Minutes

Governance, Risk and Best Value Committee

10.00am, Tuesday, 3 December 2019

Present

Councillors Mowat (Convener), Bird, Jim Campbell, Cameron (substituting for Councillor Munro), Child, Doggart, Gloyer, Main, Munn, Staniforth and Work.

1.   Minute

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 29 October 2019 as a correct record.

2.   Outstanding Actions

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

Decision

1)   To agree to close the following Actions:

      Action 5 - Roads Services Improvement Plan

      Action 6 – Garden Waste Bin Collection Project: What Worked Well and Lessons Learned – referral from the Transport and Environment Committee

      Action 9 – Change Portfolio

      Action 14 (1) - Work Programme – Management of Sheltered Housing

2)   To otherwise note the outstanding actions

(Reference – Outstanding Actions 3 December 2019, submitted.)

3. Work Programme

Decision

To note the Work Programme.

(Reference – Governance, Risk and Best Value Committee Work Programme 3 December 2019, submitted.)

4. Business Bulletin

Decision

To note the Business Bulletin.

(Reference – Governance, Risk and Best Value Committee Business Bulletin 3 December 2019, submitted.)

5. Edinburgh International Conference Centre Annual Update - referral from the Housing, Homelessness and Fair Work Committee

The Housing, Homelessness and Fair Work Committee had referred an update report from Edinburgh International Conference Centre (EICC) on their performance in the financial year 2018/19 to the Governance, Risk and Best Value Committee for information.

Decision

1) To note that the EICC Chief Executive was unable to attend this meeting due to prior commitments.

2) To continue consideration of the report to the next meeting of the Committee on 14 January 2020.

(References – Housing, Homelessness and Fair Work Committee, 31 October 2019 (item 13); report by the Chief Executive, submitted)

6. Capital Theatres Company Performance Report 2018/19 – referral from the Culture and Communities Committee

The Culture and Communities Committee had referred the Capital Theatres annual performance report for 2018/19 as a requirement of the Services Funding Agreement process adopted in 2013/14 to the Governance, Risk and Best Value Committee for consideration as part of its workplan.

Decision

1) To note the report.

2) To record the Committee's thanks and appreciation to Duncan Hendry for his contribution and commitment to the overall positive success of Capital Theatres during his tenure as Chief Executive of the company and to wish him well for the future and his forthcoming retirement.

Declaration of Interests

Councillor Main declared a non-financial interest in the above item as a Board Member of Capital Theatres.

(References – Culture and Communities Committee, 12 November 2019 (item 12); report by the Chief Executive, submitted)

7. Internal Audit Update Report: 1 April to 31 October 2019

Details were provided of Internal Audit (IA) reviews completed as at 31 October 2019, progress with the 2018/19 IA plan and current IA priorities.

Decision

1) To note the outcomes of completed audits.

2) To note progress with the delivery of the 2019/20 Internal Audit plan and the carried forward 2018/19 audits.

3) To note key Internal Audit priorities and ongoing areas of focus.

(Reference – report by the Chief Internal Auditor, submitted.)

8. Internal Audit: Overdue Findings and Late Management Responses as at 22 October 2019

The current overdue findings arising from Internal Audit (IA) reports and late management responses to draft IA reports were considered.

A total of 101 open IA findings remained to be addressed across the Council as at 22 October 2019. This included the remaining 3 of the 26 historic Council findings and excluded open and overdue Internal Audit findings for the Edinburgh Integration Joint Board and the Lothian Pension Fund.

Decision

1) To note the status of the overdue Internal Audit findings as at 22 October 2019.

2) To note progress with delivery of the 2019/20 Internal Audit plan.

3) To note delays with finalising the final Transfer of the Management Development Funds Grant audit report for submission to the Scottish Government and agreeing the scope of the terms of reference the planned review of Unsupported Technology (Shadow IT).

4)   To agree that, where the status of outstanding actions had been marked as "implemented" and not validated as closed by Internal Audit, these would be highlighted in future reports.

5)   To request that Executive Directors and senior managers ensure as part of staff exit interviews from the Council, to note any remaining outstanding audit actions to ensure effective succession planning and continuity of Senior Responsible Officer responsibility.

6)   To note that validation audits would be built in to future internal audit plans as an additional measure to ensure that actions were continuing to be addressed.

(Reference – report by the Chief Internal Auditor, submitted.)

9.   Capacity to Deliver the 2019/20 Internal Audit Annual Plan

Details were provided of the estimated shortfall in Internal Audit's capacity to deliver the 2019/20 annual plan by 31 March 2020 as at 1 October 2019.

It was estimated that there was a shortfall of 239 audit days between the period 1 October 2019 to 31 March 2020 (which was the equivalent of approximately 2.7 FTE and/or delivery of 10 audits) that would impact Internal Audit's ability to fully deliver the 2019/20 plan by 31 March 2020.

Decision

1)   To note the estimated shortfall in Internal Audit's capacity to deliver the 2019/20 annual plan by 31 March 2020 as at 1 October 2019.

2)   To note the supporting rationale for the shortfall.

3)   To note that following review of the annual plan, it was Internal Audit's opinion that reduction in the content of the plan would impact their ability to provide sufficient assurance across the 2019/20 financial year, resulting in a qualified Internal Audit annual opinion for 2019/20.

4)   To note the solution agreed with the Executive Director of Resources to enable delivery of the plan by 31 March 2020.

(Reference – report by the Chief Internal Auditor, submitted.)

10.   The Role of the Head of Internal Audit and Leading Internal Audit in the Public Sector

Committee were presented with the outcomes of a comparison performed between the Chartered Institute of Public Finance and Accountancy (CIPFA) April 2019 Statement titled the Role of the Head of Internal Audit (HIA) in Public Service Organisations, and the good practice examples highlighted in their associated

publication titled Leading Internal Audit in the Public Sector: Putting Principles into Practice, with the Council's current Internal Audit arrangements.

Decision

1) To note that the Corporate Leadership Team had agreed that a Council wide accountability and assurance framework (which was one of the key recommendations included in the CIPFA statement) would be implemented by 31 March 2022.

2) To direct Internal Audit to report on the extent of the Council's alignment with CIPFA Statement recommendations in the annual Internal Audit opinion.

3) To direct Internal Audit to request consideration of alignment with CIPFA Statement recommendations in the Internal Audit external quality assessments performed every five years as required by the Public Sector Internal Audit Standards (PSIAS).

(Reference – report by the Chief Internal Auditor, submitted.)

11. Historic and Outstanding Internal Audits – Health and Social Care

Details were provided of affirmative actions that were underway to address historic and overdue internal audit risk findings affecting health and social care services in Edinburgh.

Decision

1) To note the recent Internal Audit related activities across the Edinburgh Health and Social Partnership.

2) To note the status update for all historic and overdue Council Internal Audit items (aged six months or more) for health and social care services.

3) To agree that an update be provided in the Business Bulletin for the next meeting of this Committee on new management actions on overdue internal audit items and whether they were on track to achieve their implementation dates.

4) To agree that an update be provided in the Business Bulletin for the next meeting of this Committee setting out when the information on the relationship between the Edinburgh Integration Joint Board (IJB) and the Council would be coming forward.

5) To circulate the briefing note on the relationships between the IJB, NHS Lothian and the Council previously prepared by the Democracy, Governance & Resilience Senior Manager to members; the briefing note to be expanded to include:

- clarification of the scrutiny process for projects instructed by the Integration Joint Board but delivered by the Council and its officers.
- confirmation of where the key controls sat in relation to the delivery of the health and social care services delegated from the Integration Joint Board.

(Reference – report by the Chief Officer, Edinburgh Health and Social Care Partnership Submitted.)

12.   Change Portfolio

An update was provided on delivery and risk of the Council Portfolio of change. Since the last update to Committee in June 2019, the Change Board had continued to meet monthly to monitor the overall shape and size of the portfolio, manage resource allocation, track project delivery and ensure that benefits were delivered.

Decision

To note the update.

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

13.   Corporate Leadership Team Risk Register

An update was provided on the Council's top risks and the key controls in place to mitigate them as at 6 November 2019. These risks and the associated controls had previously been scrutinised and challenged by the Corporate Leadership Team and were presented to Members for oversight and review.

Decision

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

2)   To agree the Convener would to write to the Convener of Policy and Sustainability Committee requesting information on what is set out in that Committee's work plan to fulfil its duties in terms of scrutiny of those services delegated to the Integration Joint Board including scrutiny of internal controls, performance, quality and compliance with the law.

(References – Governance, Risk and Best Value Committee, 13 August 2019 (item 8); report by the Chief Executive, submitted.)

14.   Annual Assurance Schedule - Place Directorate

The Place Directorate Annual Assurance Schedule was submitted for scrutiny. Details were also provided of progress in developing an action plan to respond to areas where controls required to be enhanced and/or where these needed to be revised.

Decision

1)   To note the Annual Assurance Schedule for the Place Directorate.

2)   To note that an action plan would be developed in response to areas where controls were required to be enhanced and/or revised.

3)   To request a report back setting out what operational governance was in place to ensure that projects were delivered.

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

15.   Edinburgh's Christmas - Motion by Councillor Mowat - Referral from the Policy and Sustainability Committee

The Policy and Sustainability Committee had referred a report responding to a motion by Councillor Mowat on Edinburgh's Christmas to the Governance, Risk and Best Value Committee for consideration.

Decision

1)   To note the decision by the Policy and Sustainability Committee instructing the Chief Executive to report to the February meeting of that Committee.

2)   To request that the following additional issues be addressed within the Chief Executive's report:

- What measures or procedures were in place to ensure officers were made aware of issues or projects that were politically sensitive and how consultation should be undertaken within the terms of the Scheme of Delegation
- Information on any issues associated with accommodating the layout of the Christmas market within the design scheme for the National Galleries.

(References – Policy and Sustainability Committee, 26 November 2019; report by the Chief Executive, submitted.)

16.   Whistleblowing Update

A high-level overview of the operation of the Council's whistleblowing service for the period 1 July to 30 September 2019 was provided.

Decision

To note the report.

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

17.   Whistleblowing Monitoring Report

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item

of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1, 12 and 15 of Part 1 of Schedule 7(A) of the Act.

A detailed overview of disclosures received and investigation outcome reports completed during the period 1 July to 30 September 2019 was provided.

Decision

To note the report.

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

18. Whistleblowing Investigation Report

The Council, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1, 12 and 15 of Part 1 of Schedule 7(A) of the Act.

Information was provided on issues raised relating to a care home in Edinburgh.

Decision

1) To note the report that the report had also been considered by the Edinburgh Integration Joint Board's Clinical Care and Governance Committee.

2) To request a Business Bulletin update to this Committee at the appropriate time on the protocols and safeguards in place to assist staff decision making on evacuation procedures.

(References – report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted)