Action Owner(s)	Target Completion Date	Actual Completion Date	Comments/Responses/ Additional Information
25/01	25.03.25	03 Internal Audit Report 2025	<b>Additional question:</b> to provide Members with a figure for the recovery of funds for housing voids	Duncan Stainbank	n/a		
25/02	25 03 25	08 East Lothian Investments Ltd	<b>Additional question:</b> to provide analysis of the distribution of funds to businesses to see if there was a demographic or equalities split	Lisa Deegan	n/a		Ms Deegan sent an email to Members of the Audit & Governance Committee showing the geographical demographic analysis of recent ELI loans. This covers the loans from June 2023 through to March 2025.
25/03	25 03 25	08 East Lothian Investments Ltd	<b>Additional question:</b> to provide information on the amount of debt left within the company, provided as a monetary value instead of a percentage	Lisa Deegan	n/a		
25/04	17.06.25	03 Internal Audit Report – June 2025	<b>Additional question:</b> to provide information on the financial strain on the Council of staff sickness absences	Paul Ritchie	n/a		<b>Recommended for Closure</b>  An email was sent to Members of Audit & Governance Committee on 26 June 2025 setting

Action Ref.	Meeting Date	Item Number and Title	Action(s) Agreed	Action Owner(s)	Target Completion Date	Actual Completion Date	Comments/Responses/ Additional Information
							out the notional costs of absence.
25/05	17.06.25	07 East Lothian Council Annual Audit Plan 2024/25	<b>Additional question:</b> to provide information on how the annual audit fee is reached	Mark Ferris	n/a		<b>Recommended for Closure</b>  Mr Ferris sent an email on 24.06.25 to Members of the Audit & Governance Committee with attachment "Our approach to setting audit fees".
25/06	17.06.25	10 Annual Treasury Management Review	<b>Additional question:</b> to provide additional information on under borrowing and Investec reports on Common Good & Trusts	Ann-Marie Glancy	n/a		<b>Recommended for Closure</b>  Ms Glancy sent an email on 20.06.25 to Members of Audit & Governance Committee providing a simple explanation of under borrowing and attached Investec reports on Common Good & Trusts investments highlighting page 6 of the Trusts reports and page 8 of the Common Good report.

## Audit and Governance Committee - Annual Work Plan 2024/25

Meeting Date	Internal Audit Reports	External Audit Reports	Governance	Risk	Accounts Commission/ Audit Scotland reports
16/09/25	Internal Audit September 2025 report (individual audits tbc)  Revised Audit Plan 2024/25		Housing Annual Assurance Statement  Financial Management Code - Update	Housing RR  Communities RR  Development RR	
25/11/25	Internal Audit November 2025 report (individual audits tbc)  Internal Audit Charter	ELC 2024/25 Annual Audit Report  Audit Scotland National Reports	Treasury Management Mid-Year Review Report  Enjoyleisure annual report  Brunton Theatre Trust  East Lothian Land Ltd  Annual Accounts 2024/25	Infrastructure RR  Corporate Support RR  Finance RR	

Meeting Date	Internal Audit Reports	External Audit Reports	Governance	Risk	Accounts Commission/ Audit Scotland reports
			(additional meeting may be required in November)		
24/03/26	Internal Audit March report (individual audits tbc)  Internal Audit Plan 2025/26	Annual Audit Plan 2025/26	Council Improvement Plan Monitoring Report  East Lothian Investments Ltd  <a href="#">Information Governance</a>	Health & Social Care Partnership RR  Education RR Children's Services RR  Risk Strategy Update	
15/06/26	Internal Audit June report – (individual audits tbc) Annual Internal Audit Report 2025/26  Controls Assurance Statement 2025/26	Management Letter/Report on Key Controls 2025/26	Annual Treasury Management Review 2025/26  Corporate Governance Self-evaluation/ Annual Governance Statement 2026	Corporate RR	

*\*Invite either Carlo Grilli or Zarya Rathe to the agenda-setting meeting and send both the draft agenda and report deadline info.*



<b>COMMITTEE:</b>	Audit and Governance Committee
<b>MEETING DATE:</b>	16 September 2025
<b>BY:</b>	Service Manager – Internal Audit
<b>REPORT TITLE:</b>	Internal Audit Report – June 2025
<b>REPORT STATUS:</b>	Public

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## **1 PURPOSE OF REPORT**

- 1.1 To inform the Audit and Governance Committee of Internal Audit reports issued since the last meeting of the Committee, provide details of Internal Audit's follow-up work undertaken and provide an update on progress made against the 2025/26 annual audit plan.

## **2 RECOMMENDATIONS**

Members are recommended to:

- 2.1 Note the main findings and recommendations from the Internal Audit reports issued during the period from June 2025 to August 2026 as contained in Appendix 1;
- 2.2 Note the findings from Internal Audit's follow-up work,
- 2.3 Note Internal Audit's progress against the annual audit plan for 2025/26 as set out in Appendix 2.

## **3 BACKGROUND**

- 3.1 Since the last meeting of the Committee final reports have been issued in respect of the following audits: Scottish Housing Regulator Assurance Statement (covered in Item 7 on the agenda), Tyne & Esk Valley Funding.
- 3.2 The main objective of the audits was to ensure that the governance, risk management and internal controls in place were operating

effectively. A summary of the main findings and recommendations from the Tyne & Esk Valley Funding Audit can be found in Appendix 1.

- 3.3 Internal Audit follows-up on recommendations made in previously issued audit reports to ensure that they have been implemented as agreed by Management. Detailed spreadsheets are maintained to monitor progress being made and this report provides a summary of the current status for three audits that were reported in previous years. Recommendations that have not been fully implemented are detailed in Appendix 2 with revised dates for implementation. Our findings are detailed below:

### **Capital Expenditure Contract Cost Management**

- 3.4 The Internal Audit report on Capital Expenditure Contract Cost Management was issued in September 2024 and provided Reasonable Assurance. Our follow-up review identified that all 6 recommendations have been fully implemented.

### **Additional Support Needs**

- 3.5 The Internal Audit report on Additional Support Needs was issued in September 2024 and provided Reasonable Assurance. Our follow-up review identified that all 5 recommendations have been fully implemented.

### **Musselburgh Flood Prevention Scheme**

- 3.6 The Internal Audit report on The Musselburgh Flood Prevention Scheme Needs was issued in September 2024 and provided Reasonable Assurance. Our follow-up review identified that all 5 recommendations have been fully implemented.

### **Progress Report 2025/26**

- 3.7 A progress report attached as Appendix 2 is prepared to assist the Committee in their remit to evaluate Internal Audit's work and measure progress against the revised annual audit plan for 2025/26.

## **4 POLICY IMPLICATIONS**

- 4.1 None

## **5 RESOURCE AND OTHER IMPLICATIONS**

- 5.1 Finance: None
- 5.2 Human Resources: None
- 5.3 Other (e.g. Legal/IT): None
- 5.4 Risk: With the implementation of the Audit Recommendations noted in the follow up activity that risks in these areas have been reduced.

## **6 INTEGRATED IMPACT ASSESSMENT**

### **6.1 *Select the statement that is appropriate to your report by placing an 'X' in the relevant box.***

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

☒

**or**

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

## **7 APPENDICES**

### **7.1 Appendix 1: Executive Summary of Internal Audit Reports June to August 2025.**

Appendix 2: Internal Audit Plan Progress 2025/26.

## **8 BACKGROUND PAPERS**

### **8.1 Approved Internal Audit Plan 2025/26, March 2025 Audit & Governance Committee.**

## 9 AUTHOR AND APPROVAL DETAILS

### Report Author(s)

<b>Name</b>	Duncan Stainbank
<b>Designation</b>	Service Manager Internal Audit
<b>Tel/Email</b>	<a href="mailto:dstainbank@eastlothian.gov.uk">dstainbank@eastlothian.gov.uk</a>
<b>Date</b>	05 September 2025

### Head of Service Approval

<b>Name</b>	Duncan Stainbank
<b>Designation</b>	Service Manager Internal Audit
<b>Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed</b>	Confirmed
<b>Approval Date</b>	05 September 2025

# Appendix 1 Executive Summary: Tyne & Esk Funding

## Conclusion: Substantial Assurance

The total grant offer was made by the Scottish Government 2024/25 was £363,935.44. An initial grant offer was made May 2024 of £223,766.14, which was subsequently increased in November 2024 with additional funding of £140,169.30 in November 2024. Processing of all 5 grant applications tested was appropriate with a minor recommendation on clarifying processes for assessment being made.

## Background

Tyne & Esk Rural Communities Development Fund is part of the Scottish Government's Community Led Local Development Rural Programme, which is the replacement for the previous LEADER Programme that was funded by the European Union. Funding is provided under the Housing Grants, Construction and Regeneration Act 1996. The overarching aim of the funding is to increase support to local rural communities, individuals and businesses advancing inclusion, equality and diversity. The eligible area covers rural East Lothian and Midlothian excluding the urban areas of Musselburgh and Dalkeith but including Wallyford and Whitecraig and Dalkeith Country Park.

Community Led Local Development funding offers:

- small grants for projects of different sizes and types;
- support during the whole funding process, so you will never feel alone; and
- community representatives who ensure funding is spent wisely across the rural communities in East Lothian and Midlothian.

## Summary of findings & recommendations

The following key findings are highlighted, which have all been **agreed by the Local Action Group (LAG)**:

- A detailed register of all funding applications is in place, including both successful and unsuccessful applications across all years.
- For all five of the successful 2024/25 grant applications selected all applicants had provided all required documentation including constitution documents and bank statements to ensure an appropriate award.
- The spreadsheet used to summarise scoring of each LAG member was calculating the correct totals for the 2024/25 grant assessments. We found that the scoring had only been carried out by only 4 LAG members for projects paid from the 1<sup>st</sup> grant instalment (£233, 766.14); 5 LAG members should deliberate any application in line with the LAG Group Protocol quorate requirements.
- There was no scoring carried out for the additional funding £140,169.30 due to tight timescales LAG members decided at the LAG meeting 19 November 2024 on how the funds were to be awarded and 5 organisations were awarded. *Management have agreed to update the Group protocol to document processes for the number of LAG members required for evaluation and processes for exceptional award later in the year by September 2025.*
- As a result of all the testing completed for 2024/25 all grants have been awarded and expenditure incurred appropriately to the grant terms and conditions as a result no recommendations for improvements have been made.

## Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	-	1	1
Prior report	-	-	-	0

## Materiality

The LAG total grant funding for 2024/25 was £363,935.44. This allocation was split £263,367.85 for revenue and £100,567.59 for capital. The final expenditure was £262,844.50 for revenue and £98,926.29 for capital.

Total 5 Projects reviewed = £112,6377.37 (30.1%) of the total grant funding 24/25. A total of 19 projects were funded during the 2024/25 funding year across both East Lothian and Midlothian.

# Headlines

Objectives	Conclusion	Comment
1. Agreements are in place to support the administration of the funding applications	Substantial	A revised Memorandum of Understanding was signed between East Lothian Council and the Community Led Local Development Action Group (LAG).
2. A complete and accurate contract register of all funding applications is maintained	Substantial	A detailed register of applications has been put in place setting out all the details of the applications received together with the funds paid to the successful applicants.
3. Management have adequate controls in place to ensure that all applications meet the funding requirements	Substantial	The application form details the evidence that needs to be supplied with the submission. For the sample of applications selected in all cases the required documentation had been provided.
4. Management have adequate controls in place to ensure that procedures are in place for assessing the funding applications	Reasonable	A scoring spreadsheet is used to evaluate the projects. The scores for each project, from the sample selected, were correctly calculated and then divided by the number of members who were scoring each project. It was noted however that for the initial grant award in 2024/5 only 4 members scored the applications, The Group Protocol for the Tyne & Esk Community Led Local Development (CLLD) Local Action Group (The Protocol) requires 5 members for a quorate meeting and whilst not specifically stated it would be expected that five members would also score any grant applications to ensure that there is appropriate scrutiny. The Protocol does state that <i>"Deliberation on an application will not start until there is a quorum present."</i> There was no scoring carried out for the additional funding due to tight timescales LAG members decided at the LAG meeting 19 November 2024, with 7 members present on how the funds were to be awarded. A recommendation has been accepted to update the Protocol to clarify applications coring quorate requirements.
5. Adequate controls are in place to confirm that adequate documentation is supplied to confirm the funding application and payment	Substantial	Adequate bank statements were provided to confirm that payments had been made. Four claims were made to the Scottish Government for funding payments. The Community Led Local Development Officer visited a sample of projects to confirm that all had been completed.

## Areas where expected controls are met/good practice.

No.	Areas of Positive Assurance
1.	While it is not a requirement of the new scheme the LAG took the decision that a post project monitoring visit, by the Community Led Local Development Officer, to each applicant should be undertaken. These visits ensured that the funding provided had been used to fulfil the approved aims of each project.
2.	Reviews of both the initial application form and the post project funding have been put in place to ensure the project aims have been fulfilled

# Recommendation Grading/Overall opinion definitions

Recommendation	Definition
<b>High</b>	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
<b>Medium</b>	Recommendations which will improve the efficiency and effectiveness of the existing controls.
<b>Low</b>	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance	Definition
<b>Substantial Assurance</b>	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.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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
<b>No Assurance</b>	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.



SERVICE AREAS TO AUDIT	CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS	CURRENT PROGRESS
<b>Council Resources</b>	<p><b>Transformation Projects:</b> Continue ongoing support and involvement in stage gate processes and consider specific reviews of control process adjustments resulting from implementation of the new finance system. (Inherent Risk Assessment: High)</p> <p><b>Complaints:</b> Review the Customer Feedback team processes and provide assurance that comments and complaints are processed in accordance with regulation, best practice and in line with the East Lothian Council complaints procedure. (Inherent Risk Assessment: Medium)</p> <p><b>Employee Performance Management:</b> Review assurance that the council has adequate staff performance management processes in place within Council Personal review and Development processes to ensure compliance best practice and appropriate feed through to further appropriate Performance Management Processes. (Inherent Risk Assessment: High)</p>	<p>3 Transformation projects have been reviewed in the period Including Internet system replacement project stage gate review, Finance Systems Replacement Project ongoing Board review and specific ask on Musselburgh flood prevention scheme. Complaints review to be replaced with Cybersecurity with interim reporting to CMT completed</p>
<b>Place (Infrastructure, Housing, Development, Communities &amp; Partnerships)</b>	<p><b>Fleet Management and Planning:</b> Provide assurance that best practice fleet management practices have been implemented across the Council and that fleet planning provides a sustainable best value. (Inherent Risk Assessment: High)</p> <p><b>Housing Rents:</b> Assurance that housing rental charges are being set in accordance with Council Policy and regulatory best practice and that Governance and Control processes are in place in association with this process. (Inherent Risk Assessment: High)</p> <p><b>City Deal Innovation Hub:</b> Provide assurance that the operational governance structures are in place and operating to ensure appropriate control and risk management for the Council investment in this project and to manage the expected delivery of outcomes. (Inherent Risk Assessment: High)</p> <p><b>Commercial Rents:</b> Review the processes for ensuring that commercial rents are set collected and recovered in accordance with best practice and Council Income Policies to ensure best value. (Inherent Risk Assessment: Medium)</p>	<p>Commercial Rents Audit planning meetings complete.</p>

SERVICE AREAS TO AUDIT	CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS	CURRENT PROGRESS
<b>Education &amp; Children's Services</b>	<p><b>School Transport:</b> Provide assurance that School Transport provision is being planned and provided for in accordance with Council Policy and appropriate legislation/ regulation, that routes are planned, procured and improved to provide best value to the Council. (Inherent Risk Assessment: High)</p> <p><b>PPP Contract Management:</b> Provide assurance that the Council PP contracts are being managed effectively to ensure that services are being provided effectively and actions resulting in additional fees appropriately reviewed and authorised, and payments are being accurately made. (Inherent Risk Assessment: High)</p> <p><b>Early Years:</b> Provide assurance on the appropriate planning of expenditure for development of appropriate provision of early years education in compliance with the appropriate legislation, regulations and guidance. (Inherent Risk Assessment: Medium)</p>	School Transport Planning meetings undertaken
<b>Adult Social Work</b>	<p><b>Care at Home:</b> Review the Control processes in place to ensure that best value is being achieved in the utilisation of care at home provision from external providers and in house provision, and the control processes are in place to ensure that appropriately qualified staff are available to meet identified needs. (Inherent Risk Assessment: High)</p> <p><b>Direct Payments – Self Directed Support:</b> Review the Control processes in place to ensure as much as regulation allows that needs are met through provision of self-directed support appropriate council processes that ensure appropriate, timely and accurate payments. (Inherent Risk Assessment: High)</p>	Direct Payments Audit testing underway.
<b>ALEO's (Arm's Length External Organisations)</b>	<b>Enjoy Leisure:</b> Establish if Enjoy Leisure has appropriate Governance and Assurance Processes in place that provide assurance to the council that risks are being properly managed within the organisation, and that the Council has appropriate processes in place to ensure appropriate risk management of the Council risks within the transactions provided and the arrangements in relation to use of Council assets. (Inherent Risk Assessment: High)	Enjoy Leisure Planning meetings scheduled.

<b>SERVICE AREAS TO AUDIT</b>	<b>CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS</b>	<b>CURRENT PROGRESS</b>
<b>Miscellaneous Grants</b>	Internal Audit are currently undertaking annual audits of the <b>Tyne and Esk Communities Development Fund</b> . (Inherent Risk Assessment: Low)	<b>Complete</b>
<b>Scottish Housing Regulator (SHR) Annual Assurance Statement</b>	Work required to provide assurance on the regulatory requirements set out in the Scottish Housing Regulators Chapter 3 of the Regulatory Framework. (Inherent Risk Assessment: Low)	<b>Complete</b>
<b>Fraud &amp; Irregularity</b>	Internal Audit will assist in investigations of suspected fraud or irregularity to support the 1 FTE of Counter Fraud Officer availability over the next year when required	Support being provided when necessary.
<b>National Fraud Initiative (NFI)</b>	Time has been allocated for providing some assistance to the Corporate Fraud Officer in reviewing the NFI matches in particular the Creditors Matches.	Creditors Matches Received.
<b>Integration Joint Board</b>	Time has been allocated for work that will be undertaken by Internal Audit for the East Lothian Integration Joint Board (IJB). A separate audit plan will be prepared which will be presented to the IJB Audit and Risk Committee for approval.	<b>Financial Planning Audit Complete.</b>
<b>Review of Previous Year's Work</b>	Internal Audit will review the outcome of our previous year's work to ensure recommendations have been actioned as agreed and that risks accepted by Management have been properly managed.	<b>September Follow ups Complete.</b>

<b>SERVICE AREAS TO AUDIT</b>	<b>CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS</b>	<b>CURRENT PROGRESS</b>
<b>Attendance at Stocktakes</b>	Internal Audit will attend the year-end stocktakes at Property Maintenance, Road and Waste Services. We will review the final stock sheets.	Will be Completed in March 2026
<b>Annual Governance Statement</b>	Completion of the Activities to assist with the CMT review of Governance and the administration of Governance Information to provide a draft Annual Governance Statement for consideration by the Audit & Governance Committee and inclusion in the draft accounts.	Work Ongoing with Head of Corporate Support and Monitoring Officer on revised processes.
<b>Audit &amp; Governance Committee Annual Review</b>	Assist the Chair and Audit & Governance Committee Members with the completion of the Annual review of the Committee in line with the CIPFA Statement and best practice	<b>Complete</b>
<b>Annual Planning</b>	Complete the review of Risk Assessment processes, identification of key risk areas assessment against the audit universe and identification of the links between the Council Objectives and the Internal Audit work for the 2026/27 annual audit plan.	Will be completed in Early 2026.

<b>COMMITTEE:</b>	Audit and Governance Committee
<b>MEETING DATE:</b>	16 September 2025
<b>BY:</b>	Service Manager Internal Audit
<b>REPORT TITLE:</b>	Revised Internal Audit Plan 2025/26
<b>REPORT STATUS:</b>	Public

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## **1 PURPOSE OF REPORT**

- 1.1 To inform the Audit and Governance Committee of Internal Audit's revised operational plan for 2025/26.

## **2 RECOMMENDATIONS**

Members are recommended to:

- 2.1 To approve the revised Audit Plan for 2025/26 see Appendix 1.

## **3 BACKGROUND**

- 3.1 A revised Internal Audit Plan for 2025/26 is being presented to the Audit and Governance Committee to take account of the ever-changing Council risk profile, all audits remaining within the plan focus on areas that are linked to corporate risks 1 to 7, excluding risk 5 in relation to Homelessness that is covered in the review of the Housing Assurance Statement completed on an annual basis.
- 3.2 The annual audit plan has been prepared in accordance with Global internal Audit Standards (GIAS) and the interpretation of the UK Public Sector Application note. Key changes in the plan are the removal of the Complaints Internal Audit and the replacement of this audit with the Cybersecurity review.
- 3.3 In preparing the annual audit plan a range of factors have been considered, including:

- the Council Plan 2022-27, and reprioritisation in February 2024.
  - areas highlighted by Senior Officers.
  - corporate and service area risk registers.
  - the Council's performance and financial statements.
  - changes in service delivery.
  - the findings from previous years' audit work; and
  - the need to incorporate flexibility for reactive/investigatory work.
- 3.4 Internal Audit's primary role is to independently review internal control systems within the Council. Internal Audit will evaluate the adequacy and effectiveness of governance processes and controls in responding to risks within the Council's governance, operations and information systems, regarding the:
- Achievement of the Council's strategic objectives.
  - Reliability and integrity of financial and operational information.
  - Effectiveness and efficiency of operations and programmes.
  - Safeguarding of assets.
  - Compliance with laws, regulations, policies, procedures and contracts.
- 3.5 The Service Manager Internal Audit is required under GIAS to provide an annual opinion on the adequacy and effectiveness of the Councils Group Governance, Risk Management and Internal Control processes. The work carried out in this plan will contribute to the opinion being provided.
- 3.6 The provision of the Internal Audit service is on an in-house basis by the Council's Internal Audit section of the Internal Audit and Counter Fraud Team. The revised plan assumes that there are no changes to the resources available to the Internal Audit team during the year, further revisions will be provided to the Audit & Governance Committee should resource availability change. The Committee should note that reactive work may impact on the ability to complete the audit plan. Contingency days are built in for 2025/26 but by its nature reactive work is difficult to predict, however the Audit & Governance Committee will be notified of significant contingency exercises being undertaken.
- 3.7 Internal Audit will adopt a risk-based approach to audit assignments as the principal means of providing assurance on the adequacy, reliability and effectiveness of governance, risk management and internal controls. Testing of controls will be carried out on a sample basis. Samples are selected according to an agreed sampling methodology.
- 3.8 For each individual audit, a detailed audit report is prepared for the relevant member(s) of the Council Management Team (CMT). Copies of the audit report are provided to the Chief Executive, External Audit and to members of the Audit and Governance Committee.

- 3.9 Follow-up audits will be carried out to review the implementation of the recommendations made

## INTERNAL AUDIT PERFORMANCE INDICATORS

- 3.10 Internal Audit will report on the completion of the annual audit plan, the percentage of audit recommendations accepted by Management and the percentage of audit staff with CCAB accounting qualifications.

## 4 POLICY IMPLICATIONS

- 4.1 There are no immediate policy implications from this report.

## 5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: None in relation to this report.
- 5.2 Human Resources: None in relation to this report, although service areas should be aware of the requirement to respond to requests for audit information, explanation and access requirements in the areas highlighted for Internal Audit review.
- 5.3 Other (e.g. Legal/IT): None in relation to this report
- 5.4 Risk: The Corporate and Service Risk registers provide the basis for the Internal Audit Plan, where controls are found to not be operating as appropriate this will be fed back into the risk assessment within the risk registers as appropriate.

## 6 INTEGRATED IMPACT ASSESSMENT

- 6.1 ***Select the statement that is appropriate to your report by placing an 'X' in the relevant box.***

An Integrated Impact Assessment screening process has been undertaken, and the subject of this report does not affect the wellbeing of the community or have a significant impact on equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X
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or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:



## **7 APPENDICES**

7.1 Appendix 1 Revised Internal Audit Plan 2025/26.

## **8 BACKGROUND PAPERS**

8.1 Approved Internal Audit Plan 2025/26, March 2025 Audit & Governance Committee.

## **9 AUTHOR AND APPROVAL DETAILS**

### **Report Author(s)**

<b>Name</b>	<b>Duncan Stainbank</b>
<b>Designation</b>	<b>Service Manager Internal Audit</b>
<b>Tel/Email</b>	<a href="mailto:dstainbank@eastlothian.gov.uk">dstainbank@eastlothian.gov.uk</a>
<b>Date</b>	<b>02 September 2025</b>

### **Head of Service Approval**

<b>Name</b>	<b>Duncan Stainbank</b>
<b>Designation</b>	<b>Service Manager Internal Audit</b>
<b>Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed</b>	<b>Confirmed</b>
<b>Approval Date</b>	<b>02 September 2025</b>



# **REVISED INTERNAL AUDIT PLAN 2025/26**

## **Appendix 1**

SERVICE AREAS TO AUDIT	ALLOCATED AUDITOR DAYS	CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS
<b>Council Resources</b>	<b>90 Days</b>	<p><b>Transformation Projects:</b> Continue ongoing support and involvement in stage gate processes and consider specific reviews of control process adjustments resulting from implementation of the new finance system. (Inherent Risk Assessment: High)</p> <p><b>Cybersecurity:</b> Review the governance, risk management and control processes in place to ensure that the Council maintains best practice in an ever changing risk environment to minimise the risk of cyberattack across the Council Corporate, school and externally hosted IT systems environment, using the GIAS Topical Requirements to guide the Internal Audit work (Inherent Risk Assessment: High)</p> <p><b>Employee Performance Management:</b> Review assurance that the council has adequate staff performance management processes in place within Council Personal review and Development processes to ensure compliance best practice and appropriate feed through to further appropriate Performance Management Processes. (Inherent Risk Assessment: High)</p>
<b>Place (Infrastructure, Housing, Development, Communities &amp; Partnerships)</b>	<b>120 Days</b>	<p><b>Fleet Management and Planning:</b> Provide assurance that best practice fleet management practices have been implemented across the Council and that fleet planning provides a sustainable best value. (Inherent Risk Assessment: High)</p> <p><b>Housing Rents:</b> Assurance that housing rental charges are being set in accordance with Council Policy and regulatory best practice and that Governance and Control processes are in place in association with this process. (Inherent Risk Assessment: High)</p> <p><b>City Deal Innovation Hub:</b> Provide assurance that the operational governance structures are in place and operating to ensure appropriate control and risk management for the Council investment in this project and to manage the expected delivery of outcomes. (Inherent Risk Assessment: High)</p> <p><b>Commercial Rents:</b> Review the processes for ensuring that commercial rents are set collected and recovered in accordance with best practice and Council Income Policies to ensure best value. (Inherent Risk Assessment: Medium)</p>

SERVICE AREAS TO AUDIT	ALLOCATED AUDITOR DAYS	CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS
<b>Education &amp; Children's Services</b>	<b>90 days</b>	<p><b>School Transport:</b> Provide assurance that School Transport provision is being planned and provided for in accordance with Council Policy and appropriate legislation/ regulation, that routes are planned, procured and improved to provide best value to the Council. (Inherent Risk Assessment: High)</p> <p><b>PPP Contract Management:</b> Provide assurance that the Council PP contracts are being managed effectively to ensure that services are being provided effectively and actions resulting in additional fees appropriately reviewed and authorised, and payments are being accurately made. (Inherent Risk Assessment: High)</p> <p><b>Early Years:</b> Provide assurance on the appropriate planning of expenditure for development of appropriate provision of early years education in compliance with the appropriate legislation, regulations and guidance. (Inherent Risk Assessment: Medium)</p>
<b>Adult Social Work</b>	<b>60 Days</b>	<p><b>Care at Home:</b> Review the Control processes in place to ensure that best value is being achieved in the utilisation of care at home provision from external providers and in house provision, and the control processes are in place to ensure that appropriately qualified staff are available to meet identified needs. (Inherent Risk Assessment: High)</p> <p><b>Direct Payments – Self Directed Support:</b> Review the Control processes in place to ensure as much as regulation allows that needs are met through provision of self-directed support appropriate council processes that ensure appropriate, timely and accurate payments. (Inherent Risk Assessment: High)</p>
<b>ALEO's (Arm's Length External Organisations)</b>	<b>30 Days</b>	<b>Enjoy Leisure:</b> Establish if Enjoy Leisure has appropriate Governance and Assurance Processes in place that provide assurance to the council that risks are being properly managed within the organisation, and that the Council has appropriate processes in place to ensure appropriate risk

SERVICE AREAS TO AUDIT	ALLOCATED AUDITOR DAYS	CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS
		management of the Council risks within the transactions provided and the arrangements in relation to use of Council assets. (Inherent Risk Assessment: High)
Miscellaneous Grants	10 Days	Internal Audit are currently undertaking annual audits of the <b>Tyne and Esk Communities Development Fund</b> . (Inherent Risk Assessment: Low)
Scottish Housing Regulator (SHR) Annual Assurance Statement	20 Days	Work required to provide assurance on the regulatory requirements set out in the Scottish Housing Regulators Chapter 3 of the Regulatory Framework. (Inherent Risk Assessment: Low)
Fraud & Irregularity	10 Days	Internal Audit will assist in investigations of suspected fraud or irregularity to support the 1 FTE of Counter Fraud Officer availability over the next year when required
National Fraud Initiative (NFI)	10 Days	Time has been allocated for providing some assistance to the Corporate Fraud Officer in reviewing the NFI matches in particular the Creditors Matches.
Integration Joint Board	75 Days	Time has been allocated for work that will be undertaken by Internal Audit for the East Lothian Integration Joint Board (IJB). A separate audit plan will be prepared which will be presented to the IJB Audit and Risk Committee for approval.
Review of Previous Year's Work	30 Days	Internal Audit will review the outcome of our previous year's work to ensure recommendations have been actioned as agreed and that risks accepted by Management have been properly managed.

<b>SERVICE AREAS TO AUDIT</b>	<b>ALLOCATED AUDITOR DAYS</b>	<b>CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS</b>
<b>Attendance at Stocktakes</b>	<b>5 Days</b>	Internal Audit will attend the year-end stocktakes at Property Maintenance, Road and Waste Services. We will review the final stock sheets.
<b>Annual Governance Statement</b>	<b>10 Days</b>	Completion of the Activities to assist with the CMT review of Governance and the administration of Governance Information to provide a draft Annual Governance Statement for consideration by the Audit & Governance Committee and inclusion in the draft accounts.
<b>Audit &amp; Governance Committee Annual Review</b>	<b>4 Days</b>	Assist the Chair and Audit & Governance Committee Members with the completion of the Annual review of the Committee in line with the CIPFA Statement and best practice
<b>Annual Planning</b>	<b>10 Days</b>	Complete the review of Risk Assessment processes, identification of key risk areas assessment against the audit universe and identification of the links between the Council Objectives and the Internal Audit work for the 2026/27 annual audit plan.
<b>Attendance at Boards and Committees</b>	<b>20 Days</b>	Attendance at EMT, CMT, SMT, Audit & Governance Committee, Corporate Risk Group and Linking Risks Group
<b>Advice and Consultancy</b>	<b>10 Days</b>	<p>Consultation on New Systems – for new systems implemented, Internal Audit will provide advice on internal control matters.</p> <p>Financial Reports – providing service areas with financial information about companies and offering advice where applicable.</p> <p>Consultancy – providing advice and consultancy on internal control issues.</p>

SERVICE AREAS TO AUDIT	ALLOCATED AUDITOR DAYS	CURRENT PROPOSED AUDIT ASSIGNMENTS FROM RISK ANALYSIS
<b>Training</b>	<b>40 Days</b>	An adequate allocation of budget resources and time will be given to maintaining and improving the knowledge base and quality of the staff resource. This includes time to attend the Scottish Local Authority Chief Internal Auditor Group (SLACIAG) and attend the Biannual Conference, ensure appropriate Ethics and Objectivity training in line with Global Internal Audit Standards and to ensure that all qualified staff to undertake continuous professional development in line with institute requirements and provide training towards qualification were necessary.
<b>Quality Assessment</b>	<b>20 Days</b>	The Global Internal Audit Standards that apply to the Council from the 1 April 2025 requires an annual Internal Quality Assurance review is completed by the Service Manager – Internal Audit on an annual basis and that the results are reported to the Audit & Governance Committee. the Internal Audit section will also be subject to an External Quality Assessment (EQA) at least every five years, by appropriately qualified and independent reviewers. EQA processes are completed by inclusion on the SLACIAG peer review process which provides substantial best value in ensuring this process is completed.
<b>Total</b>	<b>651 Days</b>	



<b>COMMITTEE:</b>	Audit and Governance Committee
<b>MEETING DATE:</b>	16 September 2025
<b>BY:</b>	Service Manager – Internal Audit
<b>REPORT TITLE:</b>	Audit & Governance Committee Annual / End of Term Report 2024/25
<b>REPORT STATUS:</b>	Public

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## **1 PURPOSE OF REPORT**

- 1.1 To present the outcome of the 2024/25 Audit & Governance Committee self-assessment and seek approval from the Audit & Governance Committee to present the Annual / End of Term Report 2024/25 to the Council.

## **2 RECOMMENDATIONS**

Members are recommended to:

- 2.1 Approve the Audit Committee Annual / End of Term Report 2024/25 (Appendix 1) and its self-assessments using the CIPFA Audit Committees Guidance (Appendix 2) and approve that the Audit Committee Annual / End of Term Report 2023/24 should be presented to the Council.

## **3 BACKGROUND**

- 3.1 The purpose of this report is to provide Members with the Audit & Governance Committee Annual / End of Term Report 2024/25, which sets out how the Audit & Governance Committee has performed against its remit and the effectiveness of the Audit & Governance Committee in meeting its purpose, based on a self-assessment of the Committee against best practice, and provides assurances to the Council

- 3.2 It is important that the Council's Audit & Governance Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance of the Council.
- 3.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees Practical Guidance for Local Authorities and Police 2022 Edition (hereinafter referred to as CIPFA Audit Committees Guidance) includes the production of an annual report on the performance of the Audit & Governance Committee for submission to the Council. The Audit & Governance Committee Annual / End of Term Report 2024/25 is appended to this report as Appendix 1 for consideration.
- 3.4 The Audit & Governance Committee Annual / End of Term Report 2023/24 includes the following assurances to the Council:
- The Council has access to the Minutes of the Audit & Governance Committee throughout the year.
  - The Audit & Governance Committee has operated in accordance with its agreed terms of reference, covering the themes of Governance, Risk and Control, Internal Audit, External Audit, Financial Reporting and Accountability Arrangements, and accordingly conforms to the Audit Committee principles within the CIPFA Position Statement for Audit Committees.
  - It focused entirely on matters of risk management, internal control and governance, giving specialist advice to the Council on the value of the audit process, on the integrity of financial reporting and on governance arrangements, and acted as a bridge between the Council and other stakeholders. It did this through material it received from Internal Audit, External Audit, Risk Management, Council Finance teams and reporting from Council Arm's Length Bodies and assurances from Management relevant to the Audit Cycle of reporting.
  - The Audit & Governance Committee has reflected on its performance during the year and has agreed areas of improvement to enable enhanced effectiveness to fulfil its scrutiny and challenge role.
- 3.5 The areas of improvement that have been agreed as part of the Audit & Governance Committee Annual / End of Term Report 2023/24, are as follows:
- Consider again an approach for recruitment of co-opted independent members of the Audit & Governance Committee by March 2026.
  - Ensure that this report is forwarded onto the Council as required by the CIPFA Audit Committees Guidance during the 2025/26 financial year.

## **4 POLICY IMPLICATIONS**



- 4.1 None

## 5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: None
- 5.2 Human Resources: None
- 5.3 Other (e.g. Legal/IT): None
- 5.4 Risk: This report reduces the risk of non-compliance with recommended best Governance practice in Local Authorities.

## 6 INTEGRATED IMPACT ASSESSMENT

- 6.1 ***Select the statement that is appropriate to your report by placing an 'X' in the relevant box.***

An Integrated Impact Assessment screening process has been undertaken, and the subject of this report does not affect the wellbeing of the community or have a significant impact on equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X

**or**

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

## 7 APPENDICES

- 7.1 Appendix 1: East Lothian Council Audit & Governance Committee Annual/End of Term Report from the Chair 2024/25
- Appendix 2: East Lothian Council Audit & Governance Committee – updated self-assessment of Good Practice 2025

## 8 BACKGROUND PAPERS

- 8.1 Audit & Governance Committee Annual / End of Term Report 2023/24, September 2024 Audit & Governance Committee.
- CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022

## 9 AUTHOR AND APPROVAL DETAILS

### Report Author(s)

<b>Name</b>	Duncan Stainbank
<b>Designation</b>	Service Manager Internal Audit
<b>Tel/Email</b>	<a href="mailto:dstainbank@eastlothian.gov.uk">dstainbank@eastlothian.gov.uk</a>
<b>Date</b>	07 September 2025

### Head of Service Approval

<b>Name</b>	Duncan Stainbank
<b>Designation</b>	Service Manager Internal Audit
<b>Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed</b>	Confirmed
<b>Approval Date</b>	07 September 2025

**EAST LoTHIAN COUNCIL  
AUDIT & GOVERNANCE COMMITTEE  
ANNUAL/END OF TERM REPORT FROM THE CHAIR – 2024/25**

This annual/end of term report has been prepared to inform East Lothian Council of the work carried out by the Council's Audit & Governance Committee during the year 2024/25. The content and presentation of this report meets the requirements of the CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2022 Edition (hereinafter referred to as CIPFA Audit Committees Guidance), to report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose to share lessons learned, and areas of improvement to inform the Audit & Governance Committee

### **Meetings**

There were meetings of the Audit & Governance Committee four times during the financial year, namely meetings on 17 June 2024, 17 September 2024, 17 December 2024 and 25 March 2025 to consider reports pertinent to the audit cycle and its terms of reference. Additionally at the start of the 2025/26 financial year a meeting has been held on 17 June 2025. The meeting scheduled for the 11 June 2024 was rescheduled to the 17 June 2024 as the meeting was inquorate.

The Audit & Governance Committee is a key component of East Lothian Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The purpose of the Committee is to provide independent assurance to elected members of the adequacy of the risk management framework and the internal control environment. It provides independent review of East Lothian Council's governance, risk management and control frameworks, and oversees the financial reporting and annual governance processes. It oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Audit & Governance Committee reviewed the annual accounts for 2023/24 at its meeting on 17 December 2024, alongside the External Audit 2023/24 Annual Audit Report & Best Value Thematic Report to consider any concerns or improvements arising from the audit work undertaken.

The Audit & Governance Committee approved the Internal Audit Charter and the Internal Annual Plan. It monitored Internal Audit's performance including progress against annual plan approving changes during the year, conformance with Public Sector Internal Audit Standards (PSIAS), which are being replaced by the Global Internal Audit Standards (GIAS) from April 2025, and the quality assurance and improvement plan (QAIP) arising from the External Quality Assurance Review reported to the Audit & Governance Committee on the 26 March 2024, considered the statutory annual audit opinion within the Annual Internal Audit Report. It considered Internal Audit's reports which set out executive summaries of findings, audit opinions, good practice and recommendations associated with each assurance review, as well as other work. It monitored the implementation of agreed actions through receipt of regular reports during the year from Internal Audit.

The Audit & Governance Committee approved the East Lothian Council Annual Governance Statement for inclusion in the Draft Annual Report & Accounts in June 2025.

The Audit & Governance Committee has reviewed the External Audit Strategy and Plan Overview for East Lothian Council, considered External Audit reports including the annual report to Members and the Controller of Audit on the annual audit of the Council, reviewed the main issues arising from the External Audit of the Council's statutory accounts, and monitored the implementation of agreed actions arising.

The Audit & Governance Committee reviews all of the Service Risk Registers and the Council Risk Register on an annual cycle. This enables the Audit & Governance Committee to provide oversight of Risk Management Framework to ensure it is able to demonstrate its effectiveness in carrying out its remit.

The Audit & Governance Committee receives a report every year on the Corporate fraud activity including that undertaken as part of the National Fraud Initiative, being considered in June 2024 and June 2025.

The Audit & Governance Committee is the governance body responsible for scrutiny of the treasury management strategy, mid-term and annual review, in accordance with the CIPFA Treasury Management Code of Practice. This scrutiny occurred during 2024/25 at Audit Committee meetings including the Annual Treasury Management Review 2024/25 in June 2025 and the Treasury Management Mid-Year Report 2024/25 in December 2024.

### Membership

The Membership of the Audit & Governance Committee reflects the Council's approved Standing Orders, and Scheme of Administration which states that *"Councillor membership of the Committee should be drawn only from non-Cabinet Members of the Council. In appointing Councillor members to the Committee, the Council shall seek to achieve political balance."* The CIPFA Audit Committees Guidance states that "Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise." The Committee recognises that there is no independent members currently providing this appropriate technical expertise and also recognises the challenges of an appropriate recruitment exercise to appoint these members. This will continue to be taken forward with senior management in the Council to establish if an effective recruitment exercise can be undertaken.

The Committee membership during the year comprised of Councillors Menzies (Convenor), Trotter (Depute Convenor), Bruce, Jardine, McFarlane, McGuire, McLeod and Ritchie.

The attendance by each member at the Committee meetings throughout the year was as follows:

Member	17 June 2024	17 Sep 2024	17 Dec 2024	25 Mar 2025
Cllr Menzies	√	√	X	X
Cllr Trotter	X	√	X	√
Cllr Bruce	√	√	X	√
Cllr Jardine	√	√	√	√
Cllr McFarlane	√	√	√	√
Cllr McGuire	√	X	√	√
Cllr McLeod	√	√	√	√
Cllr Ritchie	√	√	√	√

Every Audit & Governance Committee meeting in 2024/25 was eventually quorate, it is noted however that the planned 11 June 2024 meeting was rescheduled until the 17 June 2024 due to the meeting not being Quorate. Group leaders have subsequently specifically stressed the importance of attendance to ensure that meetings are quorate going forward.

All other individuals who attended the meetings are recognised as being "In Attendance" only. The Chief Executive, Executive Director for Council Resources (Section 95 Officer), External Audit (Audit Scotland), and Internal Audit attend all Audit Committee meetings, and other senior officers also routinely attend Audit & Governance Committee meetings. The Council has provided support and resources to the Audit & Governance Committee throughout the year including a Democratic Services Officer as the Minute secretary.

## **Skills and Knowledge**

Given the wider corporate governance remit of Audit Committees within local government and the topics now covered by the external and internal audit functions, it is noteworthy that there is a range of skills, knowledge and experience that Audit & Governance Committee members bring to the committee, not limited to financial and business management. This enhances the quality of scrutiny and discussion of reports at the meetings. No one committee member would be expected to be expert in all areas.

## **Self-Assessment of the Committee**

A self-assessment questionnaire was issued to all members of the Audit & Governance Committee in July 2024, responses have been summarised and updated for 2025 by the Service Manager - Internal Auditor, in conjunction with the Audit & Governance Committee Chair, using the self-assessment of good practice and the evaluating the impact and effectiveness of the audit committee from the CIPFA Audit Committees Guidance. This was useful for Members to ensure the Committee can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance of the Council.

The outcome of the self-assessments was a high degree of compliance against the good practice principles and an improving and medium/high degree of effectiveness. Improvements were identified focussing on activity to improve its effectiveness in fulfilling its role. In summary these are:

- Consider again an approach for recruitment of co-opted independent members of the Audit & Governance Committee by March 2026.
- Ensure that this report is forwarded onto the Council as required by the CIPFA Audit Committees Guidance during the 2025/26 financial year.

## **Assurance Statement to the Council**

The Audit & Governance Committee provides the following assurance to the Council:

- The Council has access to the Minutes of the Audit & Governance Committee throughout the year.
- The Audit & Governance Committee has operated in accordance with its agreed terms of reference, covering the themes of Governance, Risk and Control, Internal Audit, External Audit, Financial Reporting, and Accountability Arrangements, and accordingly conforms to the Audit Committee principles within the CIPFA Position Statement for Audit Committees.
- It focused entirely on matters of risk management, internal control and governance, giving specialist advice to the Council on the value of the audit process, on the integrity of financial reporting and on governance arrangements, and acted as a bridge between the Council and other stakeholders. It did this through material it received from Internal Audit, External Audit, Risk Management, Council Finance teams and reporting from Council Arm's Length Bodies and assurances from Management relevant to Audit Cycle of reporting.
- The Audit & Governance Committee has reflected on its performance during the year, and has agreed areas of improvement to enable enhanced effectiveness to fulfil its scrutiny and challenge role.

Lee-Anne Menzies  
Chair of Audit & Governance Committee  
16 September 2025

**Audit committee purpose and governance****Yes/Partly  
/No****Comments**

Does the authority have a dedicated audit committee?

Yes

The Council's Standing Orders identify the Audit & Governance Committee undertaking the Audit Committee role.

Does the audit committee report directly to full council?

Yes

All Minutes of Audit & Governance Committee meetings are circulated to full Council for noting and the Committee terms of reference state that: Decisions of the Committee on functions delegated to them shall be reported to the Council for information only unless the Committee resolved that a particular item of business should be referred to the council for decision. However Annual/End of Term report has not yet been forwarded formally to the Council for consideration.

Has the committee maintained its advisory role by not taking on any decision-making powers?

Yes

Yes, the Committee has no direct decision-making powers.

Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?

Yes

Yes, the Terms of Reference of the Audit & Governance Committee identify responsibilities for Governance, Risk and Control Arrangements, Finance and Governance reporting, establishing appropriate and effective arrangements for audit and assurance.

Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?

Yes

The role and purpose of the Audit & Governance Committee is set out in the Council's Standing orders including what it can do, the arrangements for meetings, required quorums etc. Attendance by Senior Officers including the Chief Executive and Executive Directors at every Committee meeting demonstrates the understanding.

Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?

Yes

The Audit & Governance Committee is well attended by Senior Officers including the Chief Executive and Executive Directors and escalation of issues to Council is covered in the terms of reference section G.

Does the governing body hold the audit committee to account for its performance at least annually?

Yes

The Audit & Governance Committee are now completing annual reviews however these are not yet being forwarded to the Council to demonstrate holding to account, although the review is available to the Council a public document.

Functions of the committee	Yes/Partly/No	Comments
Does the committee publish an annual report in accordance with the 2022 guidance, including:		
compliance with the CIPFA Position Statement 2022	Yes	This report covers this compliance.
results of the annual evaluation, development work undertaken and planned improvements	Yes	Covered in this report.
how it has fulfilled its terms of reference and the key issues escalated in the year?	Yes	Covered in this report.
Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?		
• Governance arrangements	Yes	Reference in Terms of Reference relation to section A 4 to Governance.
• Assurance framework	Yes	Reference in Terms of Reference to section A 2 (f).
• Internal audit and Internal Control Arrangements including: <ul style="list-style-type: none"> <li>○ Financial management</li> <li>○ Value for money</li> <li>○ Ethics and standards</li> <li>○ Counter fraud and corruption</li> </ul>	Yes	Reference in Terms of Reference section A 3, 4 & 1(c).
• External audit	Yes	Reference in Terms of Reference to section A 2 (c), (e) & (f).

Functions of the committee (cont'd)	Yes/Partly /No	Comments
<ul style="list-style-type: none"> <li>Risk management arrangements</li> </ul>	Yes	Reference in Terms of Reference to section A 1 (a).
<ul style="list-style-type: none"> <li>Annual Governance Statement</li> </ul>	Yes	Reference in Terms of Reference to section A 1 (d), 3 (b) & 4.
Over the last year, has adequate consideration been given to all core areas?	Yes	Reports have been received that cover all core areas at meetings of the Audit & Governance Committee, however raised areas for more or different coverage by members include Annual Governance Statement, Financial Management, Assurance Framework and Risk Management.
Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	Yes	The Audit & Governance Committee has only considered items that align with its core functions.
Has the committee met privately with the external auditors and head of internal audit in the last year?	Yes	The Service Manager Internal Audit and Audit Scotland have met privately with the Audit & Governance Committee.
Has the Committee been established in accordance with the 2022 guidance as follows:		
Separation from the Executive	Yes	Audit & Governance Committee terms of reference state that members are only drawn from non-Cabinet members of Council.
A size that is not unwieldy and avoids the use of substitutes	Yes	Regular attendance by all members without substitutes evidence's compliance.
Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation.	No	Consideration has been given on how to recruit lay/co-opted members, however no recruitment process has been undertaken.



## Membership and support

	Yes/Partly /No	Comments
Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled.	Yes	Elected Members on the Audit & Governance Committee are selected in accordance with the arrangements set out in the terms of reference as part of the Council's Standing Orders. Committee members bring a wide variety of skills, experience, and knowledge. Continued further training and development requirements will remain under review.
Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	Yes	A Skills and Knowledge assessment was undertaken in 2024/25
Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	Yes	Induction training has been provided for all members which covers key areas of the 2022 guidance, further regular training events have taken place with members of the Committee and will continue to take place.
Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	Yes	The Committee members have satisfactory level of knowledge and experience in all key areas.
Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	Yes	The Chair meets with the Executive Director for Council Resources, the Head of Finance, and the Service Manager Internal Audit in advance of each Audit & Governance Committee meeting, and has the option to meet with External Auditors, in private. The Audit & Governance Committee members have a pre-meeting with senior management prior to each Audit & Governance Committee meeting to enable wider context of Council business.
Is adequate secretariat and administrative support to the committee provided?	Yes	Yes.
Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	Partly	Feedback is provided through regular meetings with Committee members and opportunity for communication with Internal and External audit, including private meeting, and management in pre-meetings. The reporting of this work to Council will provide opportunity for Council feedback to be provided.
Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	Yes	As reflected in the Minutes of the Committee.

**Effectiveness of the committee****Yes/Partly  
/No****Comments**

Are meetings effective with a good level of discussion and engagement from all members?

Yes

As reflected in the Minutes of the Committee.

Has the Committee maintained a non-political approach to discussions throughout?

Yes

As reflected in the Minutes of the Committee.

Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?

Yes

The Chief Executive and appropriate Executive Directors attend all Audit & Governance Committee meetings and respond to members' questions for the business being considered by the Committee to ensure action findings and action plans are acted upon. Corporate and Service Risk registers are presented to the Committee.

Does the committee make recommendations for the improvement of governance, risk and control arrangements?

Yes

Recommendations can be made by the Committee to Council in accordance with the business considered by the Committee. Recommendations made in Audit work are followed up with management and reported back to the Committee.

Do audit committee recommendations have traction with those in leadership roles?

Yes

The Chief Executive, Directors and the Section 95 Officer attend all Audit & Governance Committee meetings and respond to members' questions as appropriate for the business being considered by the Committee to ensure action findings and action plans are acted upon.

Has the committee evaluated whether and how it is adding value to the organisation?

No

Self-Evaluation by the Committee members confirmed that they agree value was being added but no formal evaluation has taken place.

Does the committee have an action plan to improve any areas of weakness?

Yes

An Action plan was created last year and refreshed this year.

Has this assessment been undertaken collaboratively with the audit committee members?

Yes

All members of the Audit & Governance Committee were asked to complete a questionnaire to provide an aggregate view for this self-assessment.

<b>COMMITTEE:</b>	Audit and Governance Committee
<b>MEETING DATE:</b>	16 <sup>th</sup> of September 2025
<b>BY:</b>	Chief Executive
<b>REPORT TITLE:</b>	Housing, Communities and Development Risk Registers
<b>REPORT STATUS:</b>	Public

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## **1 PURPOSE OF REPORT**

- 1.1 To present to the Audit and Governance Committee the Housing, Communities and Development Registers for discussion, comment and noting.
- 1.2 These Risk Registers are developed in keeping with the Council's Risk Management Strategy and are live documents, which are reviewed and refreshed on a regular basis, led by the Local Risk Working Groups (LRWG) within each service.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Audit and Governance Committee notes these Risk Registers and in doing so, the Committee is asked to note that:
  - the relevant risks have been identified, and that the significance of each risk is appropriate to the current nature of the risk.
  - the total profile of the risks can be borne by the Council at this time in relation to the Council's appetite for risk.
  - although the risks presented are those requiring close monitoring and scrutiny over the next year, many are in fact longer-term risks and are likely to be a feature of the risk register over a number of years.

### **3 BACKGROUND**

- 3.1 The Risk Registers has been compiled by the respective LRWGs. All risks have been evaluated using the standard (5x5) risk matrix (Appendix 5) producing an evaluation of risk as either 'low (1-4)', 'medium' (5-9), 'high' (10-19) or 'very high' (20-25).
- 3.2 The Council's response in relation to adverse risk or its risk appetite is such that:
- Very High risk is unacceptable, and measures should be taken to reduce, transfer or treat the risk to a more tolerable position.
  - High risk may be tolerable providing the Council is assured that adequate and effective control measures are in place.
  - Medium risk is tolerable with control measures that are cost effective,
  - Low risk is broadly acceptable without any further action to prevent or mitigate risk.
- 3.3 The four risk registers presented include the following number of risks.
- Housing Risk Register includes 1 Very High, 9 High, 8 Medium and 3 Low risks.
  - Communities Risk Register includes 6 High, 17 Medium and 5 Low risks.
  - Development Risk Register includes 4 High, 2 Medium and 5 Low risks.

As per the Council's Risk Strategy, only the Very High and High risks are being reported to the Committee.

### **4 POLICY IMPLICATIONS**

- 4.1 In noting this report the Council will be ensuring that risk management principles, as detailed in the Corporate Risk Management Strategy are embedded across the Council.

### **5 RESOURCE AND OTHER IMPLICATIONS**

- 5.1 Finance:

It is the consideration of the respective LRWGs that the recurring costs associated with the measures in place for each risk are proportionate to the level of risk. The financial requirements to support the Risk Registers should be met within the proposed budget allocations. Any unplanned and unbudgeted costs that arise in relation to any of the corporate risks identified will be subject to review by the Council Management Team.

5.2 Other (e.g. Legal/IT):

Effective implementation of these registers will require the support and commitment of the Risk Owners identified within the registers.

## 6 INTEGRATED IMPACT ASSESSMENT

6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken, and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

☒

**or**

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	N/A
Socio-economic disadvantage/poverty	N/A
Climate change, the environment and sustainability	N/A
Corporate parenting and care-experienced young people	N/A
Storage/collection of personal data	N/A
Other	N/A

The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## 7 APPENDICES

Appendix 1 - Housing Risk Register - September 2025

Appendix 2 - Communities Risk Register - September 2025

Appendix 3 - Development Risk Register - September 2025

Appendix 4 – Risk Matrix

## 8 AUTHOR AND APPROVAL DETAILS

### Report Author(s)

<b>Name</b>	Lee Wright
<b>Designation</b>	Emergency Planning and Resilience Officer
<b>Tel/Email</b>	lwright@eastlothain.gov.uk
<b>Date</b>	03/09/2025

### Head of Service Approval

<b>Name</b>	Lesley Brown
<b>Designation</b>	Executive Director
<b>Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed</b>	Yes
<b>Approval Date</b>	02/09/2025

## East Lothian Council Housing Risk Register

6a

Risk ID	Category	Title	Description	Impact	Probability	Current Risk Score	Residual Risk Score	Corrective Actions	Review Date
R70	Financial Impact	Affordable Housing Supply	<p>The need and demand for affordable housing outstrips the supply in East Lothian, influencing rising numbers of the Council's Housing List which currently sits at 3,363 on general list and 875 transfer applicants.</p> <p>East Lothian is in a unique position with a small amount of Council owned land we are reliant on s75s via private housing developers. This means we have no control over the pace or scale of provision coming forward. As a result, the number of sites coming forward over the coming 3 years, compared to the RPAs provided by the Scottish Government puts a significant number of sites at risk. Government Resource Planning Assumptions (RPAs) for East Lothian have been provided for the period 2025/26-2027/28 as follows:</p> <p>2025/26 - £11.733m 2026/27 - £9.386m</p>	4	5	20	16	<p>Local Investment Framework will be delivered to support the development of affordable homes in the right places. Take a strategic approach to large development sites including Blindwells and Wallyford. Strategic Housing Investment Plan 2026/27-2030/31 is in draft and will be submitted October 2025.</p> <p>Affordable Housing Policy will be updated for LDP2</p> <p>Development of an empty homes strategy and recruitment of an empty homes officer to increase the supply of housing and balance the housing system</p> <p>Develop an Acquisition and Disposals Policy to target properties in high demand. Take a strategic</p>	31/07/2026

			<p>2027/28 - £7.040m</p> <p>At September 2025, over the coming three years there is circa 600 units of affordable housing at risk.</p>					<p>approach to large development sites including Blindwells and Wallyford.</p> <p>Take a strategic approach to large development sites including Blindwells and Wallyford</p> <p>Strategic Housing Investment Plan 2026/27-2030/31 is in draft and will be submitted October 2025.</p>	
R71	Impact on Service Objectives	Lack of Accessible Housing	<p>Lack of accessible housing to meet needs of current and projected population leading to inability to meet needs of customers.</p> <p>Potential increased pressure on care and health services as customers remain in inappropriate housing and require additional inputs to sustain them while also increasing our homeless pressure. Increased pressure on Council housing as private sector housing doesn't develop accessible housing.</p> <p>Increase in funding for adaptations will be required to make best use of existing stock to meet customers' needs. It is also required to ensure the demand for adaptations in the private sector is met.</p>	4	4	16	12	<p>Implement a 5% wheelchair accessible housing target in the private sector through LDP2</p> <p>Increase the number of RSL properties which are built to wheelchair accessible housing standards to reduce the impact on the Council</p> <p>Complete an all-tenure adaptations review to ensure the adaptations budget is fully maximised.</p>	31/07/2026



R64	Financial Impact	Building material supply Issues	<p>Concurrent impacts of Brexit, COVID-19, war in Ukraine and other global supply chain factors are affecting building material supplies. There are currently inconsistencies in the supply of these materials across all trades.</p> <p>This is impacting on cost and repair timescales and ability to meet statutory repair duties and could result in emergency repairs not being carried out.</p> <p>This is also impacting on the affordable housing programme leading to delays on delivery, impacting on targeted spend profile and increasing costs which are becoming unaffordable.</p> <p>Subsidy has increased but the overall allocation has stayed the same resulting in more subsidy per unit but a reduction in overall completions.</p>	4	4	16	12	Continue to liaise with the Scottish Government in relation to increasing costs and the new build benchmark for subsidy.	01/12/2025
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R67	Financial Impact	Fuel Poverty	<p>Increase in fuel poverty due to a variety of factors:</p> <ul style="list-style-type: none"> <li>- Increase in fuel prices</li> <li>- Impact of welfare reform</li> <li>- Changing householder economic / financial situation</li> <li>- COVID impact - loss of employment.</li> <li>- cost of living</li> </ul> <p>There may also be a lack of skilled workforce to install EWI due to Brexit.</p> <p>Energy Efficiency is a national infrastructure priority (SG's Infrastructure Investment Plan 2015). During 2017, the Scottish Government consulted on a range of related issues as part of the draft Climate Change Plan and draft Scottish Energy Strategy. Energy Efficiency Scotland Programme (EES) is currently under development and will be a co-ordinated programme to improve energy efficiency of homes alongside commercial, public and industrial sectors.</p> <p>The impact of living in fuel poverty can place additional pressure on existing services –health, social care, advice, rent income.</p> <p>New buildings consented from 2024 must use zero direct emissions heating. This could result in tenants having higher heating due to electric heating currently being more expensive to run than gas.</p> <p>Potential increased risk of damage to the fabric of buildings and impact on health and wellbeing of tenants as a result of tenants not being able to afford to heat their homes.</p> <p>There has been a significant increase in demand for the energy advice service, resulting in an increase in cost.</p>	4	4	16	8	<p>Housing Strategy and Development and Property Maintenance looking to develop an Energy Efficiency Policy to set out asset management investment priorities in the short term whilst linking with LHEES over the longer term.</p> <p>Scottish Government is planning to introduce a Heat in Buildings Bill to Parliament in 2024.</p> <p>Continue to explore and identify new innovative methods and solutions to improve energy efficiency once all fabric upgrades have been carried out, possibility of Solar PV and battery.</p> <p>Develop some information and advice in relation to energy efficiency and maintenance of homes.</p> <p>Energy Advice Service now sitting with Citizens Advice East Lothian (Musselburgh and Haddington) allowing them to combine funding streams and target the most vulnerable households.</p> <p>Interim Energy Policy in development which will target investment at those most at risk of being fuel poor in council housing and mixed tenure homes, due to the condition of their property.</p>	31/07/2026
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R69	Financial Impact	Private Sector Housing Grant and risks associated with the delivery of private sector adaptations carried out by Care and Repair.	<p>Increased demand as well as increased cost of materials with no increase in the Private Sector Housing Grant is resulting in a backlog of adaptations for future years. This is also increasing pressure and demand for more accessible housing and for potential hospital admissions and delayed discharge.</p> <p>Where major adaptations cannot be carried out, East Lothian Council and IJB will be failing to meet their statutory duties under Housing (Scotland) Act 2006 and the Public Bodies (Joint Working) (Scotland) Act 2014.</p>	3	5	15	12	All-Tenure Adaptations Policy to be developed between ELC and HSCP	31/07/2026
R77	Financial Impact	HRA income and Rent Arrears	<p>A fall in HRA income may impact on our ability to provide services and deliver on capital investment plans.</p> <p>Any increase in rent arrears would reduce income to the HRA.</p> <p>There continues to be a risk associated with the financial impacts of Covid-19.</p> <p>Times continue to be challenging and many households are facing financial hardship with cost of living pressures.</p>	3	4	12	9	<p>A draft Rent Income Management Policy</p> <p>The Rent Income Team has been working with Housing Quality Network (HQN) Consultant,</p>	30/06/2026

R79	Financial Impact	Housing Quality falling below SHQS	<p>Our houses are required to meet the Scottish Housing Quality Standard (SHQS) and will be required to meet the Energy Efficiency Standard in Social Housing (EESSH). Delivery of these Standards is a significant contributor to the achievement of several of the National Outcomes the Scottish Government aims to achieve.</p> <p>The Scottish Housing Regulator (SHR) is monitoring progress against these Standards and failure to clearly demonstrate compliance may involve intervention by the SHR on the management of stock quality. It could also lead to loss of reputation to the Council as a service provider and the largest landlord in East Lothian.</p> <p>While a rolling stock condition survey programme is in place, the data is incomplete.</p> <p>Procurement rules negate our ability to enter into building contracts on s75 obligations which involve the transfer of completed units. This also prevents the ability to influence the specification which can result in poor quality products and increased resources in relation to resolving defects. This can in turn result in an impact on future repairs and maintenance costs.</p>	4	3	12	8	<p>Housing Compliance framework to be developed incorporating Tenant Safety Policy in conjunction with new Housing Asset Compliance team and supported by new CX Compliance database (part of new HMS system).</p> <p>Housing Asset Management Strategy to be developed, extending housing investment strategy to detailed 10-year programmes and outlining broader 30-year objectives.</p> <p>Support the development of an Affordable Housing Design Guide.</p>	30/06/2026
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R81	Impact on Service Objectives	Mobile Working	<p>Current mobile working hardware, within Property Maintenance, is dated and does not meet PSN requirements. This has resulted in a switch-off of existing hardware, and reverting to paper-based job ticketing, placing increased pressure on administrative resources.</p> <p>A project to replace the system was terminated in September 2023 pending the implementation of a new HMS system (Civica Cx) which incorporated mobile working.</p> <p>Delays in implementing this new system results in more labour intensive processes and delays in the progression from practical job completions to ledger payments, negatively impacting on the efficient running of the trading activity.</p>	3	4	12	6	<p>Civica Cx Contractor, Asset &amp; Compliance module (which includes mobile working) is a cause of some concern due to the ongoing delays to implementation and a lack of demonstrable 'go-live' projects across the UK. Options are currently being evaluated by the HMS Project Board to mitigate this risk.</p>	30/09/2025
R83	Legal	Solid Fuel Installations and Safety	<p>Failure to Manage Solid Fuel safety on all Solid Fuel Installations in ELC Housing Properties leading to potential CO poisoning of tenants, increased risk of house fires and potential risk of prosecution.</p> <p>Chimneys flues are generally in poor condition and the Council are unable to directly control fuels burnt in solid fuel appliances.</p> <p>Solid fuel systems are generally less efficient and higher carbon emitting than other alternative domestic fuel types.</p>	5	2	10	5	<p>Programme for removal and replacement of solid fuel systems ongoing in remaining 30 properties. Gas supplies have been installed to all Council houses in gas areas to enable rapid replacement when consent received.</p>	30/06/2026

R80	Impact on People	Risk of Work at Height Injury	<p>Work at Height remains the biggest cause of fatal injury in the workplace for certain Property Maintenance employees.</p> <p>A fatal injury could expose the council and/or individuals to criminal charges and subsequent civil actions. Any fatal injury could have a major impact on the victims' family and potentially damaging to the Council's reputation.</p>	5	2	10	5	Competency frameworks to be identified to ensure supervisors attend training courses to ensure they have a good understanding of their role with regards to the duty of care imposed on them by current H and S Regulations.	30/09/2025
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## East Lothian Council Communities Risk Register

6b

Risk ID	Category	Title	Description	Impact	Probability	Current Risk Score	Residual Risk Score	Corrective Actions	Review Date
R100	Impact on Service Objectives	Service Capacity – Staffing	Staffing pressures across the breadth of Community Services service delivery county-wide may impact on the ability to safely deliver services e.g. Customer Services and Libraries, Contact Centre, Community Centres, Food Safety Inspections etc.	4	4	16	9	Explore graduate intern and KickStart opportunities  Review Customer Services and Connected Communities Service physical assets	27/02/2026
R98	Business Continuity	Loss or damage of assets	Loss or damage or delayed repair of assets due to fire, explosion, storm, flood, malicious damage, theft, lack of repair/maintenance, lack of adequate security measures, loss of utility supply or lack of facility support.	4	4	16	9	The Council's overarching Health and Safety Policy and Arrangements re Head of Establishment remit and Guidance are under review.  Exploration of CCTV for Prestongrange site.  Exploration of appropriate insurance cover and insurance quotations for ELC Arts and Museum collections.  Fencing will be installed around a number of buildings at Prestongrange to further reduce the risk of unauthorised access, damage and loss.	31/07/2026

R97	Impact on Service Objectives	Failure of IT customer interface systems	<p>Failure of IT customer interface systems (including Telephony)</p> <p>Would render the Council: Unable to deliver customer services some of which are vital 'life and limb' services i.e. community alarm/telecare services for 3 Councils and 2 Housing associations/adult and children's social work calls/out-of-hours emergency calls</p> <p>Data unable to be inputted onto databases Customers unable to access self-service and get on-line Services unable to meet customer expectations resulting in reputational damage, service level breach, poor publicity and failure to provide essential services.</p>	5	3	15	10	<p>Complete planned upgrade of existing Digital system</p> <p>Full replacement and upgrade of CCTV.</p>	30/01/2026
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R102	Impact on People	<p>Fatality, Major Injury, Serious Incident in ELC enforced Workplace</p> <p>Under the Health &amp; Safety at Work Act 1974, ELC is the enforcing authority for a significant number of workplaces in East Lothian. In the event of a fatality, major injury or serious incident, officers from Protective Services will be required to investigate and identify any legislative breaches which may result in prosecution. Officers may also be required to give evidence at a Fatal Accident Enquiry. Failure to meet these obligations could lead to significant reputational damage for ELC.</p> <p>Risk Factors: In 2010, UK Gov significantly reduced pro-active inspections of workplaces. This has reduced experience of officers and therefore competency levels. Investigations are time consuming and resource intensive adding pressure to existing team to deliver other statutory duties. There is currently a national shortage of qualified Environmental Health Officers which may have future implications for resourcing levels. Investigation processes and procedures need to be robust as most prosecutions are taken on summary indictment. Increased media attention / Information requests Third party insurance claims made against the Council. Depending upon the nature of the incident, the area may require evacuation and/or decontamination.</p>	4	3	12	8	<p>Business Continuity Plan to be reviewed to include actions where resource is deployed into a major investigation.</p> <p>Annual Service Plan to include initiatives that will increase pro-active activities e.g. topic visits, table-top scenarios, consistency exercises etc.</p> <p>Competency Framework and Matrix to be developed to ensure required skills and knowledge are gained and maintained.</p> <p>Any competency gaps to be identified and addressed vis PRD process.</p> <p>Out of hours provision requires review.</p>	10/08/2026
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R99	Financial Impact	Appropriate Insurance Cover	<p>Failure to identify, source and secure effective insurance cover for the Council e.g. public liability and employers' liability, property and vehicle assets (both ELC owned and leased) insurance cover etc. would leave the Council vulnerable to significant risk in respect of claims received. This could lead to financial loss and reputational damage.</p> <p>Should the Council's Insurance Service fail to operate effectively, risks may increase regarding effective management of insurance claims handling, policy compliance and accurate information being provided to the insurers (as required under the Insurance Act 2015). This, in turn, could lead to fraudulent claims, uninsured financial loss and reputational damage.</p> <p>Failure to declare accurately the risks within the Council to our insurers could result in cover being withdrawn and / or additional premiums or deductibles being incurred (leaving the Council at greater financial risk)</p> <p>Failure to maintain and implement / audit policies and procedures, including appropriate insurance MIS and records management and safeguarding of insurance claims data, could lead to a deterioration in the Council's claims experience. This will increase the premiums that the Council will have to pay. This may impact on the value of the Corporate Insurance Fund held within the Council's Reserves.</p> <p>The Council has never held insurance for the Council's museum/art collection or for items exhibited in museums or libraries</p>	4	3	12	8	<p>Focus on the Service Management Team re lessons learned to be delivered directly and preventative measures to be shared</p> <p>Gallagher Bassett risk review days have been promoted internally to all service areas</p> <p>Development of Insurance e-learning for all staff including information about the policies in place, requirements for annual declarations and also emerging insurance risks.</p> <p>Working with IT security team to secure software provider to safeguard data held by the insurance team.</p> <p>evaluate the worth of the museum arts collection and identify any particular items of significant financial or heritage importance</p>	28/08/2025
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R113	Impact on People	Outbreak of Communicable Disease	<p>An outbreak of infectious disease in the East Lothian area will involve participation of Environmental Health Officers in the investigation, control and management of the outbreak under the Public Health (Scotland) Act 2008 and/or Food Legislation. .</p> <p>Failure to efficiently respond to such an incident could result in serious illness or fatalities to the public as well as reputational risk to the Council.</p> <p>Risk Factors:</p> <p>Increased Global travel post-covid can see a rise in imported and unusual disease.</p> <p>Lack of post-brexite border checks may compromise food safety and may result in increased illness.</p> <p>Investigations are time consuming and resource intensive adding pressure to the existing small team to deliver other statutory duties.</p> <p>There is currently a national shortage of qualified Environmental Health Officers which may have future implications for resourcing levels.</p> <p>Such incidents attract significant media interest</p> <p>Matter may result in a public enquiry/formal investigation into the incident, which would affect the deployment of Council resources to carry out day-to-day work.</p> <p>Led to third party insurance claims to be made against the Council.</p> <p>Depending upon the nature of the incident, the area may require evacuation and/or disinfection.</p>	4	3	12	6	<p>Protective Services Service Review to generate increased service capacity and resilience</p> <p>Business Continuity Plan to be reviewed</p> <p>Competency Framework and Matrix to be developed</p> <p>Any competency gaps to be identified and addressed</p> <p>Regular training on outbreak response and management to be developed and rolled-out to staff</p> <p>Review out of hours provision</p>	10/08/2026
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## East Lothian Council Development Risk Register

6c

Risk ID	Category	Title	Description	Impact	Probability	Current Risk Score	Residual Risk Score	Corrective Actions	Review Date
R86	Impact on Service Objectives	Failure to facilitate supportive environment for sustainable economic growth	If the Council fails to facilitate a supportive environment for sustainable economic growth, there is a risk of reduced business start-ups, slower recovery and expansion, and lower levels of inward investment. This could undermine long-term prosperity, resilience, and sustainability in East Lothian, leading to weaker private sector confidence and widening social and economic inequalities.	3	4	12	9	Strategic Framework and Policy - Integration of employment land and infrastructure requirements into LDP2, ensuring provision for business growth, low-carbon development, and affordable housing.	01/09/2026

R85	Property	Failure of Parking Management Project	<p>Parking demand in many of East Lothian's town centres can be high, especially at peak periods. Growth in car ownership and a lack of spaces for short stay parking makes it difficult for people to access amenities and local businesses. Improving the availability of short stay parking in the town centre increases turn-over making it easier to access the town centre and local services. Opposition raised from the business community stating parking charges will deter shoppers.</p> <p>Income generated would assist in delivering the investment required to introduce and maintain parking management arrangements and to achieve safer streets, parking space turnover and wider investment in active travel and sustainable transport provision.</p> <p>Income generated can be used to encourage greater use of public transport and promote active travel such as walking and cycling to address the Climate Emergency.</p> <p>Resources are required to implement and manage the project timeously to avoid delay and disruption in the delivery of proposed interventions (infrastructure and personnel) on a yearly basis.</p> <p>Political and public opposition to the proposals may increase levels of challenges, scrutiny and objections elongating delivery or potentially abandoning the project.</p>	3	4	12	9	<p>Undertake full economic impact assessments, demand assessments and technical work for all East Lothian towns.</p> <p>Provide consistent approach to consultation on an individual town by town basis commencing in Musselburgh.</p> <p>Engage with community leaders, businesses, area partnerships early to explore their concern.</p> <p>Identify partners and stakeholders to keep messages positive.</p> <p>Exploring and identifying additional off street parking intervention(s) where appropriate.</p>	30/10/2025
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R89	Impact on Service Objectives	Inability to deliver Blindwells Business Case	<p>Blindwells new settlement is a long term project that is likely to span several economic and political cycles, and generate significant capital and revenue requirements and additional demands for services, infrastructure and facilities as it is developed and once operational.</p> <p>Work that is currently being undertaken on the business case for Blindwells will consider the technical requirements, and the capital and revenue implications of the development. The potential solution for the future of Blindwells, including any need for capital and revenue support, is to be identified, quantified and agreed with both Governments as a commitment through the business case development process, if required, before any expansion scheme is committed to by ELC.</p> <p>An inability to secure the ongoing development of Blindwells may lead to future development requirements needing to be met elsewhere in East Lothian.</p>	4	3	12	8	<p>Development of Blindwells Business Case</p> <p>Strategic Polical Engagement</p> <p>Develop sound technical evidence, and financial and delivery model</p> <p>Blindwells Business Case Governance</p> <p>This risk is supported by a Strategic Outline Business Case and a project risk register</p> <p>Highten Blindwells Profile in National and Regional Plans and Strategies</p>	31/08/2026
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R93	Financial Impact	Cockenzie Levelling Up Funding Insufficient	<p>Council's bid was successful for £11.3M of UK Government funding towards preparation works at the former Cockenzie site Power Station site. This was on the basis of the Council funding 10% of the cost (£1.2M). However, government funding is a maximum sum, therefore if costs increase, the Council has to cover these increased costs. Costs of works may increase due to high inflation impacting costs of works and technical issues (flood risk, suitability of bund material, drainage, planning delays, procurement and contractor issues). Works have had to be phased due to need to complete bat surveys and badger monitoring/sett reprovision which will have cost impact</p> <p>Project originally had a funding expenditure deadline of March 2025, although this has now been extended to March 2026.</p>	3	4	12	6	<p>Void infill and bund removal will be submitted as a separate application from sea wall-flood risk works and public realm works</p> <p>Conversations ongoing with Sustrans national cycle network providers to develop a national route, phased works being realigned to tie in closely with MFPS and shared footprint concept design being delivery by the MPFS.</p>	07/11/2025
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## East Lothian Council Risk Matrix

### Likelihood Description

Likelihood of Occurrence	Score	Description
Almost Certain	5	>90% chance of occurring
Probable	4	70%-90% chance of occurrence
Possible	3	30-70% chance of occurring
Unlikely	2	10-30% chance of occurring
Rare	1	<10% chance of occurring

### Impact Description

Impact of Occurrence	Score	Description							
		Impact on Service Objectives	Financial Impact	Physical and/or Psychological Impact on People	Impact on Time	Impact on Reputation	Impact on Assets	Business Continuity	Legal & Regulatory
Catastrophic	5	Catastrophic failure in service delivery and key service standards are not met, long-term catastrophic interruption to operations, several major partnerships are affected	Severe impacts on budgets (emergency Corporate measures to be taken to stabilise Council Finances. Consideration should be given as to whether this is an insured or uninsured risk and whether there may be reliance on reserves. The Council is expected to hold a reserve to budget ratio of 2%.	Single or Multiple fatality and or psychological impact, within council control, leading to fatal accident enquiry.	Serious - in excess of 2 years to recover pre-event position.	Highly damaging, severe loss of public confidence, Scottish Government or Audit Scotland involved. Prolonged regional and national condemnation.	Significant disruption to building, facilities, vehicles or equipment (Loss of building, vehicles, rebuilding required, temporary accommodation required, vital equipment lost without replacement capability available resulting in services being unable to be delivered).	Complete inability to provide service/system, prolonged downtime with no back-up in place.	Catastrophic legal, regulatory, or contractual breach likely to result in substantial fines or other sanctions, including substantial involvement from regulators.
Major	4	Major impact to service quality, multiple service standards are not met, long-term disruption to operations, multiple partnerships affected.	Major impact on budgets (need for Corporate solution to be identified to resolve funding difficulty). Consideration should be given as to whether this is an insured or uninsured risk and whether there may be reliance on reserves.	Number of extensive injuries (major permanent harm) or major psychological impact to employees, service users or public.	Major - between 1 & 2 years to recover pre-event position.	Serious negative national or regional criticism and publicity.	Major disruption to building, facilities, vehicles or equipment (Significant part of building unusable for prolonged period of time, alternative accommodation required, equipment or vehicles unavailable to provide significant elements of service delivery and no appropriate contingency arrangements in place).	Significant impact on service provision or loss of service.	Legal, regulatory, or contractual breach, severe impact to Council, fines and regulatory action publicly enforced.
Moderate	3	Significant fall in service quality, major partnership relationships strained, serious disruption in service standards.	Moderate impact on budgets (can be contained within overall directorate budget).	Serious injury requiring medical treatment or moderate psychological impact to employee, service user or public (semi-permanent harm up to 1yr), council liable.	Considerable - between 6 months and 1 year to recover pre-event position.	Adverse national media public attention with elected members becoming involved.	Moderate disruption to building, facilities, vehicles or equipment (loss of use of building for medium period, loss of equipment or vehicles requires contingency arrangements to be employed and has moderate impact on overall service delivery).	Security support and performance of service/system borderline.	Legal, regulatory, or contractual breach, moderate impact to Council, regulator action and or improvement required of the Council.
Minor	2	Minor impact to service quality, minor service standards are not met, short-term disruption to operations, minor impact on a partnerships	Minor impact on budgets (can be contained within service head's budget).	Non life changing injury or psychological impact to staff or member of the public requiring treatment.	Some - between 2 and 6 months to recover.	Minor adverse local, public or media attention and complaints.	Minor disruption to building, facilities, vehicles or equipment (alternative arrangements in place and covered by insurance, equipment or vehicles unavailable for small period of time minor impact on service).	Reasonable back-up arrangements, minor downtime of service/system.	Legal, regulatory, or contractual breach, minor impact to Council, regulator advice and improvement requested of the Council.
Minimal	1	No impact to service quality, limited disruption to operations.	Minimal impact on budgets (can be contained within unit's budget).	Minor injury or minor psychological impact to employee, service user or public.	Minimal - Up to 2 months to recover.	Public concern restricted to local complaints and of no interest to the media.	Minimal disruption to building, facilities, vehicles or equipment (alternative arrangements in place, equipment or vehicles alternative quickly available to replace or substitute).	No operational difficulties, back-up support in place and security level acceptable.	Legal, regulatory, or contractual breach, negligible impact to Council, regulator suggested improvements requested.

Risk	Impact				
Likelihood	Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Remote (1)	1	2	3	4	5

### Key

Risk	Low	Medium	High	Very High
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<b>COMMITTEE:</b>	Audit and Governance Committee
<b>MEETING DATE:</b>	16 September 2025
<b>BY:</b>	Executive Director for Place
<b>REPORT TITLE:</b>	Housing Annual Assurance Statement
<b>REPORT STATUS:</b>	Public

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## **PURPOSE**

- 1.1 To advise the Audit and Governance Committee of the Scottish Housing Regulator's regulatory framework and in particular, the requirement for East Lothian Council to produce an Annual Assurance Statement, which requires to be signed off by the Senior Internal Auditor on behalf of the Council.
- 1.2 To obtain approval for East Lothian Council's Annual Assurance Statement as laid out in Appendix 1.

## **RECOMMENDATIONS**

- 2.1 That Audit and Governance Committee notes the regulatory framework and the requirement for the Senior Internal Auditor to sign-off the Annual Assurance Statement (AAS) on behalf of the Council.
- 2.2 That Audit and Governance Committee note that the regulatory framework requires the submission of the AAS no later than the 31<sup>st</sup> October 2025.
- 2.3 That Audit and Governance approves the Annual Assurance Statement as detailed in Appendix 1 noting that East Lothian Council was partially compliant with the regulatory requirements for the financial year 2024/25 and partially compliant for the first quarter of 2025/26. Areas of partial compliance are in relation to lead water pipe programme (due to non-access) and meeting the requirements of the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020.

## BACKGROUND

- 3.1 The Scottish Housing Regulator (SHR) published a new regulatory framework that came into effect on April 1, 2024. This update followed extensive consultation with social landlords, tenants and stakeholders. A summary of the framework is attached at Appendix 3. In Summary, the framework is designed to ensure that social landlords operate effectively and in the best interests of their tenants, with a strong emphasis on accountability, safety and stakeholder engagement.
- 3.2 There is a requirement on all social landlords to normally submit an Annual Assurance Statement to the SHR by the end of October each year. This statement must either confirm the relevant committee is assured that the landlord is complying with all regulatory requirements and standards or alternatively highlight any areas of material non-compliance and how the landlord will address these.
- 3.3 In many respects the process for gathering evidence to ensure the committee has the necessary level of assurance it needs to sign the statement is more important than the statement itself. Appendix 4 highlights key evidence of where the Council demonstrates compliance with the new regulatory framework.
- 3.4 East Lothian Council has existing scrutiny and performance structures in place to ensure the ongoing review of performance and service delivery. These processes are subject to continuous review and improvement. The Annual Assurance Statement is reviewed by Internal Audit and the findings from Internal Audit's assurance work are detailed in Appendix 2.
- 3.5 It is important to note that the Council also has various arrangements in place to support its governance, finance and controls environment, which are the subject of other regular reports to Audit and Governance.
- 3.6 It is also important to note that the Council's housing services are delivered across various teams in the Council (Service Development, Community Housing, Property Maintenance, Revenues and Asset Services being the main ones). In this regard a Service Review has recently been completed with a newly established Strategy, Policy and Performance Service, who will take the lead in this area. For this year the Service Development Manager has developed quarterly and annual assurance checklists, which all areas of housing service delivery have been asked to sign-off on at service manager level. These checklists once signed have been passed to the Service Development Manager and Head of Housing to check for completeness.
- 3.7 In addition, the Scottish Social Charter and Performance Group will consider evidence gathered from these service areas. In the event of material partial or non-compliance, this group will consider action plans and monitor progress to ensure full compliance. This group comprises

staff across the range of these service areas as well as members of East Lothian Tenants and Residents Panel.

- 3.8 The Service Manager – Housing Strategy, Policy and Performance will prepare the Annual Assurance Statement with a summary report for Audit and Governance Committee each year for approval before the deadline of 31<sup>st</sup> October.
- 3.9 Relevant managers across the Housing teams are expected to be aware of the regulatory requirements and impacts of non-compliance and will immediately advise the Service Manager – Housing Strategy, Policy and Performance of any such instances. The SHR has not provided a prescriptive list of material non-compliance examples, but it is felt these would be in the areas of Health and Safety breaches reported to the Health and Safety Executive, Data Protection breaches reported to the Information Commissioner's Office, Care Inspectorate or Scottish Social Services Commission interventions or regulatory failures.
- 3.10 The Council has determined that it has partially complied with the regulatory framework for the 2024/25 year and for the first quarter of 2025/26. The following paragraphs highlight the areas of partial compliance.
- 3.11 The Council's Lead Pipe Water Programme involves testing the water supply in Council houses for lead content, and enacting replacement of supply pipes where required. This programme was established some years ago; however, we established more recently that open market acquisition properties had been missed. A mop-up programme was mobilised to address these, and there remains 50 (11 less than last year) properties where we have been unable to gain access. For each of these properties, tenants have been sent at least two access letters (followed up by actual visits), and housing officers have also sought to engage with their tenants, but without success. Following advice from our Legal colleagues, we continued to re-engage with tenants over the course of 2024/25 and 2025/26 to date, ahead of issuing formal 24-hour notice letters advising we intend to force entry to complete the sampling/tests. This risk is also included and monitored through the housing services risk register.
- 3.12 The Council continues to be in breach of the Homeless Persons (Unsuitable Accommodation Order), which it regularly reports to the Scottish Government monthly. The Council continues to work hard to mitigate these breaches through new supply; high numbers of allocations to homeless households; revisions to the Council's Allocations Policy; and conversion of temporary accommodation to permanent housing etc. However, demand from predominately single homeless households (circa 95% of live breaches are from single homeless households) continues to outstrip supply and this pressure necessitates the need to source additional accommodation, which will often breach the Order. East Lothian Council currently has 66 rolling

breaches of the Unsuitable Accommodation Order, with ongoing efforts and a strategic plan in place, to further reduce this figure going forward.

- 3.13 The SHR expectation is that the Annual Assurance Statement is brief confirming compliance or otherwise. In the event of material non-compliance, a statement of how this will be addressed must be included.
- 3.14 The statement when signed should be made available to tenants and service users.
- 3.15 In April each year the SHR publishes an engagement plan for each landlord. This is informed by the Annual Return on the Charter (ARC), Scottish Government homeless statistics, previous engagement with the landlord and the new Annual Assurance Statement going forward. East Lothian Council's current engagement plan can be found at: [Engagement plan from 1 April 2025 to 31 March 2026 | Scottish Housing Regulator](#)

#### 4. POLICY IMPLICATIONS

- 4.1 The new regulatory framework, and in particular the requirement to produce an Annual Assurance Statement will give tenants, service users and stakeholders greater confidence in the delivery of the Council's Housing Services.

#### 5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: None
- 5.2 Human Resources: None
- 5.3 Other (e.g. Legal/IT): None
- 5.4 Risk: as set out in sections 3.11 and 3.12

#### 6 INTEGRATED IMPACT ASSESSMENT

- 6.1 ***Select the statement that is appropriate to your report by placing an 'X' in the relevant box.***

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X
---

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

*[Enter information on impacts that have been identified]*

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

[https://www.eastlothian.gov.uk/info/210602/equality\\_and\\_diversity/12014/integrated\\_impact\\_assessments](https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments)

## **7 APPENDICES**

- 7.1 Appendix 1 – Annual Assurance Statement
- 7.2 Appendix 2 – Internal Audit Annual Assurance Report
- 7.3 Appendix 3 – Summary requirements for Local Authorities and RSLs
- 7.4 Appendix 4 – Evidence List

## **8 BACKGROUND PAPERS**

- 8.1 Cabinet Report – Homelessness Action Plan – September 2024
- 8.2 Link to SHR web-pages on the Regulatory Framework: [Regulatory Framework | Scottish Housing Regulator](#)

## **9 AUTHOR AND APPROVAL DETAILS**

**Report Author(s)**

<b>Name</b>	Wendy McGuire
<b>Designation</b>	Head of Service
<b>Tel/Email</b>	<a href="mailto:wmcguire@eastlothian.gov.uk">wmcguire@eastlothian.gov.uk</a>
<b>Date</b>	5 September 2025

**Head of Service Approval**

<b>Name</b>	Lesley Brown
<b>Designation</b>	Executive Director
<b>Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed</b>	Yes
<b>Approval Date</b>	09.09.2025



Scottish Housing Regulator  
5<sup>th</sup> Floor  
220 High Street  
Glasgow  
G4 0QW

## Appendix 1

Date: 16 September 2025

Dear Sir/Madam,

### **East Lothian Council – Annual Assurance Statement**

Subject to the highlighted areas detailed below, we can confirm that the Council complies with the regulatory requirements set out in Chapter 3 of the Regulatory Framework. This includes that we:

- ❖ Achieve all of the standards and outcomes in the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services.
- ❖ Comply with our legal obligations relating to housing and homelessness, equality and human rights, and tenant and resident safety.

The following areas are highlighted as exceptions:

#### **Lead Pipe Water Programme**

The Council's Lead Pipe Water Programme involves testing the water supply in Council houses for lead content, and enacting replacement of supply pipes where required. This programme was established some years ago; however, we established more recently that open market acquisition properties had been missed. A mop-up programme was mobilised to address these, and there remains 50 properties where we have been unable to gain access. For each of these properties, tenants have been sent at least two access letters (followed up by actual visits), and Housing Officers have also sought to engage with their tenants but without success. Following advice from Legal colleagues, we continued to re-engage with tenants over the course of 2024/25 and 2025/26 to date, ahead of issuing formal 24-hour notice letters advising we intend to force entry to complete the sampling/tests.

#### **The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020**

The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020 came into effect on 01 October 2021. From this date onwards, the Council has been unable to meet its statutory obligations in respect of suitable temporary accommodation provision and remains in breach of the Order. In addition, the Homeless Persons (Suspension of Referrals between Local Authorities) (Scotland) Order 2022 changed the rules on local connection in November 2022 meaning local authorities no longer had the power to refer an applicant to another local authority on the basis of their local connection status. It is in regard to both of these legislative changes that East Lothian Council continues to face challenges regarding the provision of suitable temporary accommodation. The SHR's Engagement Plan in place for East Lothian Council focuses on the provision of temporary accommodation to homeless households and compliance with the Unsuitable Accommodation Order. The Council continues to work hard to mitigate these breaches through new supply; high numbers of allocations to homeless households; revisions to the Council's Allocations Policy; and conversion of temporary accommodation to permanent housing etc. However, demand from predominately single homeless households (circa 95% of live breaches are from single homeless households) continues to outstrip supply and this pressure necessitates the need to source additional accommodation, which will often breach the Order. East Lothian Council currently has 66 rolling breaches of the Unsuitable

Accommodation Order, with ongoing efforts and a strategic plan in place, to further reduce this figure going forward.

General

We confirm that we have seen and considered appropriate evidence to support the level of assurance.

We approved our Annual Assurance Statement at our Audit and Governance Committee meeting on 16 September 2025.

I sign this statement on behalf of East Lothian Council's Audit and Governance Committee.

Yours sincerely,

Duncan Stainbank  
Service Manager – Internal Audit

DRAFT



## Appendix 2

### East Lothian Council Internal Audit Assurance Report

From:	Duncan Stainbank, Service Manager – Internal Audit Stuart Allan, Senior Auditor
To:	Lesley Brown, Executive Director for Education & Children’s Services Wendy McGuire, Head of Housing Nicky Sandford, Service Manager – Community Housing and Homelessness
Date:	05 September 2025

#### SHR Annual Assurance Statement

##### 1. Background

The Council is required to provide the Scottish Housing Regulator (SHR) with an Annual Assurance Statement (AAS) to confirm its compliance with the regulatory requirements set out in Chapter 3 of the SHR’s Regulatory Framework. This includes that the Council:

- achieves all of the standards and outcomes in the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services; and
- complies with all legal obligations relating to housing and homelessness, equality and human rights, and tenant and resident safety.

The deadline for submission of this year’s Annual Assurance Statement to the Scottish Housing Regulator (SHR) is 31 October 2025.

The scope of the audit is to obtain, review and consider the adequacy of the evidence available to support the Council’s compliance with the regulatory requirements set out in Chapter 3 of the SHR’s Regulatory Framework. The audit covers compliance with the following five areas of regulatory compliance as set out in Chapter 3:

- Assurance and Notification – the Council is required to prepare an Annual Assurance Statement, submit it to the SHR and make it available to tenants and other service users; have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights and tenant and resident safety; notify the SHR of any tenant and resident safety matters; and make its Engagement Plan easily available and accessible to its tenants and service users;
- Scottish Social Housing Charter Performance – the Council is required to report its performance in achieving or progressing towards the Charter outcomes and standards;
- Tenants and Service Users Redress – the Council provides tenants and other service users with the information they need to exercise their right to complain and seek redress;
- Whistleblowing – the Council has effective arrangements and a policy for whistleblowing by staff and elected members, which it makes easily available and which it promotes;

- Equality and Human Rights – there is assurance and evidence that the Council considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies and in its day-to-day service delivery.

## 2. Findings

### 2.1 Assurance and Notification

Key findings are:

- The Council prepares an Annual Assurance Statement, which it submits to the SHR and makes available to tenants and service users.
- The service area has introduced a quarterly Assurance and Notification Self-Assessment Checklist, which requires to be signed off by appropriate managers/officers and is included as part of the evidence gathering regarding regulatory compliance. The following areas are highlighted:
  - Annual Gas Safety Inspections – at the year end, all properties were fully compliant with Gas Safety Regulations.
  - Interlinked Fire Alarms and Electrical Safety Inspections – new legislation required all homes in Scotland to have interlinked fire/heat alarms by February 2022 and full electrical safety checks by March 2022. The Council has continued to dedicate increased resource and spend to the respective fire and electrical safety programmes. At the end of 2022/23, the council had 84 non-compliant properties in respect of fire safety (SHQS elements 11A & 11B) and 155 non-compliant properties for electrical installation inspections known as EICRs (SHQS element 45). These non-compliant properties represented the council's most challenging stock both in terms of tenancy management and/or technical issues i.e. illegally bypassed meters, no incoming earth, no power in quantum, hoarders etc. Over the past two years, the wider housing division worked alongside social workers, Police Scotland and SPEN to complete the necessary works. At 2024/25 year-end, all properties were fully compliant in respect of EICRs. The Council's access procedure for EICRs now aligns to that of the well-established gas safety programme, which will ensure no new properties fall out of time. At 2024/25 year-end, the Council still had one property without adequate fire detection provision (SHQS elements 11A & 11B), which represented a complex tenancy management case. This case has since been resolved and as of 23 May 2025, the Council became fully compliant in respect of interlinked fire alarms.
  - The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020 came into effect on 01 October 2021. From this date onwards, the Council has been unable to meet its statutory obligations in respect of suitable temporary accommodation provision and remains in breach of the Order. In addition, the Homeless Persons (Suspension of Referrals between Local Authorities) (Scotland) Order 2022 changed the rules on local connection in November 2022 meaning local authorities no longer had the power to refer an applicant to another local authority on the basis of their local connection status. It is in regard to both of these legislative changes that East Lothian Council continues to face challenges regarding the provision of suitable temporary accommodation. The SHR's Engagement Plan in place for East Lothian Council focuses on the provision of temporary accommodation to homeless households and compliance with the Unsuitable Accommodation Order. The Council continues to work hard to mitigate these breaches through new supply; high numbers of allocations to homeless households; revisions to the Council's Allocations Policy; and conversion of temporary accommodation to permanent housing etc. However, demand from predominately single homeless households (circa 95% of live breaches are from single homeless households) continues to outstrip supply and this pressure necessitates the need to source additional accommodation, which will often breach the Order. East Lothian Council

currently has 66 rolling breaches of the Unsuitable Accommodation Order, with ongoing efforts and a strategic plan in place, to further reduce this figure going forward.

- Revised guidance issued by the Scottish Housing Regulator in February 2024 requires the Council to confirm that it meets all duties in relation to tenant resident and safety, including in respect of damp and mould, water safety, lift safety and asbestos. In this regard, the following points are noted:
  - Damp and Mould – as part of our cyclical stock condition survey programme, the Council conducts mould and damp checks according to SHQS (element 2) guidance. In addition, a cross service working group was established to implement the conclusions set out in the joint SHR, ALACHO, SFHA and CIH ‘Putting Safety First’ briefing note. The group oversaw staff training, a revised process for dealing with mould cases (which included a rapid response to mould removal) and the development of a new booklet “Don’t let condensation and mould ruin your home” a guide for tenants on minimising condensation, which has been found to be the cause of mould growth in the majority of cases. The Council also acknowledges the new social housing charter mould and damp indicators which commenced on 1 April 2025 and will apply to the 2026 Annual Return of the Charter (ARC). To this end, the cross service working group was reconvened to ensure that systems and processes were revised to ensure the accurate capture and reporting of data to meet the requirements of the new indicator.
  - Water Safety – in terms of Legionella, the Council has management arrangements in place, which define responsible persons who are trained accordingly. Housing Services continue to develop operating arrangements for the control of Legionella in Council housing, but we anticipate further guidance from the Regulator around the specific measures that should be taken in this area. In addition, the Council’s Lead Pipe Water Programme involves testing the water supply in Council houses for lead content, and enacting replacement of supply pipes where required. This programme was established some years ago; however, we established more recently that open market acquisition properties had been missed. A mop-up programme was mobilised to address these, and there remains 50 properties where we have been unable to gain access. For each of these properties, tenants have been sent at least two access letters (followed up by actual visits), and Housing Officers have also sought to engage with their tenants, but without success. Following advice from our Legal colleagues, we continued to re-engage with tenants over the course of 2024/25 and 2025/26 to date, ahead of issuing formal 24-hour notice letters advising we intend to force entry to complete the sampling/tests. This risk is also included and monitored through the Housing Services risk register.
  - Lift Safety – the Council has an adequate safety compliance regime in place for lifts in Council housing stock, including communal areas of sheltered complexes.
  - Asbestos – the Council has robust asbestos management arrangements with associated operating procedures, and Housing Services have a comprehensive asbestos register specifically covering all of our housing stock.
- In respect of RAAC (Reinforced Autoclave Aerated Concrete) the Council implemented a clear plan to manage all risks, which has now concluded with no findings on those properties that fell within the criteria. Ongoing surveys continue as part of our asset plans.
- Confirmation was sought from the Council’s Health & Safety Adviser and Insurance Manager, and we were advised that they do not have a record of any HSE investigations relating to tenant or resident safety, nor have the Council had any notification from our insurers of any concerns.
- The SHR’s Engagement Plan for East Lothian Council from 01 April 2025 to 31 March 2026 can be accessed via the Council’s website.

## **2.2 Scottish Social Housing Charter Performance**

Key findings are:

- The Council submitted the 2024/25 Annual Return on the Charter (ARC) to the SHR on 28 May 2025. As part of our audit work, we selected a sample of five ARC indicators for review, which highlighted two errors in the figures that had been submitted. In one case, the SHR contacted the Council in June 2025 to query one of the reported indicators. Further investigation highlighted that an incorrect figure had been submitted, which had impacted on three of the reported indicators. Corrected figures were subsequently submitted to the SHR, and it is these corrected indicators which form part of the SHR published data. In the second case, an error was identified in the reported number of mutual exchanges and a correction is being made to the SHR. In view of the errors identified, the service area have confirmed that there will be greater management review of future returns prior to submission.
- The Council has involved tenants, and where relevant other service users, in the preparation and scrutiny of performance information through the East Lothian Tenants and Residents Panel (ELTRP), the umbrella organisation for tenants and residents in East Lothian. The deadline for landlords to report to their tenants and service users on their performance against the Scottish Social Housing Charter is 31 October 2025. A draft of the Landlord Report to Tenants 2024/25 is in place, providing information on the performance of the Council as a housing provider. The draft report will be updated to reflect Scottish average figures published by the SHR and homeless data, and the final report will be published prior to the 31 October 2025 deadline.
- A 2024-27 Tenant Participation Strategy is in place and was approved by Cabinet on 14 May 2024.

## **2.3 Tenants and Service Users Redress**

Key findings are:

- The Council provides tenants and other service users with the information they need to exercise their right to complain and seek redress and responds to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).
- Full details of the Council's Complaints Procedure are provided on the Council's website including the online Complaints, Compliments and Comments form; a link to the pages providing full details of the Council's Complaints Handling Procedure; advice on what to do if the person making the complaint remains dissatisfied with how the Council has handled their complaint; links to the SPSO and SHR; and details of the Council's complaints performance.

## **2.4 Whistleblowing**

Key findings are:

- The Council has a Whistleblowing Policy in place, which is available to employees in the Human Resources section of the Council's intranet. The Policy was last updated in 2022, and the updated version was approved by Cabinet on 27 September 2022.
- A dedicated whistleblowing hotline and whistleblowing email address are both in place.

## **2.5 Equality and Human Rights**

Key findings are:

- The Council has a detailed “East Lothian Equality Plan 2021-2025” in place, dated November 2021.
- All Council, Cabinet and Committee reports require an Integrated Impact Assessment to be carried out if the subject of the report affects the wellbeing of the community or has a significant impact on equality and human rights, the environment or economy.
- The SHR states that to comply with its duties in respect of equality and human rights “landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless.” The nine protected characteristics, as per the Equality Act 2010, are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. We note that the Council previously collected and held data for some, but not all, of the protected characteristics detailed in the legislation. Final guidance on “Collecting equality information: National guidance for Scottish social landlords” was produced in March 2022. A Project for Protected Characteristics was instigated, and significant progress has been made in this regard. The new Housing Application Form, which is available on the Council’s website, now collects data on all nine protected characteristics (with additional sections being added for the six protected characteristics for which data was not previously collected); the nine protected characteristics have been set up on Orchard; and training has been provided to Housing staff on how to complete the new characteristics with the updated applications. In addition, for existing tenants and applicants who were on the waiting list prior to the new Housing Application Form being introduced, Housing Officers are updating records with protected characteristics as they become aware of them. All homeless households are required to complete a housing application covering the nine protected characteristics, and in addition, some of these characteristics are recorded on the Council’s homelessness system.

### **3. Conclusions**

3.1 Subject to the exceptions detailed in paragraph 3.2 below, we can confirm that the Council complies with the regulatory requirements set out in Chapter 3 of the Regulatory Framework. This includes that the Council:

- achieves all of the standards and outcomes in the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services; and
- complies with all legal obligations relating to housing and homelessness, equality and human rights, and tenant and resident safety.

3.2 The areas of non-compliance that require to be highlighted in the Annual Assurance Statement are:

- The Council’s Lead Pipe Water Programme involves testing the water supply in Council houses for lead content, and enacting replacement of supply pipes where required. This programme was established some years ago; however, we established more recently that open market acquisition properties had been missed. A mop-up programme was mobilised to address these, and there remains 50 properties where we have been unable to gain access. For each of these properties, tenants have been sent at least two access letters (followed up by actual visits), and Housing Officers have also sought to engage with their tenants but without success. Following advice from Legal colleagues, we continued to re-engage with tenants over the course of 2024/25 and 2025/26 to date, ahead of issuing formal 24-hour notice letters advising we intend to force entry to complete the sampling/tests.
- The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020 came into effect on 01 October 2021. From this date onwards, the Council has been unable to meet its

statutory obligations in respect of suitable temporary accommodation provision and remains in breach of the Order. In addition, the Homeless Persons (Suspension of Referrals between Local Authorities) (Scotland) Order 2022 changed the rules on local connection in November 2022 meaning local authorities no longer had the power to refer an applicant to another local authority on the basis of their local connection status. It is in regard to both of these legislative changes that East Lothian Council continues to face challenges regarding the provision of suitable temporary accommodation. The SHR's Engagement Plan in place for East Lothian Council focuses on the provision of temporary accommodation to homeless households and compliance with the Unsuitable Accommodation Order. The Council continues to work hard to mitigate these breaches through new supply; high numbers of allocations to homeless households; revisions to the Council's Allocations Policy; and conversion of temporary accommodation to permanent housing etc. However, demand from predominately single homeless households (circa 95% of live breaches are from single homeless households) continues to outstrip supply and this pressure necessitates the need to source additional accommodation, which will often breach the Order. East Lothian Council currently has 66 rolling breaches of the Unsuitable Accommodation Order, with ongoing efforts and a strategic plan in place, to further reduce this figure going forward.



#### APPENDIX 4 – Evidence List

Annual Assurance Statement 2025– Sources of evidence examples for 2025

Subject/Issue	File path Name	Document	Contact
Annual Return of the Charter (ARC) and EESSH	ARC Return 2024_25 Copy in folder: <a href="#">Y:\CHPM\Community Housing\PMF\Annual Returns\ARC ARC Return 2024_25</a>	PDF	Performance Officer
Annual Landlord Report	Landlords Report to Tenants – 2024 Report Copy in folder: <a href="#">Y:\CHPM Shared\Scottish Social Housing Charter\Social Housing Charter\Landlords Report\2024 Report LLR Report 2024</a> (draft report 2024/25 currently being worked on, final version will be saved in folder once approved by Working Group)	PDF	Service Development Officer, (Tenant Participation)
Housing Statistics Annual Return to Scottish Government	Scottish Government Annual Return 2024/2025 Copy in folder: <a href="#">Y:\Community Housing\PMF\Annual Returns\Scottish Government Returns\202425 Scot Gov Return SG Annual Return 202425</a>	Excel	Performance Officer
Scotland's Housing Network Returns	Scotland's Housing Network (SHN) Annual Return 2024/2025 Copy in folder: <a href="#">Y:\CHPM\Community Housing\PMF\Annual Returns\SHN Scotland's Housing Network</a> Performance Officer advised that this is in the process of being prepared for submission to SHN <a href="#">202425 SHN Annual Return</a>		Performance Officer
Regular internal performance monitoring and reporting of KPIs to PPRC	Policy & Performance Review Committee  <a href="https://www.eastlothian.gov.uk/meetings/committee/99/policy_and_performance_review_committee">https://www.eastlothian.gov.uk/meetings/committee/99/policy_and_performance_review_committee</a>	Link to Performance Meeting documents	Performance Officer
Three yearly comprehensive tenant satisfaction survey	Tenants Satisfaction Survey (3 yearly) (next survey due to be carried out in Summer 2025, just at Contract Award stage and survey which will be a face-to-face survey of just over 1,730 tenants will commence in August 2025) Copy In Folder: <a href="#">Y:\CHPM Shared\Scottish Social Housing Charter\Comprehensive Satisfaction Survey 2022</a> <a href="#">Y:\CHPM Shared\Scottish Social Housing Charter\Comprehensive Satisfaction Survey 2022</a> <a href="#">Comprehensive Satisfaction Survey 2025</a>	PDF	Service Development Officer
Transactional Customer Surveys	Transactional New Tenant Satisfaction Survey Results 2024-25 Copy in folder: <a href="#">\\squirrel\chpm\Community Housing\PMF\New Tenant Satisfaction Survey Results</a> <a href="#">Y:\Community Housing\PMF\New Tenant Satisfaction Survey Results</a>	Excel	Performance Officer
	The Day-to-Day Repairs Satisfaction Survey Results 2024-25 Copy in folder: <a href="#">\\squirrel\chpm\CHPM Shared\Scottish Social Housing Charter\Social Housing Charter\satisfaction survey reviews\day to day survey results</a> <a href="#">Day to day survey results 2024-25</a> Capital Programme Satisfaction Survey Results 2024-25 Copy in folder: <a href="#">\\squirrel\chpm\CHPM Shared\Scottish Social Housing Charter\Social Housing Charter\satisfaction survey reviews\Capital programme survey results 2015 onward\2024-25</a> <a href="#">Capital Programme Survey Results 2024-25</a>	PDF	Service Development Officer, (Property Maintenance)
	Scotland's Housing Network (SHN) Annual Return 2024/2025 Copy in folder: <a href="#">Y:\CHPM\Community Housing\PMF\Annual Returns\SHN Scotland's Housing Network</a>	PDF & Excel	Performance Officer

	Performance Officer advised that this is in the process of being prepared for submission to SHN <a href="#">202425 SHN Annual Return</a>		
Complaints Monitoring and handling	Complaint Handling 2024/25 Copy In Folder: <a href="#">Y:\Community Housing\PMF\Performance Officer work\Complaint Handling</a> <a href="#">Y:\Community Housing\PMF\Performance Officer work\Complaint Handling</a>	Excel	Performance Officer
Regular reviews of housing policies and procedures in tandem with ELTRP, including integrated impact assessments	Housing Review Groups – Minutes and agenda Copy In Folder: <a href="#">Y:\Community Housing\Shared Admin\Minutes\HRA Project Group\HRA Consultation Group\Minutes\2025</a> <a href="#">HRA Consultation Group Minutes 2025</a> <a href="#">Y:\Community Housing\Shared Admin\Minutes\Social Housing Charter (SHC)\Minutes 2025</a> <a href="#">Social Housing Charter Minutes 2025</a>	Minutes and Agenda from meetings	Service Development Officer
Social Housing Charter & Performance Group	Social Housing Charter Working Group Copy In Folder: <a href="#">C:\Users\pined\OneDrive - East Lothian Council\TenantParticipation\Social Housing Charter\Papers for meetings\2025</a> <a href="#">Social Housing Charter Papers for meetings 2025</a>	Minute and agenda from meetings	Service Development Officer / Performance Officer
Financial monitoring and reporting	Great Plains and Management Reporter		Service Manager / Finance Business Partner
HRA Programme Board	HRA Programme Board Copy in Folder: <a href="#">\\squirrel\chpm\CHPM Shared\Scottish Social Housing Charter\Annual Assurance Statement\ASS Evidence 2025 Submission\Evidence for submission\HRA Programme Board</a> <a href="#">HRA Programme Board</a>		Wendy McGuire, (Chairperson of Board)
Adherence to Council Standing Orders	<a href="https://intranet.eastlothian.gov.uk/info/20288/committees_and_meetings">https://intranet.eastlothian.gov.uk/info/20288/committees_and_meetings</a>	Committee information and papers	Intranet
Care inspectorate reviews and reports	Inspection Reports  Copy In Folder: <a href="#">Y:\CHPM Shared\Scottish Social Housing Charter\Annual Assurance Statement\AAS Evidence 2025 Submission\Evidence for Submission\Care Inspection reports</a> <a href="#">Care Inspectorate Reports</a>  Sheltered housing inspection reports from 2016 – No inspection took place in 2020/21/22/23/24 No further Care Inspectorate reports to date. We are looking to de-register the CI registration in relation to homelessness and work is fairly well advanced in this regard, but we remain registered for the moment.	PDF Copies in Evidence 2023	Performance Officer
Internal and external audit reviews and reports	<a href="#">Publications   Audit Scotland (audit-scotland.gov.uk)</a>	Link to ELC Annual Audit Plan 2024/25	Accounts Commission
	<a href="https://www.eastlothian.gov.uk/meetings/committee/98/audit_and_governance_committee">https://www.eastlothian.gov.uk/meetings/committee/98/audit_and_governance_committee</a>  <a href="#">Audit and Governance committee papers for meetings</a>	Link to Committee papers on ELC website	D Stainbank / S Allan
Management of public protection matters through MAPPA process	Housing’s involvement and attendance at these meetings is noted. It is not appropriate to share the paperwork associated with these meetings given sensitive nature.		Nicky Sandford, Service Manager
Detailed mapping and procedures within all parts of the service	<a href="#">What is Nimbus?   Nimbus   East Lothian Intranet</a>	Link to Nimbus on ELC Intranet	Service Development Officers

Formalised committee reporting cycles and submission of relevant reports	<a href="https://www.eastlothian.gov.uk/downloads/download/12754/general_committee_information">https://www.eastlothian.gov.uk/downloads/download/12754/general_committee_information</a>	Link to ELC website	
Production of our Strategic Housing Investment Plan (SHIP)	SHIP / Members Library Report  Copy In Folder: <a href="#">Y:\CHPM Shared\Scottish Social Housing Charter\Annual Assurance Statement\AAS Evidence 2025 Submission\Evidence for Submission\SHIP SHIP</a>	Word Documents	Wendy McGuire, Head of Housing
Regular contractor review meetings	Project Monitoring Group meetings monitor current Development Support Contract Copy in Folder: <a href="#">Y:\CHPM Shared\Scottish Social Housing Charter\Annual Assurance Statement\AAS Evidence 2024 Submission\Evidence for Submission\Contract Monitoring Project Monitoring Group 2025</a>  Other Copy in Folder: <a href="#">Contract Monitoring\Extensions Contractor Monitoring of Extensions - Master New.xlsx</a>	Minutes and agendas  Excel spreadsheet	Steph Irvine, Service Development Team Manager
Compliance with procurement legislation and policies	<a href="https://intranet.eastlothian.gov.uk/info/20680/buying_goods">https://intranet.eastlothian.gov.uk/info/20680/buying_goods</a>	Intranet	Steph Irvine, Service Development Team Manager
Business Continuity Plans	<a href="https://intranet.eastlothian.gov.uk/info/20720/business_resilience/141/business_continuity">https://intranet.eastlothian.gov.uk/info/20720/business_resilience/141/business_continuity</a> not currently invoked.	Intranet	Service Manager
Corporate Development/Housing Risk Register	Copy In Folder: <a href="#">Development Risk Register v28.docx</a> The Corporate Risk Register also contains several risks owned by Housing Agendas, reports and minutes   East Lothian Council  The Housing Risk Register 2023/24, approved at A&G Committee 17 <sup>th</sup> September 2024 <a href="#">Housing Risk Register</a>	PDF Minutes and agendas	Scott Kennedy, Service Manager
Service Plans	Copy In Folder: <a href="#">Y:\CHPM Shared\Scottish Social Housing Charter\Annual Assurance Statement\AAS Evidence 2023 Submission\Evidence for Submission Draft Service Plan 24-25.docx</a>	Word Document	Service Manager
Data Protection / GDPR Reporting	Information and Governance Group, response to each FOI within timescales		
Tenant Participation Strategy	Tenant Participation Strategies Copy In Folder: <a href="#">\\squirrel\chpm\Community Housing\Community Housing Information\Tenant Participation Strategies Tenant Participation Strategy 2024_2027</a>	PDF	Service Development Officer, (Tenant Participation)
Quarterly & Annual Assurance checklists	Quarterly Returns and AAS Documents Copy In Folder: <a href="#">Y:\CHPM Shared\Scottish Social Housing Charter\Annual Assurance Statement\AAS Evidence 2024 Submission ASS Evidence 2025 Submission</a>	Word, PDF	Service Manager
Rapid Rehousing Transition Plan 2019/24	<a href="#">Rapid Rehousing Transition Plan with 2025 Update</a>  Plan saved in shared area along with draft RRTP Update Jan 2025 although budget figures have still to be inserted into the document	PDF	Nicky Sandford, Service Manager

Spheracloud Health & Safety	SI confirmed that all risk assessment are up-to-date and are reviewed annually. DP 30 <sup>th</sup> June 2025		Stephanie Irvine, SDT Team Manager
SHR Engagement Plan publicly available	<a href="https://www.eastlothian.gov.uk/info/210629/improving_our_housing/12116/housing_performance">https://www.eastlothian.gov.uk/info/210629/improving_our_housing/12116/housing_performance</a>	ELC website link	Performance Officer
Information on reporting Significant Performance Failures	<a href="#">Significant Performance Failures   Housing Performance   East Lothian Council</a>	ELC website link	Performance Officer
Data collection of protected characteristics	Equalities and Protected Characteristics Project ongoing – Evidence and Project plan in: Copy in folder: <b>Y:\CHPM Shared\Scottish Social Housing Charter\Annual Assurance Statement\AAS Evidence 2024 Submission\Evidence for Submission</b> <a href="#">ASS Evidence 2025 Submission</a>	Word Docs in folder	Stephanie Irvine, SDT Team Manager

Deborah Piner / V.1 / 30<sup>th</sup> June 2025

## **APPENDIX 3**

### **AAS 2025 - EVIDENCE LIST**

- Submission of the Annual Return of the Charter (ARC) and Energy Efficiency Standards for Social Housing (ESSH) reports each year to the Scottish Housing Regulator (SHR)
- Production of an Annual Landlord Report based on the ARC return in conjunction with the East Lothian Tenants and Residents Panel (ELTRP)
- Statutory returns to the Scottish Government
- Non-statutory benchmarking exercises with Scottish Housing Network
- Regular internal performance monitoring and reporting of key indicators to PPRC
- Regular transactional customer surveys and three yearly comprehensive tenant satisfaction survey
- Complaints monitoring and handling
- Regular reviews of housing policies and procedures in tandem with ELTRP, including integrated impact assessments where appropriate
- Social Housing Charter project group
- Financial monitoring and reporting
- HRA project board
- Adherence to Council Standing Orders
- Care Inspectorate reviews and reports
- Internal and external audit reviews and reports
- Management of public protection matters through the MAPPA process
- Detailed process mapping and procedures within all parts of the Service
- Formalised committee reporting cycles and submission of relevant reports
- Production of our Strategic Housing Investment Plan (SHIP)
- Regular contractor review meetings
- Compliance with procurement legislation and policies
- Business Continuity Plans
- Corporate Development Risk Register – that also contains several risks owned by Housing
- Housing Risk Register will go to September Audit & Governance Committee
- Service Plans
- Data Protection/GDPR reporting and monitoring framework in place
- Tenant Participation Strategy, including Tenant scrutiny framework
- Quarterly and Annual Assurance checklists
- Rapid Rehousing Transition Plan 2019-24
- Spheracloud Health and Safety incident reporting and risk assessments
- SHR Engagement Plan publicly available
- Information on reporting Significant Performance Failures to SHR publicly available
- Data collection of protected characteristics (partial)