

# Item 4.1 - Minutes

## Governance, Risk and Best Value Committee

10.00am, Tuesday, 28 August 2018

### Present

Councillors Mowat (Convener), Main (Vice-Convener), Bird, Jim Campbell, Doggart, Howie, Lang, Munro, Rae and Watt.

### 1. Minute

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#### Decision

To approve the minute of 31 July 2018 as a correct record.

### 2. Outstanding Actions

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Details were provided on the outstanding actions arising from decisions taken by the Committee.

#### Decision

- 1) To agree to close the following Actions:

**Action 1** – Committee Report Process

**Action 9** – Spot-checking on the Dissemination of Council Policies

**Action 10(2)** – Internal Audit Quarterly Update Report Q3 (1 October – 31 December 2017)

**Action 11** – Internal Audit Report – Building Standards March 2018

**Action 15** – Reports Presented to Council and Committees

**Action 17** – Internal Audit Update Report – 1 January to 31 July 2018

- 2) To agree to add the following action from the 31 July 2018 Committee:

“To ask the Chief Executive to submit a report to the Edinburgh Partnership on workforce planning.”

- 3) To ask the Chief Officer to provide an expected completion date for Action 3 – Home Care and Re-ablement Service Contact Time.

- 4) To otherwise note the outstanding actions.

(Reference – Outstanding Actions – 28 August 2018, submitted.)

### 3. Work Programme

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#### Decision

- 1) To agree that the expected date for Action 30 – “Other ALEOs to be confirmed” – would be added to the Work Programme by the next meeting.
- 2) To otherwise note the Work Programme.

(Reference – Governance, Risk and Best Value Committee Work Programme – 28 August 2018, submitted.)

### 4. Revenue Monitoring 2017/18 – Outturn Report

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The Finance and Resources Committee had referred a report which set out the provisional 2017/18 revenue outturn position for the Council based on the unaudited financial statements to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

#### Decision

- 1) To note the report by the Executive Director of Resources.
- 2) To request a briefing note on the work undertaken to ensure uptake of the Council Tax Reduction Scheme.
- 3) To note that spend, with full breakdown, in relation to the remaining £1.836m which had been set aside within the Council Priorities Fund would be reported to the appropriate committee(s).

(References – Finance and Resources Committee, 16 August 2018 (item 5); report by the Executive Director of Resources, submitted.)

### 5. Revenue Monitoring 2018/19 – Month Three Position

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The Finance and Resources Committee had referred a report, which set out the projected revenue budget position for the year based on analysis of period two data, to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

#### Decision

- 1) To note the report by the Executive Director of Resources.
- 2) To agree that the forthcoming Boroughmuir High School - Lessons Learnt report would include lessons learnt from the use and costs of energy.

(References – Finance and Resources Committee, 16 August 2018 (item 6); report by the Executive Director of Resources, submitted.)

## 6. Capital Monitoring 2017/18 – Outturn and Receipts

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The Finance and Resources Committee had referred a report which detailed the final outturn on the Council's Capital Programme for 2017/18, including details of capital receipts and slippage/acceleration on projects within the Capital Investment Programme, to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

### Decision

- 1) To note the report by the Executive Director of Resources.
- 2) To agree that officers would consider how best to lay out future versions of the report.

(References – Finance and Resources Committee, 16 August 2018 (item 7); report by the Executive Director of Resources, submitted.)

## 7. Capital Monitoring 2018/19 – Month Three Position

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The Finance and Resources Committee had referred a report which outlined the overall position of the Council's capital budget at the three-month position (based on month two data) and the projected outturn for the year to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

### Decision

To note the report by the Executive Director of Resources.

(References – Finance and Resources Committee, 16 August 2018 (item 8); report by the Executive Director of Resources, submitted.)

## 8. Treasury Management – Annual Report 2017/18

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The Finance and Resources Committee, and subsequently the City of Edinburgh Council, had considered a report on Treasury Management activity in 2017/18. The report was referred by the City of Edinburgh Council to the Governance, Risk and Best Value Committee for scrutiny.

### Decision

To note the report by the Executive Director of Resources.

(References – Act of Council No. 10, 23 August 2018; Finance and Resources Committee, 16 August 2018 (item 13); report by the Executive Director of Resources, submitted.)

## 9. External Audit Review of Internal Financial Controls 2017/18

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Details were provided of the 2017/18 external audit review of internal financial controls, which concluded that, whilst opportunities for further improvement existed and that there was a need, in some cases, to embed previous recommendations, the controls assessed were considered to be well-designed.

### Decision

- 1) To note the findings of the 2017/18 external review of the effectiveness of the Council's internal controls.
- 2) To note that a further update on progress in implementation of the improvement actions would be provided to the Committee in January 2019.

(Reference – report by the Executive Director of Resources, submitted.)

## 10. Corporate Leadership Team Risk Update

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An update was provided on the Council's top risks and the key controls in place to mitigate them as at 3 August 2018. These risks and the associated controls had previously been scrutinised and challenged by the Corporate Leadership Team and were presented for oversight and review.

### Decision

To note the Corporate Leadership Team Risk Update and the assurance provided by the risk management framework, controls and mitigations in operation.

(References – Governance, Risk and Best Value Committee, 8 May 2018 (item 8); report by the Executive Director of Resources, submitted.)

## 11. Internal Audit: Capacity to Deliver the 2018/19 Internal Audit Plan

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Details were provided of the capacity of Internal Audit (IA) to deliver the 2018/19 IA plan by 31 March 2019, as requested by Committee on 31 July 2018.

### Decision

- 1) To note that there was a current estimated shortfall in Internal Audit capacity of approximately 239 days (3 FTE) to deliver the full 2018/19 Internal Audit plan by 31 March 2019.
- 2) To note that the contingency included in the plan had been fully utilised.
- 3) To note that a further update on Internal Audit capacity to deliver the plan would be provided by December 2018.

(Reference – report by the Executive Director of Resources, submitted.)

## **12. Internal Audit: Proposed Process for Approving Changes to the Internal Audit Plan**

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The proposed process was set out for considering and approving (or rejecting) both routine and urgent change requests relating to the Internal Audit annual plan, which focused on the Council's most significant risks.

### **Decision**

- 1) To approve the proposed process for considering and approving (or rejecting) routine and urgent requests for changes to the annual Internal Audit plan.
- 2) To note that this process would be included as an appendix to the Internal Audit Charter approved by the Committee in March 2018.

(Reference – report by the Executive Director of Resources, submitted.)

## **13. Internal Audit: Review of General Data Protection Regulation (GDPR) Readiness Programme**

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The outcomes of the Internal Audit (IA) review of the Council's General Data Protection Regulations (GDPR) Readiness Programme were presented.

### **Decision**

- 1) To note the outcomes of the GDPR Readiness Programme internal audit review.
- 2) To note the Council wide potential GDPR risks associated with Information Governance Unit (IGU) resourcing levels.
- 3) To note that the Corporate Leadership Team would review the adequacy of IGU resource allocation as part of the change strategy and financial planning arrangements, scheduled for September 2018.

(Reference – report by the Executive Director of Resources, submitted.)

## **14. Internal Audit Opinion and Annual Report for the Year Ended 31 March 2018**

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The Corporate Policy and Strategy Committee had referred a decision back to Committee on Internal Audit's annual opinion for the City of Edinburgh Council for the year ended 31 March 2018.

### **Decision**

To note the decision of the Corporate Policy and Strategy Committee.

(References – Governance, Risk and Best Value Committee, 31 July 2018 (item 4); Corporate Policy and Strategy Committee, 7 August 2018 (item 20); referral from the Corporate Policy and Strategy Committee, submitted.)

## 15. Planning and Building Standards Improvement Plans

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The Planning Committee had referred a report on the progress made on the Planning and Building Standards Improvement Plans.

### Decision

- 1) To note the report by the Executive Director of Place.
- 2) To agree that future versions of the report would include overall numbers in addition to the percentages.

(Reference – referral from the Planning Committee, submitted.)

## 16. Improving the Implementation of Council Decision Making

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Following the report to Committee in October 2017 on the dissemination of Council policies, details were provided of the strategic approach to the implementation of Council decisions and the assurance process to ensure successful implementation.

### Decision

- 1) To agree the approach set out in the report by the Chief Executive.
- 2) To agree to a follow up report providing an update on the activity proposed in early 2019.

(Reference – Governance, Risk and Best Value Committee, 31 October 2018 (item 5); report by the Chief Executive, submitted.)

## 17. Committee Reporting

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On 31 May 2018 the Council agreed a motion by Councillor Daggart exploring the number of reports presented to Council and all committees within the current Council term. Details were provided to Committee along with measures to improve committee reporting, including the possible implementation of a committee management system.

### Decision

- 1) To note the report by the Chief Executive and the steps being taken to improve the overall committee reporting process.
- 2) To request a report by the end of 2019 to monitor the impact of the steps taken to improve the process.

(References – Act of Council No. 17, 31 May 2018; report by the Chief Executive, submitted.)

## 18. Accounts Commission – Council’s Use of Arms-Length Organisations

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Following Audit Scotland’s performance audit of Scottish councils’ use of arms-length external organisations (ALEOs) between summer 2017 and spring 2018, details were provided on the Council’s use of ALEOs, how they were overseen, what they were achieving and their future direction.

### Decision

- 1) To note the report by the Chief Executive.
- 2) To refer the report to the Corporate Policy & Strategy Committee for its consideration, in particular whether elected members should be on the boards of ALEOs.

(Reference – report by the Chief Executive, submitted.)

## 19. Whistleblowing Update

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An overview was provided of the operation of the Council's whistleblowing service for the period 1 April to 30 June 2018.

### Decision

- 1) To note the report by the Chief Executive.
- 2) To agree that future reports would include benchmarking comparisons to other large organisations.

(References – Finance and Resources Committee, 27 March 2018 (item 12); report by the Chief Executive, submitted.)

## 20. Implementation of Garden Waste Charge – Motion by Councillor Jim Campbell

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The following motion by Councillor Jim Campbell was submitted in terms of Standing Order 16:

“Committee requests within one cycle a report from the Chief Internal Auditor on the implementation of the Garden Waste Charge, to understand what worked well and where lessons can be learned.”

- Moved by Councillor Jim Campbell, seconded by Councillor Doggart.

### Decision

To approve the motion by Councillor Jim Campbell, as adjusted:

“Committee requests within one cycle a report from the Chief Internal Auditor to the Transport and Environment Committee on the implementation of the Garden Waste Charge, to understand what worked well and where lessons can be learned.”

## 21. Princes Street Gardens – Motion by Councillor Mowat

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The following motion by Councillor Mowat was submitted in terms of Standing Order 16:

“Committee

Recognises the concern expressed by many in Edinburgh regarding the hoardings that appeared around Princes Street Gardens to facilitate the Summer Sessions events which changed a public space into a private space during the busiest time of the year reducing amenity for residents and visitors to the City and in order to better understand how this happened requests a report in one cycle detailing:

- the process followed to let the contract to hold the event and how the event was approved
- the process followed to agree the use of the hoardings including advice taken and who made the final decision”

- Moved by Councillor Mowat, seconded by Councillor Doggart.

### Decision

To approve the motion by Councillor Mowat, as adjusted:

“Committee:

Recognises the concern expressed by many in Edinburgh regarding the hoardings that appeared around Princes Street Gardens to facilitate the Summer Sessions events which changed a public space into a private space during the busiest time of the year reducing amenity for residents and visitors to the City and in order to better understand how this happened requests that the forthcoming report on “Managing the Festival City” to the Culture and Communities Committee in November 2018 covers:

- The process followed to let the contract to hold the event and how the event was approved.
- The process followed to agree the use of the hoardings including advice taken and who made the final decision.”

## 22. Resolution to Consider in Private

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The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following item of business on the grounds that it involved the disclosure of exempt information as defined in paragraph 14 of Part 1 of Schedule 7(A) of the Act.

## 23. Whistleblowing: Monitoring Report

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Details were provided of the disclosures received and investigation outcome reports completed during the period 1 April to 30 June 2018.



**Decision**

To note the report by the Chief Executive.

(Reference – report by the Chief Executive, submitted.)